

# Appendix 4E

Lodged with the ASX under Listing Rule 4.3A  
Results for Announcement to the Market

## Year Ended 30 June 2025

(Previous corresponding period – Year Ended 30 June 2024)

Revenue from ordinary activities	up	13%	to	\$13,390,593
Profit before tax from continuing operations attributable to members	up	125%	to	\$1,027,913
Profit after tax attributable to members (including discontinued operations)	up	114%	to	\$510,676

Dividends per share – Fully Paid Ordinary Shares	Amount per security	Franked amount per security
Interim dividend – FY25 (paid on 30 May 2025)	\$0.0025	\$0.0025
Final dividend – FY25 (Proposed)	\$0.0050	\$0.0050

A fully franked final dividend of 0.50 cents per share has been proposed by the Board with the announcement to follow.

### Explanation of Revenue to members

Revenues for the period increased to \$13.4 million (FY24: \$11.8 million) largely due to increase in the corporate advisory fees of \$2.5 million and advice fees of \$0.4 million, partially offset by a decrease in the funds management revenue of \$1.1 million.

The Group's Funds Under Management, Advice and Mandates (FUM&A) as at 30 June 2025 are \$1.7 billion (FY24: \$1.6 billion).

### Explanation of Net Profit to members

Profit from ordinary activities after tax attributable to members for continuing operations was \$0.51 million for the year (FY24: Loss of \$3.31 million).

The FY25 results have improved significantly on account of the following key items:

- Higher revenue of \$13.4 million (FY24: \$11.8 million)
- Lower normal operating expenses for continuing operations of \$10.9 million (FY24: \$12.2 million)
- Lower non-recurring expenses of \$0.5 million mainly pertaining to staff redundancy costs (FY24: Staff redundancy costs of \$0.6 million and other non-recurring expenses of \$0.9 million)
- Lower amortisation and impairment expenses of \$1.1 million (FY24: \$1.7 million)

The reported tax expense of \$0.5 million (tax credit of \$0.8 million in FY24) is higher than typical effective tax rates, primarily because non-cash amortisation and impairment expenses are not eligible for tax deductions.

Please refer to the Chairman's Report for further information regarding the Group's performance during the year.

### Audit Status

This report is based on the audited Consolidated Financial Statements of the Group.



# Annual Report 2025



## The role of financial markets is to connect capital with the smart ideas that create *prosperity*

Clever investors are adaptable, disciplined and networked. They know how to manage risk, think deeply, learn continuously, define goals and then achieve them.

They find opportunities, make judgement calls and create value, not just for themselves but for our society and its participants.

Investments don't just deliver a return, they create jobs, build industries, discover innovations and sustainably grow in value over time.

## Our role? Make this look *easy*

# **CLIME INVESTMENT MANAGEMENT LIMITED**

and Controlled Entities  
(ABN 37 067 185 899)

## **2025 Annual Report**

### **Clime Investment Management Limited**

Level 31, Suite 2, Angel Place, 123 Pitt St, Sydney NSW 2000 Australia |  
PO Box H90 Australia Square NSW 1215 |  
Telephone: 1300 788 568

[www.clime.com.au](http://www.clime.com.au)

**ANNUAL REPORT 2025**

<b>CONTENTS</b>	<b>PAGE</b>
Chairman's Report	1
Managing Director's Report	3
CFO Report	6
Report from the Board	8
Remuneration Report – Audited	15
Auditor's Independence Declaration	24
Consolidated Financial Statements	25
Consolidated Entity Disclosure Statement	71
Directors' Declaration	72
Independent Auditor's Report to the Members	73
Shareholder Information	78
Corporate Directory	80

# Chairman's Report

**John Abernethy**

Dear Fellow Shareholders,

To my fellow long-term owners of Clime Investment Management Limited ("CIW") I thank you for your continued support. To our more recent owners I welcome you to the register.

To all shareholders I am pleased to update you on the Group's significant progress over FY25.

## The financial year 2025

As in previous years, CIW's FY25 \$511k net profit needs explanation.

To begin, I can report that my key measure of reported profit – pre-tax and amortisation - was a significant \$5,020k improvement on FY24.

Importantly for owners, in FY25 CIW returned to both profit and paying dividends.

In summary the key lines for reported profits were:

- \$2,396k – Pre-tax, amortisation, impairment and abnormals
- \$2,145k – Pre-tax, amortisation and impairment
- \$1,028k – Pre-tax

To follow the adjustments to reported profit I note that:

- a. The \$271k abnormal net charge included \$479k of redundancy costs as the Company restructured its executive roles following the divestment of Madison Financial ("Madison") in FY24. IT transitioning costs and legal expenses (\$460k) were offset by a revaluation (positive \$688k) of our Infocus Wealth (Infocus) convertible notes as Infocus raised capital at a premium to our issued notes cost.
- b. Non-cash amortisation charges of \$725k were expensed plus non-cash impairment charges of \$391k were accounted in the \$1,028k pre-tax reported profit.

As noted above, CIW was required by accounting standards to expense \$725k in non-cash amortisation charges. The amortisation of acquired assets, that continue to generate substantial revenue, acts to understate our reported profits and the transfers to retained profits. Notably, these charges do not reduce either tax liability or expense.

However, the return to profitability, after the significant adjustments noted above, is a credit to our Managing Director Michael Baragwanath and indeed all the employees of CIW.

Importantly, the year finished strongly and with many initiatives underway or in the pipeline. Thus, the outlook for CIW is clearly better now than at any point since the Covid crisis.

## Our business and revenue streams have expanded

It is worth shareholders recalling that it was a review of CIW, that was primarily conducted by our Managing Director (Michael Baragwanath), when he was an external consultant to CIW, that led to the decision to divest Madison.

Indeed, from that review it was clear that this divestment, would de-risk and de-complicate the CIW business, allowing it to refocus immediately on the funds management and direct wealth advice businesses, to allow them to reach their true potential.

During FY25, and as reported to you in our quarterly updates, CIW has expanded its management capability, product and service offerings, into credit management and corporate advisory. The results of these initiatives lifted revenue profit strongly in the second half of FY25. Further, a strengthened funds management team generated portfolio alpha for our clients across equity and income solutions.

It is also worth noting, as outlined above, that the sale of Madison to Infocus was funded by the issuance by Infocus of a \$2 million convertible note to CIW. The term of this note for 3 years and the yield is 8%. It has been heartening to observe the profitable merger of Madison into Infocus and the resultant lift in value of our Infocus investment. Given this lift in valuation, it is likely that we will convert our notes to equity at some point.

Further, Infocus continues to licence Clime Private Wealth through a dealer-to-dealer arrangement. Throughout FY25, a reinvigorated and refocused Private Wealth offer resulted in a better resourced service to both advised and direct product clients. Also, we are pleased to advise that MTIS continues to perform well and is merged into Clime Private Wealth. Thus, with 7 advisers, 3 product solution managers and 6 support staff, we are positioned to drive further growth in our Private Wealth business. We are now attracting both new advisers and medium sized business owners to join the Clime Group.

Another key development in FY25, that has occurred in early FY26, is the establishment of attractive and well positioned CBD offices in both Sydney and Melbourne. We have done so without adding greatly to our costs.

### **FY26 outlook**

The Managing Director's Report outlines a range of initiatives that have and will be undertaken by CIW in FY26. Suffice to say that CIW is evolving rapidly as it draws upon both its core funds management heritage and its unique recognised branding. The target market for both Clime product solutions and advice is huge. Our challenge is to meet the opportunity and leverage our market position.

Our size, at about \$1.7 billion under advice, management and direction, plus our listed public structure, creates an advantage for us whilst many competitors will struggle for recognition. Clever and direct online media communication has attracted a following which far exceeds our pre-Covid levels. The success we have seen over FY25 strengthens our confidence to pursue direct marketing opportunities with vigour.

Our strategy is to continue expanding our funds offering to advised, direct and third-party clients, by broadening the asset classes we cover and introducing bundled multi-asset investment solutions.

As we grow, we aim to lift our operating margin towards 20% (return on revenue) in FY26, putting us on track to achieve our target of around a 30% return in FY27. CIW operates as a high fixed-cost business, but growth in advice, funds management and corporate structuring fees, are expected to lead to revenue growth that will outpace expenses.

In concluding I want to express a special thanks to our staff, who have handled the restructuring and resetting of CIW's business with both enthusiasm and professionalism.

Under Michael's direction and leadership, the whole CIW team has lifted to a higher operating level. In particular, the Board acknowledges the highly commendable decision by Michael to allocate the majority of his specific performance bonus across the team. Also commendable, was Michael's decision to exercise a tranche of the options approved by shareholders at the FY24 AGM. He has, thus, become a major shareholder of CIW with "skin in the game".

Also, a sincere thank you to my fellow directors. In FY25, we welcomed Henry Davis and Anthony Kynaston to the Board. In June 2025, Will Riggall informed the Company that he would resign as both a Director and senior executive of CIW. I sincerely thank him for his service and support over the last three years.

The Board, the Executive and the CIW team look forward to providing further updates to shareholders in our September quarter update and at the AGM in November 2025.

Kind regards



John Abernethy  
Chairman

# Managing Director's Report

*Michael Baragwanath*

Dear Shareholders,

## A Year of Resilience and Renewal

FY25 has been a year of significant renewal for Clime. In FY24, the Company recorded a loss of \$2,875,142 including discontinued operations but before amortisation, impairment and tax. This year, we achieved an operating profit of \$2,144,852 before amortisation, impairment and tax, representing a \$5,019,994 turnaround. After amortisation and the write-off of legacy costs, profit before tax was \$1,027,913, with net profit after tax being \$510,676.

## Rebuilding for the Long Term

The past twelve months have been about rebuilding. The sale of Madison Financial Group was only the beginning; turning the business around still requires ongoing effort. This was accompanied by a broad restructure, delivering over \$2 million in annual savings, largely from executive costs, third-party service reductions, and IT renegotiations.

These savings were not banked but reinvested into new advisers, operations staff, and investment specialists. We recruited experienced leaders in funds management, operations and advice support, while ensuring existing staff were supported and placed in roles aligned with their strengths.

Rebuilding Clime has also been about culture. We reset adviser incentives to create a path toward client ownership, introduced employee share vesting programs, and I personally reallocated 80% of my short-term incentive to frontline staff. These steps are embedding a culture of service, ownership, and accountability across the business.

## Innovation in Products and Capability

FY25 also marked a year of innovation. We are not interested in replicating what others do; we are focused on building products that are distinctive, useful, and difficult to copy.

- **Strategic Debt Fund** – Combines unlisted credit with 10–40% of quality listed corporate debt, leveraging more than 13 years of trading experience with our newly recruited private credit team. The fund is deliberately designed to address a weakness of mortgage funds: the tension between cash drag and full deployment into risky assets. Our approach balances liquidity, performance, and risk control, giving wholesale clients access to higher-return credit opportunities without the instability common in the sector.
- **Clime Capital (CAM) Notes** – Previously a drag on performance and a source of volatility, CAM notes have been reset by offsetting them with higher-yielding credit, producing a consistent net interest margin. Investors now have access to a listed, tradable 6.5% coupon backed by \$2.40 of assets for every \$1 of note held. This hybrid model uses the “permanent capital” nature of Listed Investment Companies to deliver a sustainable dividend stream and positions CAM ahead of traditional LICs, equity-only portfolios, or ETFs.
- **Australian Income Fund** – Reset early in FY25, with management fees lowered to 0.88% and the portfolio refreshed. By 30 June 2025, performance had increased by more than 70% and FUM more than doubled.
- **Vertium Equity Income Fund** – Acquired and integrated this year, embedding Jason Teh’s proven dividend-focused approach into our equity strategies.
- **International Fund** – Refreshed in partnership with Acrucence and Tidal in the US, supported by internal recruitment, giving us access to networks managing over US\$40 billion in ETF assets.

Together, these strategies demonstrate the breadth of a true multi-asset manager. They also illustrate why scale matters. In a market where many managers remain too small and advice businesses are inefficient, Clime can deliver solutions that siloed operators cannot — and we’re just getting started.



## Technology and Transparency

We have continued to invest in systems that give us an edge in both compliance and client service:

- **EchoNotes** – AI-assisted transcription, human-checked and client-verified file notes, saving time and improving compliance. To support local innovation, we acquired a 28% stake in BizGPT, the Australian company behind this solution.
- **Clever.Clime.com.au** – Available in beta now, this platform allows self-directed investors to build and monitor portfolios, access research, investigate companies in natural language and, soon, subscribe to portfolios using Clime's value-based methodology. It rethinks how investors interact with data, blending traditional market tools with next-generation language models.
- **Product Transparency Framework** – In response to recent product failures across the sector, we have commissioned a new document management system that allows advisers, product teams, and clients to interact with transaction records and data while protecting intellectual property and counterparty confidentiality. This framework will be rolled out in the coming year.

## Reconnecting with Existing Clients

We also set out to rebuild our voice. Our expanded communications program has reached hundreds of thousands of Australians:

- **YouTube:** 107,116 views, +1,000 new subscribers (from zero), more than 4,600 hours of watch time.
- **TikTok:** 394,000 views, with strong engagement on intergenerational economics and housing affordability.
- **Instagram:** 231,000 reach, 5,278 interactions, +17% monthly follower growth.

More important than metrics, clients are telling us they feel “reconnected with Clime.” That reconnection — with our purpose, people, and investment philosophy — is vital. We are more than a fund manager; we are a partner clients can trust through every stage of wealth creation.

## Engaging with the Next Generation

Starting out has never been easy, but today young Australians face unique challenges: families are forming later, children are staying at home longer, and despite higher incomes, many struggle to achieve independence and opportunity. Yes, they enjoy technology and travel that older generations once aspired to, but the fundamentals of society — family, home, connection — are being pulled away. This is not just their problem; it is everyone's.

The deeper challenge lies with our financial system. The true purpose of financial services is to connect capital with opportunities that create prosperity. Too often, that purpose has been lost. We now see duplication, complexity, and churn, while long-term investment in industries and innovation is left wanting. This failure impacts not just markets, but the ability of people to build families, homes, and livelihoods.

Our focus is on building products that both deliver attractive returns and support enterprises capable of sustaining themselves, generating cash flows, and creating long-term prosperity. We are also lowering barriers to access with Clever.Clime.com.au and designing direct products that are simpler, lower cost, and more relevant to those not well served by traditional funds or advice. Our role is to invest for our clients, but also to help reset expectations of what financial services should be. We will not shy away from hard conversations — including public, sharply worded submissions to government enquiries. The sector must once again focus on its core purpose: connecting capital with opportunity, and in doing so, restoring prosperity for the generations ahead.

## Looking Ahead

The opportunity in the Australian market is clear. With \$1 trillion in SMSF assets and growing, a highly concentrated superannuation sector under pressure, widespread dissatisfaction with major players, and recent product failures exposing systemic weaknesses, the landscape is shifting.

Clime is exceptionally well positioned. We will continue to refine our products, expand distribution, and pursue partnerships and acquisitions where they enhance our scale and capability.

We remain cautious in our outlook: while our profit trajectory is improving, more work is needed to align products, embed new teams, and grow distribution. But the direction is right. The foundation is set.

### Closing: A Personal Note

To our staff — your resilience and dedication this year has been extraordinary. The transformation of Clime has been a team effort, and your willingness to embrace change while staying focused on clients has made this result possible.

To our shareholders — your confidence and engagement with us has been critical. Many of you we speak with directly, and your feedback, support, and belief in Clime has guided us through the turnaround. We do not take this for granted.

We have more work to do, but I am proud of the progress we have made and confident in the opportunity ahead. It is a privilege to lead Clime into its next chapter.

Kind regards,

A handwritten signature in black ink, appearing to read 'M Baragwanath', written in a cursive style.

Michael Baragwanath  
Managing Director

## Review of Financial Results

Below is a summary of the Group's profit and loss on a sector basis to enable shareholders to distinguish the various operational components of the business.

	30 June 2025 \$	30 June 2024 \$
Funds management and related activities revenue	7,162,371	8,188,715
Private wealth and corporate advisory services	5,749,360	2,901,634
Investment software	12,817	58,337
Performance fees generated	7,822	140,570
Income from direct investments, net	458,223	558,864
<b>Gross income</b>	<b>13,390,593</b>	<b>11,848,120</b>
Net realised and unrealised gains/(losses) on financial assets at fair value through profit or loss	500,811	(92,952)
Share of net profit of associate	94,956	-
<b>Total operating income</b>	<b>13,986,360</b>	<b>11,755,168</b>
Staff costs before redundancy costs	(6,604,783)	(7,419,272)
Funds administration, custody and investment management expenses	(888,382)	(1,268,548)
Sales and marketing expenses	(161,321)	(300,467)
Occupancy costs (excluding depreciation on right-of-use assets)	(354,942)	(264,799)
Other administrative expenses	(2,856,630)	(2,911,569)
<b>Total operating expenses</b>	<b>(10,866,058)</b>	<b>(12,164,655)</b>
<b>Operating profit/(loss) from continuing operations</b>	<b>3,120,302</b>	<b>(409,487)</b>
Staff redundancy costs	(479,565)	(635,354)
Other non-recurring expenses, net	-	(861,730)
<b>Total net non-recurring expenses</b>	<b>(479,565)</b>	<b>(1,497,084)</b>
<b>Profit/(Loss) before depreciation and amortisation from continuing operations</b>	<b>2,640,737</b>	<b>(1,906,571)</b>
Depreciation of property, plant and equipment	(54,018)	(53,205)
Loss on disposal of property, plant and equipment	(12,421)	-
Depreciation of right-of-use assets	(429,446)	(429,444)
Amortisation of intangibles	(725,636)	(874,869)
Impairment of goodwill and intangibles	(391,303)	(849,484)
<b>Total depreciation and amortisation</b>	<b>(1,612,824)</b>	<b>(2,207,002)</b>
<b>Profit/(Loss) from continuing operations before income tax</b>	<b>1,027,913</b>	<b>(4,113,573)</b>
Income tax (expense)/benefit attributable to loss from continuing operations	(517,237)	800,986
<b>Profit/(Loss) for the year from continuing operations</b>	<b>510,676</b>	<b>(3,312,587)</b>
Loss after tax for the year from discontinued operations	-	(459,006)
<b>Profit/(Loss) for the year</b>	<b>510,676</b>	<b>(3,771,593)</b>

## Summary of Total Equity

The total equity at balance date comprised the following:

	30 June 2025 \$	30 June 2024 \$
Cash and cash equivalents	816,107	3,392,763
Financial assets at fair value through profit & loss	2,688,400	2,073,937
Other financial asset at amortised cost	288,796	288,796
Trade and other receivables less payables	2,372,972	(1,414,153)
Listed investment – Clime Capital Limited	1,366,466	1,662,916
Investment in associates	285,956	-
Other tangible assets less liabilities	(1,573,288)	(2,333,283)
<b>Net tangible assets</b>	<b>6,245,409</b>	<b>3,670,976</b>
Intangible assets, right-of-use assets and contract costs	14,025,797	15,598,976
Deferred tax assets - net	1,069,210	1,586,447
<b>Total equity</b>	<b>21,340,416</b>	<b>20,856,399</b>
No. of ordinary shares on issue (excluding shares issued under EIS)	<b>75,708,491</b>	<b>75,660,265</b>
Equity per share	<b>28.2 cents</b>	<b>27.6 cents</b>
Net tangible assets per share	<b>8.2 cents</b>	<b>4.9 cents</b>

Our Chairman has provided a comprehensive analysis of our financial statements and I echo his sentiment in relation to our results.



Tushar Kale  
Chief Financial Officer

## Report from the Board

The Directors of Clime Investment Management Limited present the financial report of the Company for the financial year ended 30 June 2025.

To comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

### Directors

The names and particulars of the Directors of the Company during or since the end of the financial year are:

**Mr. John Abernethy**

*Non-Executive Chairman, Non-Independent (Appointed 17 November 1994)*

**Experience and expertise**

Mr. Abernethy has over 40 years' funds management experience in Australia and was previously General Manager Investments of the NRMA. Mr. Abernethy holds a Bachelor of Commerce (Economics)/LLB from the University of New South Wales.

**Directorships of other listed companies**

Clime Capital Limited (appointed 31 July 2009)

WAM Research Limited (appointed May 2002)

**Former Listed Directorships in last 3 years**

None

**Special responsibilities**

Member of Board Audit, Risk & Compliance Committee

Member of Remuneration and Nomination Committee

**Interests in shares and options**

6,177,225 ordinary shares

---

**Mr. Henry Davis**

*Independent (Appointed 16 October 2024)*

**Experience and expertise**

Mr. Davis is a highly experienced tax lawyer and capital city Councillor, bringing expertise in corporate tax strategy and compliance with over 20 years of experience. Mr. Davis holds a Bachelor of Law (Economics) and Bachelor of Arts (Philosophy) from the University of Adelaide.

**Directorships of other listed companies**

None

**Former Listed Directorships in last 3 years**

None

**Special responsibilities**

Member of Board Audit, Risk & Compliance Committee

Chair of Remuneration and Nomination Committee

**Interests in shares and options**

13,250 ordinary shares

**Mr. Anthony Kynaston***Independent (Appointed 14 April 2025)***Experience and expertise**

Mr. Kynaston has extensive experience in stock analysis, data analytics and business leadership with a distinguished career spanning senior leadership roles over 20 years. Following his corporate career, Mr. Kynaston developed the QAV (Quality at Value) investing methodology using his expertise in stock market investment and financial management.

Mr. Kynaston holds a Bachelor of Science from The University of Queensland.

**Directorships of other listed companies**

None

**Former Listed Directorships in last 3 years**

None

**Special responsibilities**

Chair of Board Audit, Risk & Compliance Committee  
Member of Remuneration and Nomination Committee

**Interests in shares and options**

150,000 ordinary shares

**Mr. Michael Baragwanath***Managing Director, Non-Independent (Appointed 1 July 2024)***Experience and expertise**

Mr. Baragwanath was appointed as Director on 1 July 2024 and as Managing Director effective 17 July 2024.

Mr. Baragwanath is a senior executive and consultant with over 18 years financial services experience, including divisional head, various product and distribution roles, managing large scale projects, and serving as a responsible manager for several financial services licensees.

Mr. Baragwanath holds a Master of Business Administration (Marketing) from the University of South Australia.

**Directorships of other listed companies**

None

**Former Listed Directorships in last 3 years**

None

**Special responsibilities**

None

**Interests in shares and options**

64,000 ordinary shares  
1,428,571 ordinary shares (restricted)

**Mr. William Riggall***Non-Independent Director (Appointed 16 October 2024; Resigned 6 June 2025)***Experience and expertise**

Mr. Riggall is the Chief Investment Officer for the Clime Group and has extensive experience over 20 years in portfolio management and funds management.

Mr. Riggall holds a Bachelor of Commerce (Economics & Finance) from Monash University and is a Chartered Financial Analyst.

**Directorships of other listed companies**

None

**Former Listed Directorships in last 3 years**

None

**Special responsibilities**

None

**Interests in shares and options**

185,185 ordinary shares

---

**Ms. Susan Wynne**

*Independent Director (Appointed 27 September 2021; Resigned 16 October 2024)*

**Experience and expertise**

Ms. Wynne has more than 30 years corporate and government experience, working across multi disciplined and complex areas and industries with a key focus on strategy, stakeholder management, governance, corporate affairs and public relations. She is currently CEO of Litigation Lending Services and has served as a Councillor on Woollahra Council since 2008 including as Mayor for 5 years and Deputy Mayor for 3 years.

Ms. Wynne is a graduate of Australian Institute of Company Directors, an Affiliate of the Governance Institute of Australia.

**Directorships of other listed companies**

None

**Former Listed Directorships in last 3 years**

MoneyMe Limited (appointed 11 October 2019 and resigned 29 November 2023)

**Special responsibilities**

Chair of Remuneration and Nomination Committee

Member of Board Audit, Risk & Compliance Committee

**Interests in shares and options**

None

---

**Ms. Claire Bibby**

*Independent Director (Appointed 18 October 2021; Resigned 16 October 2024)*

**Experience and expertise**

Ms. Bibby is a highly experienced lawyer with over 30 years' experience as a lawyer, Executive and Non-Executive Director with ASX, multinational, private and NFP organisations and executive coach.

**Directorships of other listed companies**

Comms Group Limited (appointed 2 October 2019).

**Former Listed Directorships in last 3 years**

Magnis Energy Technologies Limited (appointed 28 January 2022 and resigned 11 March 2024).

**Special responsibilities**

Chair of Board Audit, Risk & Compliance Committee

Member of Remuneration and Nomination Committee

**Interests in shares and options**

None

---

**Mr. Andrew Coleman***Independent Director (Appointed 19 January 2024; Resigned 16 October 2024)***Experience and expertise**

Mr. Coleman is the Co-Founder, Managing Director and Chief Executive Officer of Teaminvest Private Group Limited and is responsible for sourcing, structuring and overseeing investments and general management. Mr. Coleman previously worked as an investment banker for Credit Suisse in Sydney. Mr. Coleman advised and assisted clients on significant corporate deals in Australia and internationally with a specific focus on mergers and acquisitions and capital raising activity.

Mr. Coleman holds a Bachelor of Economics (Honours) from the University of Sydney.

**Directorships of other listed companies**

Teaminvest Private Group Limited (appointed on 26 September 2018)

**Former Listed Directorships in last 3 years**

None

**Special responsibilities**

Member of Remuneration and Nomination Committee

**Interests in shares and options**

4,500,000 ordinary shares  
(held by Teaminvest Private Group Limited)

**Mr. Tushar Kale***Joint Company Secretary (Appointed 1 May 2024)***Experience and expertise**

Mr. Kale was appointed as the CFO of Clime Investment Management Limited in September 2023 and is therefore both experienced and familiar with the affairs of Clime Investment Management Limited.

Mr. Kale has over 20 years financial services experience and holds a Bachelor of Economics (Accounting), a Graduate Diploma of Applied Finance and Investments, and is a CPA.

Mr. Kale was the sole Company Secretary from 16 August 2024 to 16 October 2024.

**Ms. Angela Wang***Joint Company Secretary (Appointed 16 October 2024)***Experience and expertise**

Ms. Wang is a senior associate lawyer with specialisation in international business and commercial law. Ms. Wang was appointed to the position of Joint Company Secretary on 16 October 2024.

Ms. Wang has over 20 years legal experience and holds a Bachelor of Law and Bachelor of Commerce (Accounting), from the University of Adelaide.



## Directors' meetings

DIRECTORS	BOARD OF DIRECTORS		AUDIT AND RISK COMMITTEE		REMUNERATION COMMITTEE	
	Held	Attended	Held	Attended	Held	Attended
Mr. John Abernethy	7	7	2	2	1	1
Mr. Henry Davis	5	5	1	1	-	-
Mr. Anthony Kynaston	2	2	-	-	-	-
Mr. Michael Baragwanath	7	7	2	2	1	1
Mr. William Riggall	4	4	1	1	-	-
Ms. Susan Wynne	1	1	1	1	1	1
Ms. Claire Bibby	1	1	1	1	1	-
Mr. Andrew Coleman	1	1	1	1	1	1

## Rotation and election of Directors

Mr. Michael Baragwanath, Mr. Henry Davis and Mr. William Riggall were appointed as Directors at the last Annual General Meeting held on 22 November 2024. Mr. Anthony Kynaston was appointed since the last Annual General Meeting and being eligible, offers himself for election at the next Annual General Meeting in accordance with the Company's Constitution.

## Principal activities

During the year, the Group's principal activity was the provision of integrated wealth solutions to clients by operating under Australian Securities and Investments Commission (ASIC) granted Australian Financial Services Licenses (AFSLs).

During the year the principal continuing activities of the Group consisted of:

- Operating an Individually Managed Accounts Service for wholesale clients, and Separately Managed Accounts, through subsidiaries Clime Asset Management Pty Limited, Ralton AM Pty Limited and ProActive Portfolios Pty Ltd.
- Providing tailored private wealth advisory services for retail, wholesale and sophisticated investors through wholly owned subsidiaries Clime Private Wealth Pty Limited, MTIS Wealth Management Pty Limited and Investment Strategists Accounting Services Pty Limited.
- Acting as investment manager for listed company Clime Capital Limited (ASX: CAM) through wholly owned subsidiary Clime Asset Management Pty Limited.
- Acting as investment manager for the managed funds Clime Australian Income Fund, Clime Smaller Companies Fund, Clime International Fund, Clime Fixed Interest Fund, Clime All Cap Australian Equities Fund (Wholesale) and Clime Australian Equity Long Short Fund through wholly owned subsidiaries Clime Asset Management Pty Limited and CBG Asset Management Limited (AFSL License terminated on 13 May 2024). For the Clime All Cap Australian Equities Fund (Wholesale), the investment manager was changed from CBG Asset Management Limited to Clime Asset Management Pty Limited with effect from 5 April 2024.
- Operating under the AFSL held by Clime Asset Management Pty Limited for fund, investment and portfolio management services and operating under the AFSL held by Clime Advice Pty Ltd for advisory services provided to retail and wholesale clients.
- Providing licensee services to Financial Advisers licensed through Madison Financial Group Pty Limited. Madison Financial Group Pty Limited has been divested on 28 June 2024.
- Dealing in various financial products to retail and wholesale investors through WealthPortal Pty Ltd. WealthPortal Pty Ltd has been divested on 28 June 2024.
- Providing an online equity research and valuation tool for Australian investors to research and value Australian listed companies and investment markets through wholly owned subsidiary Stocks in Value Pty Limited (trading as Clime Direct).

## Significant changes in state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

## Review of operations

In accordance with the relief provided by *ASIC Corporations (Directors' Report Relief) Instrument 2016/188* issued by ASIC, the Company is not required to reproduce information required in the Directors' Report if it has been included elsewhere in the Annual Report. As such, for a detailed review of the operations of the Company, please refer to Chairman's and Managing Director's report from the beginning of page 1.

## Operating result

The consolidated result after providing for tax amounted to a profit of \$510,676 (2024: loss of \$3,771,593).

## Dividends paid or recommended

Dividends paid or recommended during the financial year are as follows:

	2025	2024
	\$	\$
0.25 cents per share franked to 100% at 25% corporate income tax rate, interim dividend paid on 30 May 2025 in respect of the current financial year (2024: Nil)	<b>189,272</b>	-
<b>Total dividends paid</b>	<b>189,272</b>	-

A fully franked final dividend of 0.50 cents per share has been proposed by the Board with the announcement to follow.

## Events subsequent to reporting date

On 30 June 2025, the Managing Director communicated his intention to exercise the outstanding Tranche 1 options and shares were issued against these options on 14 July 2025.

In July 2025, the Company entered into new lease contracts for the Sydney office and the Melbourne office for a term of five years respectively. The registered address of the Company has been updated to the new Sydney office at Level 31, Suite 2, Angel Place, 123 Pitt Street, Sydney, NSW, 2000 with effect from 1 August 2025.

A fully franked final dividend of 0.50 cents per share has been proposed by the Board with the announcement to follow.

No other matters or circumstances have arisen since the end of the reporting period which significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in the future financial periods.

## Future developments

The Group will continue to pursue activities of:

- Primarily investing in equities listed on the Australian and international securities exchanges;
- Providing managed account solutions; and
- Providing advice to wholesale and retail clients.

The Group's future performance is dependent on the performance of the Group's investments. In turn, the performance of these investments is impacted by company-specific and prevailing industry conditions.

In addition, a range of external factors including economic growth rates, interest rates, exchange rates and macro-economic conditions impact the overall equity market and these investments.

As such, we do not believe it is possible or appropriate to predict the future performance of the Group's investments nor its mandates and therefore, the Group's performance.

## Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Nature of options	Grant date	Vesting date	Expiry date	Exercise Price	Number under options
Tranche 2 Options	22 November 2024	22 November 2024	30 June 2026	0.45	2,222,222
Tranche 3 Options	22 November 2024	22 November 2024	30 June 2027	0.60	1,666,667
					<b>3,888,889</b>

All of the above options were granted to the Managing Director in accordance with his Remuneration Agreement approved by the shareholders of the Company in the Annual General Meeting dated 22 November 2024. The holder of these options does not have the right, by virtue of the option, to participate in any other share issue of the Company or of any other body corporate or registered scheme.

On 30 June 2025, the Managing Director communicated his intention to exercise 1,428,571 Tranche 1 options and shares were issued against these options on 14 July 2025.

## Rounding off of amounts

In accordance with the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, and in accordance with that Corporations Instrument, amounts in this Report from the Board and in the consolidated financial statements are rounded to the nearest dollar, unless otherwise indicated.

## Environmental issues

The Group's operations are minimally affected by environmental regulations.

## Risk and compliance control statement

Under Australian Securities Exchange (ASX) Listing Rules and the ASX Corporate Governance Principles and Recommendations issued by the ASX Corporate Governance Council, the Company is required to disclose in its Annual Report the extent of its compliance with the 'ASX Principles and Recommendations'.

The Directors have implemented internal control processes for identifying, evaluating and managing significant risks to the achievement of the Group's objectives. These internal control processes cover financial, operational and compliance risks. The Group's corporate governance practices are outlined in further detail in the Corporate Governance Statement section on the Company's website at [www.clime.com.au](http://www.clime.com.au).

The Directors have received and considered the annual control certification from the Managing Director and the Chief Financial Officer in accordance with the principles relating to financial, operational and compliance risks.

Throughout the reporting period, and as at the date of signing of this Annual Report, the Company was in compliance with the ASX Principles and Recommendations to the extent disclosed in the Corporate Governance Statement.

## Insurance for Directors and Officers

During the financial year, the Company paid a premium in respect of a contract insuring all Directors and Officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in their capacity as Directors or Officers of the Company, other than conduct involving a willful breach of duty in relation to the Company. The contract of insurance prohibits disclosure of the nature of the liability and the amount of premium.

## No indemnity provided to auditors

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an auditor of the Company or of any of its controlled entities against a liability incurred by an auditor.

## Remuneration Report - Audited

This Remuneration report, which forms part of the Directors' Report, sets out information about the remuneration of the Clime Investment Management Limited's key management personnel for the financial year ended 30 June 2025.

The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The prescribed details for each person covered by this report are detailed below under the following headings:

- A. Key management personnel
- B. Remuneration policy
- C. Remuneration of key management personnel
- D. Service agreements
- E. Share-based compensation
- F. Related party transactions
- G. Additional information

### A. Key management personnel

The Directors and other key management personnel of the Group during or since the end of the financial year were:

Directors	Position
John Abernethy (Appointed 17 November 1994)	Non-Independent Chairman
Henry Davis (Appointed 16 October 2024)	Independent Director
Anthony Kynaston (Appointed 14 April 2025)	Independent Director
Susan Wynne (Resigned 16 October 2024)	Independent Director
Claire Bibby (Resigned 16 October 2024)	Independent Director
Andrew Coleman (Resigned 16 October 2024)	Independent Director
Michael Baragwanath (Appointed 1 July 2024)	Non-Independent Director
William Riggall (Appointed 16 October 2024) (Resigned 6 June 2025)	Non-Independent Director Chief Investment Officer (for FY24 and FY25)
Executive Officers	Position
Michael Baragwanath (Appointed 17 July 2024)	Managing Director
Annick Donat (Resigned 31 July 2024)	Chief Executive Officer

The named persons held their current position for the whole of the financial year and since the end of the financial year, unless stated otherwise.

There were no additional persons who were considered key management personnel under the *Corporations Act 2001*.

## B. Remuneration Policy

### Principles used to determine the nature and amount of remuneration

#### Key management personnel

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Group's diverse operations and achieving the Group's strategic objectives. The remuneration packages of executives include a fixed component, a performance-based component, and an equity-based component.

The fixed portion of the package reflects the core performance of their duties. Executives may be given an incentive via a performance-based bonus (as determined by the Remuneration Committee).

Equity based remuneration can be made via shares issued under the CIW Employee Share Plan (ESP) or via the options issued to the executives under the CIW Employee Incentive Scheme (EIS).

The Remuneration Committee is responsible for making recommendations to the Board on remuneration policies and packages applicable to the Board members and senior executives of the Group.

The Board's remuneration policy is to ensure the remuneration package properly reflects the person's duties, responsibilities and the level of performance and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

#### Directors

Fees and payments to Directors reflect the demands which are made on, and the responsibilities of, the Directors. Remuneration of Independent Directors is determined by the Board within the maximum amount approved by shareholders periodically. The payments to Independent Directors do not include retirement benefits other than statutory superannuation.

Consultation with Independent Directors outside their duties as Directors is treated as external consultation and is subject to additional fees by consent of the Board. The Company has a policy that Independent Directors are not entitled to retirement benefits, may not participate in performance-based incentives, and may not participate in the ESP and EIS.

#### Directors' fees

The current base remuneration was last reviewed with effect from 1 January 2022. The Independent Directors' fees are inclusive of committee fees.

Independent Directors' fees are determined within an Independent Directors' base remuneration pool, which is periodically recommended for approval by shareholders. The Independent Directors' base remuneration pool currently stands at \$300,000 per annum.

#### Executive Officers' remuneration

The Executive Officers' remuneration framework has four components:

- base pay and benefits;
- short-term performance incentives;
- long-term incentives through participation in the Company's EIS and ESP; and
- other remuneration such as superannuation.

The combination of these comprises the Executive Officers' total remuneration.

#### Base pay

Structured as a total remuneration package which may be delivered as a combination of cash and prescribed non-financial benefits at the Board's discretion.

Executives are offered a base pay that comprises the fixed component of pay and rewards. Base pay for senior executives is reviewed annually to ensure the Executive's pay is competitive with the market.

#### Short-Term Incentives (STI)

Executive Officers and senior management have the ability to earn STIs depending on the accountabilities of respective roles and their impact on the Group's performance.

The intention of the STI plan is to recognise and reward the contributions and achievements of individuals for the achievement of their relevant Key Performance Indicators (KPIs). Such KPIs will generally include measures relating to both the Group and the relevant individual, and may include financial, non-financial, human resources, client service, strategy, risk and compliance measures where appropriate. The measures are chosen such that they directly align the individual's reward to the KPIs of the Group and to its strategy and performance.

**Long-Term Incentives (LTI)****CIW Employee Incentive Scheme (EIS)**

Information on the Company's Employee Incentive Scheme is set out in Note 25.

Each year, the Remuneration Committee considers the appropriate targets and KPIs to link the STI and LTI plans and the level of payout if targets are met. This includes setting any maximum payout under the STI and LTI plan, and minimum levels of performance to trigger payment of the STI. The Remuneration Committee also retains the capacity to pay discretionary bonuses subject to the Executives' respective performances during the year.

**CIW Employee Share Plan (ESP)**

Information on the Company's Employee Share Plan is set out in Note 21(f).

Shares under the Employee Share Plan are issued to all CIW employees (excluding Directors). The participants under the ESP are entitled to dividends and are subject to a 3-year lock in period in accordance with the plan rules.

**C. Remuneration of key management personnel**

Details of the remuneration of key management personnel for the years ended 30 June 2025 and 30 June 2024 are set out in the following tables. STIs are dependent on the satisfaction of performance conditions as set out in the section headed Short-Term Incentives (STI) on page 16. EIS and ESP do not vest unless the relevant vesting hurdles are achieved. All other elements of remuneration are not directly related to performance.

2025	Short-term employee benefits			Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	
Name	Salary and fees \$	Non-monetary benefits \$	Other \$	Superannuation \$	Long service leave \$	Employee termination payments \$	Options and Employee Share Plan \$	Total \$
<b>Non-Executive Directors</b>								
Henry Davis	17,113	-	-	1,968	-	-	-	19,081
Anthony Kynaston	4,807	-	-	553	-	-	-	5,360
Susan Wynne	18,778	-	-	2,159	-	-	-	20,937
Claire Bibby	18,778	-	-	2,159	-	-	-	20,937
Andrew Coleman	17,259	-	-	1,985	-	-	-	19,244
<b>Executive Directors</b>								
John Abernethy*	260,689	-	35,480	29,240	-	-	-	325,409
William Riggall**	333,326	-	-	29,932	-	-	-	363,258
<b>Executive Officers</b>								
Michael Baragwanath	205,971	-	200,000	23,687	-	-	102,826	532,484
Annick Donat	228,669	-	-	18,155	16,074	90,125	-	353,023
<b>Total</b>	<b>1,105,390</b>	<b>-</b>	<b>2,35,480</b>	<b>109,838</b>	<b>16,074</b>	<b>90,125</b>	<b>102,826</b>	<b>1,659,733</b>

\* Includes \$70,954 in his capacity as Director and \$254,455 in his capacity as Employee.

\*\*in his capacity as Employee.

2024	Short-term employee benefits			Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments	
Name	Salary and fees \$	Non-monetary benefits \$	Other \$	Superannuation \$	Long service leave \$	Employee termination payments \$	Options (1) and Employee Share Plan \$	Total \$
<b>Non-Executive Directors</b>								
John Abernethy*	267,636	-	-	7,000	-	-	-	274,636
Susan Wynne	58,824	-	-	6,471	-	-	-	65,295
Claire Bibby	58,824	-	-	6,471	-	-	-	65,295
Andrew Coleman	23,078	-	-	2,539	-	-	-	25,617
Ronni Chalmers**	124,762	-	1,633	16,089	1,633	115,385	2,250	261,752
Michael Kollo	55,888	-	-	6,170	-	-	-	62,058
<b>Executive Officer</b>								
Annick Donat	372,756	7,570	-	27,399	8,115	-	11,993	427,833
<b>Total</b>	<b>961,768</b>	<b>7,570</b>	<b>1,633</b>	<b>72,139</b>	<b>9,748</b>	<b>115,385</b>	<b>14,243</b>	<b>1,182,486</b>

\* Includes \$70,636 in his capacity as Director and \$204,000 towards consultancy fees.

\*\* Includes \$24,109 in his capacity as Director and \$237,643 in his capacity as employee and Director.

(1) The value of the options granted to Key Management Personnel as part of their remuneration is calculated at the grant date using the Black-Scholes pricing model. The amounts disclosed as part of remuneration for the financial year reflect the full grant value (representing the entire value of the remuneration awarded).

The relative percentage of those elements of remuneration of Key Management Personnel that are linked to performances are as follows:

	FIXED REMUNERATION		REMUNERATION LINKED TO PERFORMANCE	
NAME	2025	2024	2025	2024
<b>Non-Executive Directors</b>				
John Abernethy	100%	100%	-	-
Henry Davis	100%	-	-	-
Anthony Kynaston	100%	-	-	-
Susan Wynne	100%	100%	-	-
Claire Bibby	100%	100%	-	-
Andrew Coleman	100%	100%	-	-
<b>Executive Officer</b>				
Annick Donat	100%	97%	-	-
Michael Baragwanath	43%	-	57%	-

#### Short-Term Incentives

No STIs were paid/payable to key management personnel in respect of the year ended 30 June 2024. The STIs, if any, are paid at the discretion of the Remuneration Committee based on exceeding its targets for the financial year.

## D. Service Agreements

Remuneration and other terms of employment for Non-Independent Directors and certain Executive Officers are formalised in service agreements with annual adjustments (once agreed by the Remuneration Committee) notified in writing.

Provisions relating to the term of agreement, periods of notice required for termination and relevant termination payments are set out below.

**Mr. John Abernethy***Non-Independent Director*

- \$63,636 per annum plus superannuation as Director's fee
- \$204,000 per annum plus GST as consultancy fee for delivering agreed outcomes. The consultancy agreement was terminated by mutual agreement on 30 June 2024.
- Effective from 1 July 2024, the Company and Mr. Abernethy entered into an employment arrangement, under which Mr. Abernethy will receive a base salary of \$200,000 per annum (exclusive of superannuation) and 5 weeks of annual leave.
- Notice period for termination by consultant or by Company – sixteen (16) weeks written notice.

**Mr. Michael Baragwanath***Managing Director (appointed 17 July 2024)*

- Base salary - \$210,000 per annum (exclusive of superannuation) reviewed annually by the Remuneration Committee
- Following options have been granted to Mr. Baragwanath:
  - First tranche of 2,857,143 Options at an Exercise Price of \$0.35 which will vest immediately and expire on 30 June 2025.
  - Second tranche of 2,222,222 Options at an Exercise Price of \$0.45 which will vest immediately and expire on 30 June 2026.
  - Third tranche of 1,666,667 Options at an Exercise Price of \$0.60 which will vest immediately and expire on 30 June 2027.
- STI – entitled to receive short-term incentives in the form of annual cash bonus based on achieving yearly targets including annual EBITDA, operating cash profit, and operational targets as approved by the Board
- Notice period for termination by employee or by Company – twelve-week written notice.

**Ms. Annick Donat***Chief Executive Officer (resigned 31 July 2024)*

- Base salary - \$400,155 per annum (inclusive of superannuation) reviewed annually by the Remuneration Committee
- STI – entitled to receive short-term incentives in the form of annual cash bonus based on achieving yearly targets including annual EBITDA, operating cash profit, and operational targets as approved by the Board
- Maximum STI is \$200,000 per annum
- Notice period for termination by employee or by Company – three-month written notice.

**E. Share-based compensation****Shares provided on exercise of remuneration options**

As a part of the Remuneration Agreement of the Managing Director, following options were granted to him on 22 November 2024:

- First tranche of 2,857,143 Options at an Exercise Price of \$0.35 which will vest immediately and expire on 30 June 2025. the Managing Director communicated his intention to exercise 1,428,571 options and shares were issued against these options on 14 July 2025. Remaining options lapsed on 30 June 2025.
- Second tranche of 2,222,222 Options at an Exercise Price of \$0.45 which will vest immediately and expire on 30 June 2026.
- Third tranche of 1,666,667 Options at an Exercise Price of \$0.60 which will vest immediately and expire on 30 June 2027.

The number of options held by the Managing Director during the year are set out as below:

Name	1 July 2024	Granted as compensation	Lapsed during the year	Exercised during the year	30 June 2025
<b>Executive Directors</b>					
Michael Baragwanath					
Tranche 1 options	-	2,857,143	1,428,572	-	1,428,571
Tranche 2 options	-	2,222,222	-	-	2,222,222
Tranche 3 options	-	1,666,667	-	-	1,666,667



**Shareholdings of key management personnel**

The numbers of shares (including shares issued under EIS) in the Company held during the year by each key management personnel of the consolidated entity, including their related parties, are set out below.

Name	Shareholding at 1 July 2024	Granted as compensation	Other changes during the year	Shareholding at 30 June 2025
	Number of shares	Number of shares	Number of shares	Number of shares
<b>Non-Executive Directors</b>				
John Abernethy	5,189,350	-	967,490	6,156,840
Henry Davis	-	-	13,250	13,250
Anthony Kynaston	-	-	150,000	150,000
William Riggall	535,185	-	(350,000)	185,185
Susan Wynne	10,000	-	(10,000)	-
Claire Bibby	-	-	-	-
Andrew Coleman	4,500,000	-	-	4,500,000
<b>Executive Officer</b>				
Annick Donat	403,000	-	(403,000)	-
Michael Baragwanath	24,000	-	40,000	64,000

**Loans to Directors and other key management personnel**

No loans to executive officers in relation to the EIS share issued under the Employee Incentive Scheme (refer Note 25(a)) are outstanding as at 30 June 2025 (2024: \$218,400).

There were no other loans made to key management personnel of the Group, including their personally related entities, at any stage during the financial year.

As described in Note 25(a), notional non-recourse loans exist in relation to “in substance” options issued under the Employee Incentive Scheme.

**F. Related party transactions****1. Clime Capital Limited**

- i. The Group received income from Clime Capital Limited for Director and Company Secretarial services, marketing services and reimbursement of shared expenses. During the period, Mr John Abernethy was a Director of Clime Capital Limited and in FY 2024, Mr. John Abernethy and Mr. Ronni Chalmers were Directors of Clime Capital Limited. In FY 2025, the Group received \$114,545 (2024: \$131,423) of such income from Clime Capital Limited.
- ii. Clime Investment Management Ltd directly owns 1.25% (2024: 1.39%) of the share capital and 0.12% (2024: Nil) of the Convertible Notes of the Company as at 30 June 2025. Clime Investment Management Ltd, through the Investment Manager, has the indirect power to dispose 2.72% (2024: 2.70%) of the Company's shares and has the indirect power to dispose 6.90% (2024: 5.83%) of the Company's Convertible Notes held by the Investment Manager's Individually Managed Accounts (IMAs) and other managed funds.
- iii. Clime Asset Management Pty Limited received \$1,246,738 (2024: \$1,274,666) excluding GST as remuneration for managing Clime Capital Limited's investment portfolio.
- iv. All dividends paid and payable by Clime Capital Limited, whose investments are managed by Clime Asset Management Pty Limited, a wholly owned subsidiary of Clime Investment Management Ltd, to its Directors and their related entities are on the same basis as to other shareholders.

**2. Clime All Cap Australian Equities Fund (Wholesale)**

Clime Asset Management Pty Limited, during the year received \$363,435 (2024: \$94,037) as remuneration for managing the investment portfolios and acting as trustee of Clime All Cap Australian Equities Fund (Wholesale).

CBG Asset Management Limited, during the year received nil remuneration (2024: \$287,373) for managing the investment portfolios and acting as trustee of Clime All Cap Australian Equities Fund (Wholesale).

The following balances prior to group elimination were outstanding at the end of the reporting period:

	30 JUNE 2025 (\$)	30 JUNE 2024 (\$)
<b>AMOUNT OWED BY RELATED PARTIES</b>		
Clime Capital Limited	134,722	137,513
Clime All Cap Australian Equities Fund (Wholesale)	-	33,662
Subsidiaries of Clime Investment Management Limited	11,238,052	11,716,063
<b>AMOUNT OWED TO RELATED PARTIES</b>		
Subsidiaries of Clime Investment Management Limited	22,179,097	32,349,910

**G. Additional information**

The tables below set out the summary information regarding the economic entity's earnings and movements in shareholder wealth for the five years to 30 June 2025:

	30 JUNE 2025 \$	30 JUNE 2024 \$	30 JUNE 2023 \$	30 JUNE 2022 \$	30 JUNE 2021 \$
Revenue	13,390,593	11,848,120	13,443,034	13,682,882	15,749,533
Net profit/(loss) before tax and amortisation - continuing operations	2,640,737	(1,906,571)	(24,426)	788,234	3,757,012
Net profit/(loss) before tax - continuing operations	1,027,913	(4,113,573)	(1,466,131)	213,973	3,109,254
Net profit/(loss) after tax - continuing operations	510,676	(3,312,587)	(1,073,143)	98,490	2,277,575
Net loss after tax - discontinued operations	-	(459,006)	(794,524)	-	-
Net profit/(loss) after tax	510,676	(3,771,593)	(1,867,667)	98,490	2,277,575
Cash dividends paid	189,272	-	289,100	1,821,795	1,307,660
Interim dividend - Fully franked <sup>1</sup> (cents per share)	0.25	-	-	1.0	1.0
Final dividend <sup>1,2</sup> (cents per share)	0.50	-	-	0.4	1.5
Share price as at 30 June	0.40	0.32	0.38	0.50	0.61
Basic earnings/(loss) per share (cents per share)	0.7	(5.2)	(2.6)	0.1	3.5
Diluted earnings/(loss) per share (cents per share)	0.7	(5.2)	(2.6)	0.1	3.4
Remuneration linked to share price	Nil	Nil	Nil	Nil	Nil

<sup>1</sup> 100% franked dividends (franked to 100% at 25% for FY2025, FY2023 & FY2022 and 26% for FY2021)

<sup>2</sup> Proposed/Declared after each respective balance sheet date and not reflected in the financial statements

### Relationship of group performance to remuneration policies

The profitability of the Group is one of the key measures taken into consideration by the Remuneration Committee when determining the quantum of bonuses payable under the STI plan in any given year.

Other performance measures assessed by the Remuneration Committee when determining remuneration packages for key management personnel include:

- Growth in the Group's level of Funds Under Management (FUM);
- Investment returns and performance generated by the Funds Management team in respect of its managed investment products;
- Compliance and risk management based on regulatory requirements;
- Adviser satisfaction and retention;
- Employee satisfaction above a threshold approved by the Remuneration Committee; and
- Client satisfaction (Net Promoter Score).

## END OF AUDITED REMUNERATION REPORT

## Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

## Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 23 to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note 23 to the consolidated financial statements do not compromise the external auditor's independence, based on the advice received from the Audit and Risk Committee, for the following reasons:

- All non-audit services have been reviewed and approved to ensure they do not impact the integrity and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants (Including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the Group or jointly sharing economic risks and rewards.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 24.

This Board report is signed in accordance with a resolution of the Directors made pursuant to s. 298(2) of the *Corporations Act 2001*.

On behalf of the Directors



**John Abernethy**  
Chairman

Sydney, 29 August 2025

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF CLIME INVESTMENT MANAGEMENT LIMITED  
ABN 37 067 185 899**

In relation to the independent audit of Clime Investment Management Limited for the year ended 30 June 2025, to the best of my knowledge and belief there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- b) no contraventions of APES 110 *Code of Ethics or Professional Accountants (including Independence Standards)*.

This declaration is in respect of Clime Investment Management Limited and the entities it controlled during the year.



**Scott Whiddett**  
Partner

**Pitcher Partners**  
Sydney

29 August 2025

# CONSOLIDATED FINANCIAL STATEMENTS

30 June 2025

CONTENTS	PAGE
Consolidated Statement of Profit or Loss and Other Comprehensive Income	26
Consolidated Statement of Financial Position	27
Consolidated Statement of Changes in Equity	28
Consolidated Statement of Cash Flows	29
Notes to the Consolidated Financial Statements	30

**CONSOLIDATED FINANCIAL STATEMENTS****Consolidated Statement of Profit or Loss and Other Comprehensive Income**

For the year ended 30 June 2025

Clime Investment Management Limited

	<b>Note</b>	<b>Year ended</b> <b>30 June 2025</b> <b>\$</b>	<b>30 June 2024</b> <b>\$</b>
<b>CONTINUING OPERATIONS</b>			
Revenue	5	13,390,593	11,848,120
Net realised and unrealised gains/(losses) on financial assets at fair value through profit or loss		500,811	(92,952)
Administrative expenses	6	(11,279,790)	(13,473,502)
Depreciation, amortisation and impairment	6	(1,612,824)	(2,207,002)
Finance costs	6	(65,833)	(188,237)
Share of profit of associates (net)	13(a)	94,956	-
<b>Profit/(Loss) before income tax from continuing operations</b>		<b>1,027,913</b>	<b>(4,113,573)</b>
Income tax (expense)/benefit attributable to operating loss	8(a)	(517,237)	800,986
<b>Profit/(Loss) for the year from continuing operations</b>		<b>510,676</b>	<b>(3,312,587)</b>
<b>DISCONTINUED OPERATIONS</b>			
<b>Loss after tax for the year from discontinued operations</b>	33	<b>-</b>	<b>(459,006)</b>
<b>Profit/(Loss) for the year</b>		<b>510,676</b>	<b>(3,771,593)</b>
Other comprehensive income, net of income tax		-	-
<b>Total comprehensive income/(loss) for the year</b>		<b>510,676</b>	<b>(3,771,593)</b>
Attributable to:			
Owners of the Company		<b>510,676</b>	<b>(3,771,593)</b>
<b>Earnings/(Loss) per share attributable to owners of the Company</b>			
Basic – cents per share	24	<b>0.7 cents</b>	<b>(5.2 cents)</b>
Diluted – cents per share	24	<b>0.7 cents</b>	<b>(5.2 cents)</b>
<b>Earnings/(Loss) per share from continuing operations attributable to owners of the Company</b>			
Basic – cents per share	24	<b>0.7 cents</b>	<b>(4.5 cents)</b>
Diluted – cents per share	24	<b>0.7 cents</b>	<b>(4.5 cents)</b>

The above Consolidated Statement of Profit or loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to the consolidated financial statements.

		As at	
	Note	30 June 2025	30 June 2024
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7(a)	816,107	3,392,763
Trade and other receivables	10	4,182,823	2,727,019
Other current assets	11	218,350	233,408
Financial assets at fair value through profit or loss	12	1,366,466	1,662,916
Other financial assets	31(c)	288,796	288,796
<b>Total Current Assets</b>		<b>6,872,542</b>	<b>8,304,902</b>
<b>Non-Current Assets</b>			
Financial assets at fair value through profit or loss	12	2,688,400	2,073,937
Property, plant and equipment	14	117,011	98,385
Right-of-use assets	15	-	429,446
Deferred tax assets - net	16	1,069,210	1,586,447
Contract costs	17	253,115	309,135
Intangible assets	18	13,772,682	14,860,395
Investment in associate	13	285,956	-
<b>Total Non-Current Assets</b>		<b>18,186,374</b>	<b>19,357,745</b>
<b>Total Assets</b>		<b>25,058,916</b>	<b>27,662,647</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	19	1,809,851	2,748,672
Lease liabilities	15	-	532,788
Contract liabilities		4,148	25,199
Provisions	20	1,893,113	1,941,754
Deferred consideration payable	32	-	1,393,168
<b>Total Current Liabilities</b>		<b>3,707,112</b>	<b>6,641,581</b>
<b>Non-Current Liabilities</b>			
Provisions	20	11,388	103,659
Deferred consideration payable	32	-	61,008
<b>Total Non-Current Liabilities</b>		<b>11,388</b>	<b>164,667</b>
<b>Total Liabilities</b>		<b>3,718,500</b>	<b>6,806,248</b>
<b>Net Assets</b>		<b>21,340,416</b>	<b>20,856,399</b>
<b>EQUITY</b>			
Issued capital	21(a)	26,931,281	26,915,802
Reserves	22(a)	66,482	368,202
Accumulated losses	22(b)	(5,657,347)	(6,427,605)
<b>Total Equity</b>		<b>21,340,416</b>	<b>20,856,399</b>

*The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to the consolidated financial statements*



	Note	Issued capital	Share based payments reserve	Accumulated losses	Total
		\$	\$	\$	\$
<b>Balance as at 1 July 2023</b>		<b>25,587,865</b>	<b>333,612</b>	<b>(2,656,012)</b>	<b>23,265,465</b>
Loss for the year		-	-	(3,771,593)	(3,771,593)
Other comprehensive income for the year		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>(3,771,593)</b>	<b>(3,771,593)</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>					
Issue of ordinary shares by way of placements	21(b)	1,350,000	-	-	1,350,000
Cost of issuing capital - net of tax	21(b)	(22,063)	-	-	(22,063)
Recognition of share-based payments	25(d)	-	34,590	-	34,590
<b>Balance as at 30 June 2024</b>		<b>26,915,802</b>	<b>368,202</b>	<b>(6,427,605)</b>	<b>20,856,399</b>
Profit for the year		-	-	510,676	510,676
Other comprehensive income for the year		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>510,676</b>	<b>510,676</b>
<b>Transactions with equity holders in their capacity as equity holders:</b>					
Issue of shares under CIW Employee Share Plan	21(b)	21,986	-	-	21,986
Recognition of share-based payments	22(a)	-	114,572	-	114,572
On-market buyback of shares	21(b)	(6,507)	-	-	(6,507)
Transfer of share-based payment reserve on cancellation of EIS	22(a)	-	(379,948)	379,948	-
Transfer of EIS loan balance on cancellation of EIS	22(b)	-	-	32,562	32,562
Transfer of share-based payment reserve on lapse of Tranche 1 options	22(a)	-	(36,344)	36,344	-
Dividends paid or provided for	9(a)	-	-	(189,272)	(189,272)
<b>Balance as at 30 June 2025</b>		<b>26,931,281</b>	<b>66,482</b>	<b>(5,657,347)</b>	<b>21,340,416</b>

*The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to the consolidated financial statements.*

**CONSOLIDATED FINANCIAL STATEMENTS****Consolidated Statement of Cash Flows**

For the year ended 30 June 2025

Clime Investment Management Limited

	<b>Note</b>	<b>30 June 2025</b>	<b>30 June 2024</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Fees received in the course of operations		12,282,877	16,517,158
Expense payments in the course of operations		(12,845,779)	(17,339,944)
Dividends and distributions received from investments		109,100	449,957
Interest received		138,132	77,444
Income tax refund		-	278,310
<b>Operating cashflows</b>		<b>(315,670)</b>	<b>(17,075)</b>
Net proceeds from disposal of financial assets at fair value through profit or loss		108,861	2,895,009
<b>Net cash (used in)/provided by operating activities</b>	<b>7(b)</b>	<b>(206,809)</b>	<b>2,877,934</b>
<b>Cash flows from investing activities</b>			
Payment for deferred consideration towards acquisition of subsidiaries		(1,496,000)	(1,300,000)
Investment in associates		(170,000)	-
Repayment of loan by associate		28,000	-
Dividends received from associates		79,000	-
Receipts from other financial asset at amortised cost		-	6,264
Payment for property, plant & equipment		(85,065)	(14,753)
Receipts/(Payments) for intangible assets		26,794	(230,563)
Cash transferred on sale of subsidiaries		-	(850,766)
<b>Net cash used in investing activities</b>		<b>(1,617,271)</b>	<b>(2,389,818)</b>
<b>Cash flows from financing activities</b>			
Buy-back of shares	21(b)	(6,507)	-
Proceeds from issue of shares to institutional investors	21(b)	-	1,350,000
Costs of issue of shares to institutional investors	21(b)	-	(29,417)
Principal elements of lease payments	15	(532,788)	(477,393)
Finance costs paid for lease liabilities	15	(13,477)	(39,866)
Finance costs- other		(10,532)	(72,446)
Dividends paid to Company's shareholders	9	(189,272)	-
<b>Net cash (used in)/from financing activities</b>		<b>(752,576)</b>	<b>730,878</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(2,576,656)</b>	<b>1,218,994</b>
Cash and cash equivalents at beginning of the financial year		3,392,763	2,173,769
<b>Cash and cash equivalents at end of the financial year</b>	<b>7</b>	<b>816,107</b>	<b>3,392,763</b>
<b>Non-cash financing activities</b>			
Issue of shares to employees	21(b)	21,986	-

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes to the consolidated financial statements.

## 1 CORPORATE INFORMATION

Clime Investment Management Limited (the Company) is a publicly listed company incorporated and domiciled in Australia. The address of its registered office and principal place of business is Level 31, Suite 2, Angel Place, 123 Pitt St, Sydney, NSW 2000.

The consolidated financial statements of the Company for the year ended 30 June 2025 comprise of the Company and its subsidiaries (together referred to as the Group). These consolidated financial statements were authorised for issue in accordance with a resolution of the Directors on 29 August 2025.

The principal activities of the Company and its subsidiaries are described in Note 26(a). For the purpose of preparing the consolidated financial statements, the Group is a for-profit entity.

## 2 MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Basis of preparation

These consolidated financial statements are general purpose financial statements which:

- have been prepared in accordance with the *Corporations Act 2001* and Accounting Standards, Interpretations and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB);
- comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB); and
- have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are measured at fair value through profit and loss at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at measurement date.

#### ***New and revised accounting standards effective during the reporting period***

There are no new standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2024 that have a material impact on the Company and the Group.

#### ***New accounting standards and interpretations not yet adopted***

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective and is unlikely to have a material impact on the Group.

Material accounting policies adopted in the preparation of these consolidated financial statements are presented below and have been consistently applied unless stated otherwise.

### (b) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2025. Control is achieved when the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(b) Principles of consolidation (continued)**

All intragroup assets and liabilities, equity, income, expenses and cashflows relating to transactions between members of the Group companies are eliminated on consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

**(c) Investment in associates and joint ventures**

The Group holds 50% (2024: 30%) interest in James Street Wealth Pty Ltd and 28.33% in BizGPT Pty Ltd (2024: 0%) (referred to as "associates") as at 30 June 2025.

The financial statements of the associates are prepared for the same reporting period as the Group. The accounting policies of both companies are aligned with those of the Group. Therefore, no adjustments are made when measuring and recognising the Group's share of the profit or loss of the investees after the date of acquisition.

The Group's investment in its associate and joint venture are accounted for using the equity method. The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and noncontrolling interests in the subsidiaries of the associate or joint venture.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**(d) Fair value measurement**

The Group measures its financial assets at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described in Note 4.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy, as explained above.

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(e) Revenue recognition**

Revenue is recognised at an amount that reflects the consideration to which the Group expects to be entitled to in exchange for transferring goods and services to a customer. Amounts disclosed as revenue are stated net of the amounts of goods and services tax paid. Revenue is recognised for the major business activities as follows:

**Management fees**

The Group provides investment management services to the customers under:

- Individually Managed Accounts (IMA);
- Managed funds; and
- Separately Managed Accounts (SMA).

Management and administration fees are calculated based on a percentage of the value of customer portfolio's daily balance and funds under management as disclosed in the guide/product disclosure statements for IMAs and managed funds or applicable investment management agreement for mandates. Fees are charged monthly, in arrears and are recognised as revenue in the period that the services are provided, and performance obligations are satisfied over time. Exit fees are charged on Individually Managed Accounts if the customer decides to leave the service within 12 months of joining.

**Performance fees**

The Group is entitled to earn performance fees on its Individually Managed Accounts when the portfolio outperforms an agreed benchmark and achieves a positive performance since the last time the fee was calculated. Fees are calculated on the anniversary of a customer's initial investment and then on exit, adjusted for additions to the portfolio and part withdrawals.

Performance fees on managed funds are recognised when the funds achieve a positive return exceeding that of the agreed benchmark and high watermark. As performance fees are contingent upon performance determined at a future date, they are not recognised over time since they cannot be measured reliably, and may be subject to a reversal of revenue. Fees are calculated daily/monthly/quarterly and if applicable, recognised as revenue and paid from the fund semi-annually and annually in arrears after they can be measured reliably.

**Advice, accounting and tax services fees**

The Group delivers tailored private wealth advisory services for retail, wholesale and sophisticated investors. Advice fees predominantly consist of ongoing investment advisory services fees relating to invested funds and commissions received from insurance companies and other product providers. Based on the agreement between the Group and the advisers, the advisers act as an authorised representative of the Group and operate under the Clime Advice Pty Ltd AFSL (2024: Madison AFSL). As the advisers are employed by the Group, advice revenue earned is retained within the Group.

The Group, through one of its wholly owned subsidiaries, also provides accounting and tax services to existing clients Self-Managed Super Funds (SMSF). The revenue associated with these services are recognised over time, as the performance obligations are satisfied by the Group.

**Corporate and authorised representative fees**

The Group's wholly owned subsidiary, Madison Financial Group Pty Ltd, holds an Australian Financial Services Licence (AFSL). On a monthly basis, the corporate authorised representatives (practices) and authorised representatives (advisers) are charged for licensee services based on a fixed fee structure outlined in the contract with the advisers and practices. The Group's obligation under these contracts is to provide access to Madison's AFSL and support services to advisers and practices to enable them to provide financial advice. Revenue is recognised bi-monthly as services are provided to advisers and practices and performance obligations are satisfied over time. Madison Financial Group Pty Ltd has been divested on 28 June 2024.

**Investment education and software**

The Group operates and distributes an online, web-based equity valuation tool, Clime Direct (formerly known as Stocks in Value). Client subscriptions comprise both online access to the valuation tool as well as access to member training and education services over the period of subscription. Receipts from client subscriptions are accounted as contract liabilities and recognised as revenue over the period of the subscription in order to reflect the period over which performance obligations under the subscription are satisfied.

**Corporate advisory fees**

The Group provides management consulting and advisory services to corporate entities based on identified opportunities for a fixed consideration. These corporate advisory services are recognised as revenue on completion of the service as per terms agreed with the customer.

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(e) Revenue recognition (continued)*****Dividend and distribution income***

Dividend and distribution income is recorded in the profit or loss on an accrual basis when the Group obtains control of the right to receive the dividend.

***Interest income***

Interest income is recognised when earned, on an accrual basis using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

***Trade receivables***

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

***Contract liabilities***

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

**(f) Income tax**

The income tax expense for the year represents the tax payable on the pre-tax accounting profit adjusted for changes in the deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses.

Current tax assets and liabilities for the year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Deferred tax assets and liabilities are recognised for all deductible and taxable temporary differences at the tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. Current and deferred tax balances attributable to items recognised directly in other comprehensive income and equity are also recognised directly in other comprehensive income and equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities, and deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Clime Investment Management Limited and its wholly owned subsidiaries are part of a tax-consolidated group under Australian taxation law. As a consequence, all members of the tax-consolidated group are taxed as a single entity. Clime Investment Management Limited is the head entity of the tax consolidated group.

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(g) Goods and services tax**

Revenues, expenses, assets and liabilities are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

**(h) Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Subsequent to initial recognition, right-of-use assets are measured at cost (adjusted for any remeasurement of the associated lease liability), less accumulated depreciation and any accumulated impairment loss.

**Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Subsequent to initial recognition, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**(i) Intangible assets****Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary/ associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) that is expected to benefit from the synergies of the combination.

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(i) Intangible assets (continued)*****Goodwill (continued)***

Goodwill acquired in business combinations is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated Statement of Profit or Loss and Other Comprehensive Income.

An impairment loss recognised for goodwill is not reversed in subsequent periods. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

***Intangible assets acquired separately***

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

***Investment Management contracts & relationships***

Investment Management contracts have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. When acquired in a business combination, they are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition they are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of investment management contracts over their estimated useful lives (which vary from 10 to 15 years). Investment Management contracts are reviewed for indicators of impairment annually.

***Software licence, customer relationship and customer list***

Software licence, customer relationships and customer lists have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. When acquired in a business combination, they are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition they are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the software license, customer relationship and customer list over their useful life of 3 to 15 years. Software license, customer relationship and customer list are reviewed for indicators of impairment annually.

**(j) Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

**(k) Cash and cash equivalents**

Cash and cash equivalents include cash at banks and on hand, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(l) Trade and other receivables**

Trade receivables are financial assets recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses and have a repayment term between 30 and 90 days.

The Group applies the AASB 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Additional allowances are also taken where specific and known risks have been identified.

Other receivables are financial assets recognised at amortised cost, less any allowance for expected credit losses.

**(m) Investments*****Classification***

The Group's investments are classified as fair value through profit or loss. They comprise investments in publicly listed companies and unlisted managed funds.

The Group classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. Since the investments do not have contractual cash flows attached the appropriate classification is fair value through profit or loss.

***Recognition/derecognition***

The Group recognises financial assets on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets from this date. Investments are derecognised when the right to receive cash flows from the investments have expired or transferred and the Group has transferred substantially all of the risks and rewards of ownership.

***Measurement***

At initial recognition, the Group measures investments at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of profit or loss and other comprehensive income.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets at fair value through profit or loss' category are presented in the statement of profit or loss within 'net realised and unrealised gains on financial assets at fair value through profit or loss' in the period in which they arise.

**(n) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**(o) Financial liabilities and equity instruments**

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement. Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities, classified as 'other financial liabilities', are subsequently measured at amortised costs using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(p) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when the Group has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. As at the end of the reporting period, there were no financial assets or liabilities offset or with the right to offset in the Consolidated Statement of Financial Position.

**(q) Dividends**

A liability is recorded for the amount of any dividend declared on or before the end of the period but not distributed at reporting date.

**(r) Employee benefits*****Wages and salaries, annual leave and long service leave***

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled wholly within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities recognised in respect of long service leave are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

***Bonus plans***

A liability for employment benefits in the form of bonus plans is recognised when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there are formal terms in the plan for determining the amount of the benefit;
- the amounts to be paid are determined before the time of completion of the financial statements; or
- past practice gives clear evidence of the amount of the obligation.

Liabilities for bonus plans are expected to be settled within 12 months and are measured at the amounts expected to be paid when they are settled.

***Superannuation***

Contributions are made by the Group to employee superannuation funds and are charged as expenses when incurred.

***Employee benefit on-costs***

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

***Share-based payments***

Share-based compensation benefits are provided to employees via the Clime Investment Management Limited Employee Incentive Scheme and Clime Employee Share Plan. The Managing Director has also been issued options during the current year as a part of his Remuneration Agreement.

***Employee Share Options***

As per the Managing Director's Remuneration Agreement, approved by shareholders at the Company's Annual General Meeting held in November 2024, options were granted to the Managing Director in three tranches. These options vest immediately and expire in June 2025, June 2026 and June 2027 respectively.

Equity-settled share-based payments are measured at the fair value of the equity instruments granted at the grant date. The fair value determined at the grant date is recognised as an employee benefit expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. Where options vest immediately, the full fair value of the options granted is recognised as an expense in the income statement on the grant date.

The fair value of the options at grant date is determined using the Black-Scholes options pricing model which incorporates assumptions regarding the exercise price, the term of the option, current market price of the underlying shares, expected volatility in the share price, expected dividend yield and the applicable risk-free interest rate for the term of the option.

Upon exercise of the options, the proceeds received (being the exercise price paid by the option holder) are credited to share capital, together with the balance previously recognised in the share-based payment reserve relating to those options.

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(r) Employee benefits (continued)*****Employee Share Options (continued)***

Options that lapse or are forfeited after vesting do not result in a reversal of the expense previously recognised. Where the terms of share-based payment arrangements are modified, any incremental fair value arising from the modification is recognised in addition to the original grant date fair value. Where the terms of share-based payment arrangements are modified, any incremental fair value arising from the modification is recognised in addition to the original grant date fair value.

***Employee Incentive Scheme (EIS)***

The Company EIS was approved by shareholders at the Company's Annual General Meeting held in October 2007. The EIS provides an opportunity for eligible employees, as determined by the Board from time to time, to purchase shares in the Company via the provision of an interest-free, non-recourse loan.

Shares issued in accordance with the EIS are subject to certain restrictions for the duration of the loan, including continued employment with the Company and share transfer locks. Upon the expiration of the loan term, and the repayment of the outstanding loan balance by relevant employees, the shares become unconditional. Due to certain aspects of the EIS - specifically the share transfer locks and non-recourse nature of the loans - the Company is required to classify shares issued under the EIS as 'in-substance options' in accordance with *AASB 2 Share-based Payments*.

As such, the underlying instruments, consisting of the outstanding employee loans and the issued fully paid ordinary shares, are not recognised in the financial statements. Instead, the fair value of the 'in-substance options' granted is recognised as an employee benefit expense with a corresponding increase in the share-based payments reserve. The fair value is measured at grant date and recognised on a straight-line basis over the term of the loans.

The fair value of the 'in-substance options' at grant date is determined using a binomial distribution to statistically estimate the value of the benefits granted. The valuation model considers the share issue price, the term of the loan, the current price and expected volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the loan.

In order to recognise the impact of employee departures and the resultant early termination of their respective loan agreements, at each balance date the Company revises its estimate of the number of shares that may ultimately become unconditional. The employee benefit expense recognised each period considers the most recent estimate.

Following the expiration of the term of the loan, any repayment received from employees in respect of the amortised loan balance is recognised in contributed equity in the consolidated statement of financial position. The balance of the share-based payments reserve relating to those shares is also transferred to contributed equity.

To the extent that an employee chooses not to repay the amortised loan balance at the completion of the loan term (i.e. where the value of the shares is less than the amortised loan balance), then the Company will buy back those shares and the balance of the share-based payments reserve relating to those shares is transferred to a lapsed option reserve.

It should be noted that the application of this accounting policy will result in differences between the number of shares on issue as disclosed in the Group's statutory reports, and the number of shares on issue as advised to the ASX.

***Employee Share Plan (ESP)***

The shares under the ESP are granted to all employees (other than directors) at Nil consideration. The fair value of the shares issued under the ESP of \$21,986 (2024: Nil) are expensed to the income statement immediately on issue.

**(s) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, considering the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

**2 MATERIAL ACCOUNTING POLICY INFORMATION (continued)****(t) Discontinued operations**

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss and other comprehensive income for the current and previous financial year.

Additional disclosures are provided in Note 33. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

**(u) Presentation currency and rounding of amounts**

These financial statements are presented in Australian Dollars. Australian Dollars are also the functional currency of all entities in the Group.

The Group is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that Corporations Instrument amounts in the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

**3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS**

The preparation of the consolidated financial statements requires management and Directors of the Company to make judgements, estimates and assumptions that affects the reported amounts of revenues, expenses, assets and liabilities, the accompanying disclosures, and the disclosure of contingent liabilities.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements are described below:

**(a) Carrying value assessment of goodwill, investment management contracts and client relationships**

The Group tests annually whether goodwill, investment management contracts and client relationships have suffered any impairment, in accordance with the accounting policy stated in Note 2(i) and Note 2(j).

For the funds management cash-generating unit (CGU), the recoverable amount has been determined based on *fair value less costs to sell* method. The fair values have been determined based on arms' length transactions between knowledgeable and willing parties on the basis of the best information available. In determining these amounts, the outcomes of recent transactions for similar assets and businesses have been considered.

For the advice CGU, the recoverable amounts have been determined based on a *value-in-use* calculation which uses cashflow projections based on financial budgets, normalised EBTIDA for a period of five years, assumptions relating to future growth and pre-tax discount rates reflecting a market estimate of the weighted average cost of capital. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

The assessments of the fair values of cash-generating units are subject to an element of subjectivity concerning the selection of appropriate benchmarks and transactions. A material adverse change in one or more of the underlying variables applied in the estimates of fair values, therefore, may impact their recoverable amounts and result in alternative outcomes for the purposes of impairment testing.

These estimates are most relevant to goodwill, investment management contracts and client relationships recognised as intangible assets by the Group.

**3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS****(b) Determining the lease term of contracts with renewal and termination options – Group as lessee**

The Group has lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

**(c) Recovery of deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profits will be available to utilise those temporary differences and tax losses.

**(d) Valuation of convertible notes**

The Group's convertible notes comprise both a liability component and an embedded derivative relating to the conversion feature. Determining the fair value of these instruments requires the use of valuation techniques and significant management judgement.

The liability component is measured with reference to the present value of contractual cash flows, while the conversion feature is valued using an option pricing model, such as the Black-Scholes model, which incorporates market-based inputs and management assumptions. Key assumptions include the Company's share price, exercise price, expected term to maturity, risk-free interest rates, expected volatility and dividend yield.

Given the sensitivity of the fair value measurement to these inputs, changes in assumptions could result in material adjustments to the carrying value of the convertible notes.

**(e) Valuation of options issued**

The Group measures the fair value of share options granted as part of share-based payment arrangements at the grant date, using option pricing models such as the Black-Scholes model. Determining the fair value of options involves significant judgement and the use of market-based inputs and management estimates.

Key assumptions in the valuation include the Company's share price at grant date, exercise price, expected term of the options, risk-free interest rates, expected volatility of the Company's shares and expected dividend yield. The expected volatility is estimated based on the historical volatility of the Company's shares, which may not necessarily reflect future trends.

The fair value of options is recognised in profit or loss over the vesting period, with a corresponding increase in equity. Where options vest immediately, the fair value is expensed in full at the grant date. Changes in the underlying assumptions could have a material impact on the recognised share-based payment expense.

**(f) Revenue from Madison – Principal versus agent considerations**

Revenue from Madison includes revenues collected for services performed by Authorised Representatives (as defined in the *Corporations Act 2001 (Cth)*) of Madison. Madison is considered to be acting as agent under the requirements of AASB 15 Revenue from Contracts with Customers (as amended). Accordingly, payments made to Authorised Representatives are deducted from the gross revenue to arrive at the reported net revenue figures as disclosed in Note 33 of the consolidated financial statements.

**4 FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to various direct and indirect financial risks, including market risk, interest rate risk, credit risk, liquidity risk and fair value risk. Risk management is carried out by senior management under policies and strategies approved by the Board, and Audit Committee. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

**(a) Market risk**

The Group's activities expose it primarily to price risks (see (i) below) and interest rate risks (see (ii) below). Unfavourable economic conditions both domestically and globally can have a significant impact on the investment returns of the investments and investment portfolios.

**i) Price risk**

The Group's activities expose it primarily to equity securities price risk. This arises from the following:

- Investments held by the Group as direct investments; and
- Exposure to adverse movements in equity prices which may have negative flow-on effects to the revenue derived from the management of clients' investment portfolios.

The Group seeks to reduce market risk by adhering to the prudent investment guidelines as documented in the respective product disclosure statements, information memorandum and portfolio construction guidelines.

**Price risk sensitivity analysis**

The table below summarises the pre-tax impact of both a general fall and general increase in market prices by 5% at the end of the reporting period. The analysis is based on the assumption that the movements are spread equally over all assets in the investment and trading portfolios.

	30 June 2025		30 June 2024	
	5% increase in market prices	5% decrease in market prices	5% increase in market prices	5% decrease in market prices
Impact on profit (pre-tax)	\$385,107	(\$385,107)	\$482,544	(\$482,544)

**ii) Interest rate risk**

The Group is exposed to interest rate risk because at balance date, the Group has a significant proportion of its assets held in interest-bearing bank accounts and deposits at call. As such, the Group's revenues and assets are subject to interest-rate risk to the extent that the cash rate falls over any given period. The majority of the Group's interest-bearing assets are held with reputable banks to ensure the Group obtains competitive rates of return while providing sufficient liquidity to meet cash flow requirements. Given that the Group does not have – nor has it ever had – any material interest-bearing borrowings/liabilities at balance date, the Board and management do not consider it necessary to hedge the Group's exposure to interest rate risk.

**Interest rate risk sensitivity analysis**

The table below summarises the pre-tax impact on the Group's profits due to both a decrease and increase in interest rates by 100 basis points (one percentage point) at the end of the reporting period. The analysis is based on the assumption that the change is based on the weighted average rate of interest on cash at bank and cash on deposit for the year (3.60% weighted average interest rate in 2025 and 2.95% weighted average interest rate in 2024).

	30 June 2025		30 June 2024	
	100 bps increase in interest rate	100 bps decrease in interest rate	100 bps increase in interest rate	100 bps decrease in interest rate
Impact on profit (pre-tax)	\$12,575	(\$12,575)	\$26,702	(\$26,702)

**4 FINANCIAL RISK MANAGEMENT (continued)****(b) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

*Cash and cash equivalents*

The maximum credit risk of the Group in relation to cash and cash equivalents is the carrying amount and any accrued unpaid interest. The average weighted maturity of the cash portfolio at any given time is no greater than 90 days. All financial assets that are not impaired or past due are of good credit quality as the counterparties are banks with high credit ratings assigned by credit-rating agencies.

*Trade and other receivables*

The maximum credit risk of the Group in relation to trade and other receivables is their carrying amounts. Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the ability to close out market positions. The Group manages liquidity risk by maintaining adequate reserves and by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The Group's management and its Board actively review the liquidity position on a regular basis to ensure the Group is always in a position to meet its debts and commitments on a timely basis.

*Maturities of financial liabilities*

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is liable to meet its obligations. The table includes both interests (where applicable) and principal cash flows. The contractual maturity is based on the earliest date on which the Group may be required to pay.

<b>MATURITY ANALYSIS – GROUP 2025</b>	<b>CARRYING AMOUNT \$</b>	<b>CONTRACTUAL CASH FLOWS \$</b>	<b>LESS THAN 6 MONTHS \$</b>	<b>6 – 12 MONTHS \$</b>	<b>1-3 YEARS \$</b>
Trade and other payables	2,700,642	2,700,642	1,293,142	12,500	1,395,000
<b>Total financial liabilities</b>	<b>2,700,642</b>	<b>2,700,642</b>	<b>1,293,142</b>	<b>12,500</b>	<b>1,395,000</b>

<b>MATURITY ANALYSIS – GROUP 2024</b>	<b>CARRYING AMOUNT \$</b>	<b>CONTRACTUAL CASH FLOWS \$</b>	<b>LESS THAN 6 MONTHS \$</b>	<b>6 – 12 MONTHS \$</b>	<b>1-3 YEARS \$</b>
Trade and other payables	3,557,896	3,557,896	1,852,896	310,000	1,395,000
Lease liabilities	532,788	547,401	273,700	273,701	-
Deferred consideration payable	1,454,176	1,496,000	1,031,667	398,000	66,333
<b>Total financial liabilities</b>	<b>5,544,860</b>	<b>5,601,297</b>	<b>3,158,263</b>	<b>981,701</b>	<b>1,461,333</b>

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**4 FINANCIAL RISK MANAGEMENT (continued)****(d) Fair value risk**

The Group seeks to reduce market risk by adhering to the prudent investment guidelines of its Investment Committee.

At 30 June 2025	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets at fair value through profit or loss</b>				
- Listed equity investments (Note 12)	1,366,466	-	-	1,366,466
- Convertible notes (Note 12)	-	-	2,688,400	2,688,400
	<b>1,366,466</b>	<b>-</b>	<b>2,688,400</b>	<b>4,054,866</b>

At 30 June 2024	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Financial assets at fair value through profit or loss</b>				
- Listed equity investments (Note 12)	1,662,916	-	-	1,662,916
- Convertible notes (Note 12)	-	-	2,073,937	2,073,937
	<b>1,662,916</b>	<b>-</b>	<b>2,073,937</b>	<b>3,736,853</b>

**Valuation techniques****Listed investments**

When fair values of publicly traded equities are based on quoted market prices in an active market, the instruments are included within Level 1 of the hierarchy. The Group values these investments at closing prices at year end.

**Convertible notes**

The fair value of convertible notes is based on unobservable inputs, and hence, the instruments are included within Level 3 of the hierarchy. As at 30 June 2025, the convertible notes have been remeasured at a fair value of \$2,688,400 (\$1.3442 per note) based on inputs such as probability of conversion to equity, discount rate applied to future cashflows, credit risk of the issuer and market conditions for comparable instruments. The valuation also considered the terms of a recent capital raise transaction by the issuer, which provided observable evidence of pricing for similar equity-linked instruments. Refer Note 12 for details of significant unobservable inputs.

The carrying amounts of other financial asset and trade and other payables, are assumed to approximate their fair values due to their short-term nature.

Refer Note 12 for further information.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2025

Clime Investment Management Limited

**5 REVENUE**

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from Funds Management</b>		
Management fees <sup>1</sup>	6,922,896	7,704,293
Performance fees <sup>2</sup>	7,822	140,570
Other fees <sup>2</sup>	239,475	484,422
	<b>7,170,193</b>	<b>8,329,285</b>
<b>Revenue from Private Wealth and Corporate Services</b>		
Advice fees <sup>1</sup>	3,289,360	2,901,634
Corporate advisory services <sup>2</sup>	2,460,000	-
Subscription fees from investment software <sup>1</sup>	12,817	58,337
	<b>5,762,177</b>	<b>2,959,971</b>
<b>Income from direct investments</b>		
Dividends and distributions	248,207	517,334
Interest income	210,016	41,530
	<b>458,223</b>	<b>558,864</b>
<b>Total revenue</b>	<b>13,390,593</b>	<b>11,848,120</b>

<sup>1</sup> Revenue from contracts with customers recognised over time<sup>2</sup> Revenue from contracts with customers recognised at a point in time

Refer to Note 26(b) for an analysis of revenue by segment.

**6 EXPENSES**

	30 June 2025	30 June 2024
	\$	\$
<b>Profit/(Loss) for the year before tax includes the following specific expenses:</b>		
<b>Employee benefits expense</b>		
Employee benefits expense (excluding superannuation)	6,328,444	7,373,715
Defined contribution superannuation expense	619,345	646,322
Share-based payment expense recognised (Note 25 (d))	136,558	34,590
<b>Total employee benefits expense</b>	<b>7,084,347</b>	<b>8,054,627</b>
<b>Finance costs</b>		
Interest on lease liabilities	13,477	39,866
Unwinding of discount – Deferred consideration payable	41,824	125,052
Interest - other	10,532	23,319
<b>Total finance costs</b>	<b>65,833</b>	<b>188,237</b>
<b>Other expenses</b>		
Rental expenses relating to short-term leases	347,270	224,933
<b>Total occupancy-related costs</b>	<b>347,270</b>	<b>224,933</b>
<b>Depreciation, amortisation and impairment</b>		
Depreciation of property, plant and equipment (Note 14)	54,018	53,205
Loss on disposal of property, plant and equipment (Note 14)	12,421	-
Depreciation of right-of-use assets (Note 15)	429,446	429,444
Amortisation of investment management contracts (Note 18 (a))	260,348	260,817
Amortisation of software licences (Note 18 (a))	165,943	231,371
Amortisation of customer relationships and customer lists (Note 18 (a))	243,325	326,776
Amortisation of contract costs (Note 17)	56,020	55,905
Impairment of goodwill and software licences (Note 18(a))	391,303	849,484
<b>Total depreciation, amortisation and impairment</b>	<b>1,612,824</b>	<b>2,207,002</b>

**7 RECONCILIATION OF CASHFLOWS**
**(a) Reconciliation of cash**

	30 June 2025	30 June 2024
	\$	\$
For the purposes of the consolidated statement of financial position and consolidated statement of cash flows, cash and cash equivalents comprise:		
Cash and bank balances	816,107	3,392,763

Cash at bank is interest bearing. Cash at bank and deposits at call bear floating interest rates between 1.05% and 1.83% (2024: 0.14% and 0.85%).

**7 RECONCILIATION OF CASHFLOWS (continued)****(b) Reconciliation of profit/(loss) for the year to net cash flows from operating activities**

	30 June 2025	30 June 2024
	\$	\$
Profit/(Loss) for the year attributable to the owners of the Company	510,676	(3,771,593)
<b>Adjustment for non-cash items:</b>		
Depreciation, amortisation and impairment expense	1,600,403	2,207,002
Loss on disposal of property, plant and equipment	12,421	-
Non-cash share-based payment expense	136,557	34,590
Share of profit of associates (net)	(94,956)	-
Finance costs paid	65,833	188,237
<b>Change in operating assets and liabilities</b>		
Trade and other receivables and other assets	(1,589,797)	447,058
Financial assets at fair value through profit or loss	(391,949)	2,987,385
Trade and other payables and contract liabilities	(832,321)	1,498,558
Income tax refund	-	(278,310)
Deferred tax assets and liabilities	517,237	(277,812)
Provisions	(140,913)	(157,181)
<b>Net cashflow (used in)/from operating activities</b>	<b>(206,809)</b>	<b>2,877,934</b>

**8 INCOME TAX (EXPENSE)/BENEFIT****(a) Income tax expense**

	30 June 2025	30 June 2024
	\$	\$
Current tax (expense)/benefit	-	-
Deferred tax (expense)/benefit on continuing operations	(517,237)	800,986
Deferred tax benefit on discontinued operations	-	26,916
	<b>(517,237)</b>	<b>827,902</b>
Deferred income tax expense included in income tax expense comprises:		
Refund of prior year tax losses	-	(167,500)
Decrease/(Increase) in deferred tax assets (Note 16)	431,187	(660,402)
Increase in deferred tax liabilities (Note 16)	86,050	-
	<b>517,237</b>	<b>(827,902)</b>

**8 INCOME TAX (EXPENSE)/BENEFIT (continued)****(b) Numerical reconciliation of income tax expense to prima facie tax payable**

	30 June 2025 \$	30 June 2024 \$
<b>Profit/(Loss) before income tax expense (including discontinued operations)</b>	<b>1,027,913</b>	<b>(4,599,495)</b>
Tax at the Australian tax rate of 25% (2024: 25%)	256,978	(1,149,874)
<b>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</b>		
Franking credits	(31,032)	(94,103)
Impairment/Amortisation of intangibles	279,235	412,233
Non-deductible expenditure	7,107	3,842
Adjustments for equity accounting of associates	(3,989)	-
Previous year under provision	8,938	-
<b>Income tax expense/(benefit)</b>	<b>517,237</b>	<b>(827,902)</b>

**9 DIVIDENDS****(a) Dividends provided for and paid during the year**

	30 June 2025 \$	30 June 2024 \$
Interim dividend in respect of the current financial year 0.25 cents per share fully franked (2024: Nil)	189,272	-
Fully franked portion	189,272	-

**(b) Franking account**

	30 June 2025 \$	30 June 2024 \$
Franking credits available for subsequent financial years are:		
Franking account balance brought forward	449,438	416,341
Franking debits arising from income tax refund	-	(279,135)
Franking credits from dividends received	41,376	125,470
Franking credits transferred from MTIS and ISAS	-	186,762
Franking debits from payment of dividends	(63,091)	-
<b>Balance of franking account at year end</b>	<b>427,723</b>	<b>449,438</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2025

Clime Investment Management Limited

**10 TRADE AND OTHER RECEIVABLES**

	30 June 2025	30 June 2024
	\$	\$
Trade receivables	2,304,109	611,646
Claims receivable (e)	460,106	490,127
Claims receivable against provision (f)	1,392,500	1,392,500
Other receivables	26,108	232,746
	<b>4,182,823</b>	<b>2,727,019</b>

- a. Trade receivables are generally subject to 30-day terms. No interest is charged on outstanding trade receivables.
- b. The Group did not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.
- c. Trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of the respective clients, historic recovery rates, and actual collection subsequent to the year end, it is expected that these amounts will be received when due. The trade receivables primarily relate to management, performance and licensee fees receivable which are considered low risk as they are usually collected within 30 days.
- d. The carrying amounts of trade and other receivables are considered to represent a reasonable approximation of their fair values and are stated at net of expected credit losses.
- e. During the financial year, the Company paid \$460,106 to settle claims related to a Madison adviser. This amount is expected to be fully recovered and hence, recognised as a receivable.
- f. As at the date of divestment in Madison Financial Group Pty Ltd – 28 June 2024, further potential claim payments of \$1,392,500 subject to ongoing investigations were recognised as provision for claims (Note 20 (a)). These claims are expected to be fully recovered from the associated adviser(s) and therefore, have been recognised as receivable as at the reporting date.

**11 OTHER CURRENT ASSETS**

	30 June 2025	30 June 2024
	\$	\$
Prepayments and deposits	<b>218,350</b>	<b>233,408</b>

**12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	30 June 2025	30 June 2024
	\$	\$
<b>Current:</b>		
Listed equity investments	<b>1,366,466</b>	<b>1,662,916</b>
<b>Non-current:</b>		
Convertible notes	<b>2,688,400</b>	<b>2,073,937</b>

**(i) Fair value of financial assets within Level 1 hierarchy****Listed equity investments**

The fair value of financial assets and liabilities traded in active markets, included within Level 1 of the hierarchy, are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

**12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)****(ii) Fair value of financial assets within Level 3 hierarchy****Convertible notes****Reconciliation of movements in convertible notes**

	<b>Level 3 Convertible notes \$</b>
Opening balance - 1 July 2024	2,073,937
Adjusted against claims (Note b below)	(73,937)
Gain on fair valuation as at 30 June 2025	688,400
<b>Closing balance – 30 June 2025</b>	<b>2,688,400</b>

Impact of \$688,400 has been recognised in the statement of comprehensive income as “Net realised and unrealised gains/(losses) on financial assets at fair value through profit or loss” in respect to level 3 fair value remeasurements of convertible notes (30 June 2024: Nil).

**a) Fair value of convertible notes**

The convertible notes have been valued at \$1,3442 per note as at 30 June 2025. The fair value of convertible notes has been calculated in two parts, comprising a redemption component of \$2,000,000 and a conversion feature valued at \$688,400, using the Black-Scholes model and market-based inputs. Following are the key inputs used in the valuation model:

- Share spot price used: \$1.20
- Exercise price: \$1.00
- Term to maturity: 1.99 years
- Risk-free rate: 3.11%
- Volatility assumption: 31.2%
- Dividend yield: 0.0%

**b) Settlement of claims against the convertible notes**

During the current period, liabilities of \$73,937 pertaining to outstanding claims were settled against the balance of convertible notes as agreed with Infocus in line with the terms of the sale purchase contract.

**c) Contingent redemption arrangement**

No indicators of a decrease in consideration due to reduction in forecasted revenue have been identified as at the reporting date. Accordingly, no adjustments have been made to the contract consideration. Management will continue to evaluate the compliance with contract terms at each reporting date and accordingly, recognise the appropriate fair value loss, if any, in subsequent periods.

**d) Sensitivity analysis**

For the purposes of a sensitivity analysis, the Company considers a 5% adjustment to the reported value of convertible notes as reasonable. At reporting date, if the value of the convertible notes changes by 5%, the impact on the Company's profit or loss after tax would have been an increase/decrease of \$134,420. This would result in the 30 June 2025 net asset backing after tax moving by 0.1 cent per share.

**Transfers between levels**

There have been no transfers between the fair value hierarchy levels during the year.

**Fair value of financial instruments not carried at fair value**

The carrying value of cash and cash equivalents, trade and other receivables, other financial assets and trade and other payables, are assumed to approximate their fair values due to their short-term nature.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2025

Clime Investment Management Limited

**13 INVESTMENTS IN ASSOCIATES**

	30 June 2025	30 June 2024
	\$	\$
Investment in associates accounted using the equity method	<b>285,956</b>	-

Clime Investors' Education Pty Limited, a subsidiary of the Group acquired the following during the current financial year:

- a) an additional 20% holding in its associate James Street Wealth Pty Ltd on 14 October 2024, increasing the total holding in the associate to 50%.
- b) 28.33% holding in BizGPT Pty Ltd on 23 June 2025.

James Street Wealth Pty Ltd is in the business of providing retail financial advice and specialised in providing targeted solutions to private clients, family offices and not-for-profit entities.

BizGPT Pty Ltd provides AI-driven business solutions including software development, educational advisory, and financial and corporate consulting services.

**(a) Carrying amounts**

Accordingly, the movement in investment in associates during the year period has been recognised as follows:

	James Street Wealth	BizGPT	Total
Opening balance - 1 July 2024	-	-	
Additional investment during the year	100,000	170,000	270,000
Share of profit/(loss) of associates recognised during the year	96,844	(1,888)	94,956
Dividends received	(79,000)	-	(79,000)
<b>Closing balance – 30 June 2025</b>	<b>117,844</b>	<b>168,112</b>	<b>285,956</b>

Impact of \$94,956 has been recognised in statement of comprehensive income as “Share of profit from associates (net)” for the year ended 30 June 2025 (30 June 2024: Nil).

**(b) Summarised financial information of associates**

The summarised financial information below represents amounts shown in the associate's financial statements for the year ended 30 June 2025, prepared in accordance with Australian Accounting Standards:

	James Street Wealth	BizGPT
<b>Summarised statement of financial position</b>		
Current assets	103,980	520,193
Non-current assets	37,447	54,700
<b>Total assets</b>	<b>141,427</b>	<b>574,893</b>
Current liabilities	76,534	517,902
Non-current liabilities	-	241,800
<b>Total liabilities</b>	<b>76,534</b>	<b>759,702</b>
<b>Net assets</b>	<b>64,893</b>	<b>(184,809)</b>
Clime's share in associates	50%	28.33%
Clime's share in net assets of associates	32,447	(52,356)
Goodwill	85,398	220,468
<b>Carrying amount of investment (equity accounted)</b>	<b>117,845</b>	<b>168,112</b>

**13 INVESTMENTS IN ASSOCIATES (continued)****(b) Summarised financial information of associates (continued)**

	<b>James Street Wealth</b>	<b>BizGPT</b>
<i>Summarised statement of profit or loss and other comprehensive income</i>		
Revenue	828,465	267,999
Expenses	(537,316)	(572,099)
<b>Profit before income tax</b>	<b>291,149</b>	<b>(304,100)</b>
Income tax expense	(45,478)	-
<b>Profit after income tax</b>	<b>245,671</b>	<b>(304,100)</b>
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>245,671</b>	<b>(304,100)</b>

**14 PROPERTY, PLANT AND EQUIPMENT**

	<b>30 June 2025 \$</b>	<b>30 June 2024 \$</b>
Property, plant and equipment - at cost	213,222	339,423
Accumulated depreciation and impairment	(96,211)	(241,038)
<b>Written down value of property, plant and equipment</b>	<b>117,011</b>	<b>98,385</b>
<i>Reconciliation:</i>		
Carrying value at beginning of the year	98,385	136,837
Additions during the year	85,065	14,753
Disposals during the year	(12,421)	-
Depreciation charge for the year	(54,018)	(53,205)
<b>Carrying amount at end of the year</b>	<b>117,011</b>	<b>98,385</b>



**15 LEASES**

The Group has a lease contract on its main office in Sydney which has a term of five years. The Group also has leases on its Brisbane and Melbourne offices with lease terms of 12 months or less wherein the Group applies the “short term lease” recognition exemptions for these leases.

The consolidated statement of financial position shows the following amounts relating to leases:

	30 June 2025	30 June 2024
	\$	\$
<b>Right-of-use assets</b>		
<i>Building under lease arrangement</i>		
At cost	-	2,147,222
Accumulated depreciation	-	(1,717,776)
<b>Carrying amount at 30 June</b>	<b>-</b>	<b>429,446</b>
<b>Lease liabilities</b>		
Current	-	<b>532,788</b>

The consolidated statement of comprehensive income shows the following amounts relating to leases:

	Year ended 30 June 2025	30 June 2024
	\$	\$
Finance costs on lease liabilities	13,477	39,866
Depreciation expense on lease assets	429,446	429,444
Expenses relating to leases of 12 months or less (for which a lease asset and lease liability have not been recognised)	354,942	374,823
	<b>797,865</b>	<b>844,133</b>

Total cash outflow in relation to leases is as follows:

	Year ended 30 June 2025	30 June 2024
	\$	\$
Finance costs on lease liabilities	13,477	39,866
Principal elements of lease payments	532,788	477,393
Expenses relating to leases of 12 months or less (for which a lease asset and lease liability have not been recognised)	354,942	374,823
	<b>901,207</b>	<b>892,082</b>

An analysis of the remaining contractual maturities of lease liabilities is disclosed in Note 4(c).

**16 DEFERRED TAX ASSETS AND LIABILITIES****(a) Deferred tax assets**

	30 June 2025	30 June 2024
	\$	\$
<b>The balance comprises temporary differences attributable to:</b>		
Financial assets at fair value through profit or loss	36,707	20,373
Contract liabilities	6,022	6,300
Employee benefits	128,000	205,608
Accrued expenses	171,184	719,262
Tax losses carried forward on revenue account	635,365	456,923
Tax losses carried forward on capital account	177,982	177,981
<b>Deferred tax assets</b>	<b>1,155,260</b>	<b>1,586,447</b>
<b>Movements:</b>		
Opening balance at 1 July	1,586,447	926,045
(Debited)/Credited to profit or loss (Note 8(a))	(431,187)	660,402
<b>Closing balance at 30 June</b>	<b>1,155,260</b>	<b>1,586,447</b>

**(b) Deferred tax liabilities**

	30 June 2025	30 June 2024
	\$	\$
<b>The balance comprises temporary differences attributable to:</b>		
Financial assets at fair value through profit or loss	(86,050)	-
<b>Deferred tax liabilities</b>	<b>(86,050)</b>	<b>-</b>
<b>Movements:</b>		
Opening balance at 1 July	-	-
Credited to profit or loss (Note 8(a))	(86,050)	-
<b>Closing balance at 30 June</b>	<b>(86,050)</b>	<b>-</b>
<b>Net deferred tax assets</b>	<b>1,069,210</b>	<b>1,586,447</b>

**17 CONTRACT COSTS**

	30 June 2025	30 June 2024
	\$	\$
Contract costs	253,115	309,135

Contract costs represent payments made by the Group to obtain an Investment Management Agreement.

These costs are amortised on a straight-line basis over the period of the Investment Management Agreement as this reflects the period over which the Investment Management Services will be provided.

In FY 2025, amortisation amounting to \$56,020 (2024: \$55,905) was recognised in the consolidated statement of profit or loss and other comprehensive income. There was no impairment during the year (2024: \$Nil).

# 18 INTANGIBLE ASSETS

	30 June 2025 \$	30 June 2024 \$
<b>Goodwill</b>		
At cost	10,819,090	10,819,090
<b>Investment management contracts and relationships:</b>		
At cost	5,160,480	5,160,480
Accumulated amortisation	(4,894,906)	(4,634,558)
Net carrying amount	265,574	525,922
<b>Software licences:</b>		
At cost	80,540	1,682,299
Accumulated amortisation	(25,878)	(1,070,870)
Net carrying amount	54,662	611,429
<b>Customer relationship and customer list:</b>		
At cost	3,939,410	3,966,683
Accumulated amortisation	(1,306,054)	(1,062,729)
Net carrying amount	2,633,356	2,903,954
<b>Closing balance of intangible assets at 30 June</b>	<b>13,772,682</b>	<b>14,860,395</b>

## (a) Reconciliations

	Goodwill \$	Investment management contracts and relationships \$	Software licences \$	Customer relationships and customer lists \$	Total \$
<b>2025 – Consolidated:</b>					
Carrying amount at beginning of year	10,819,090	525,922	611,429	2,903,954	14,860,395
Additions	-	-	479	-	479
Amortisation expense <sup>1</sup>	-	(260,348)	(165,943)	(243,325)	(669,616)
Impairment <sup>2</sup>	-	-	(391,303)	-	(391,303)
Other adjustments	-	-	-	(27,273)	(27,273)
<b>Carrying amount at end of year</b>	<b>10,819,090</b>	<b>265,574</b>	<b>54,662</b>	<b>2,633,356</b>	<b>13,772,682</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

Clime Investment Management Limited

## 18 INTANGIBLE ASSETS (continued)

	Goodwill	Investment management contracts and relationships	Software licences	Customer relationships and customer lists	Total
	\$	\$	\$	\$	\$
<b>2024 – Consolidated:</b>					
Carrying amount at beginning of year	12,548,431	786,739	770,434	4,043,262	18,148,866
Additions	-	-	230,563	-	230,563
Disposals <sup>4</sup>	(1,038,054)	-	-	(812,532)	(1,850,586)
Amortisation expense <sup>1</sup>	-	(260,817)	(231,371)	(326,776)	(818,964)
Impairment <sup>3</sup>	(691,287)	-	(158,197)	-	(849,484)
<b>Carrying amount at end of year</b>	<b>10,819,090</b>	<b>525,922</b>	<b>611,429</b>	<b>2,903,954</b>	<b>14,860,395</b>

<sup>1</sup> Amortisation of \$669,615 (2024: \$818,964) is included in the consolidated statement of profit or loss and other comprehensive income.

<sup>2</sup> During the current year, the Group impaired software licences of \$391,303 mainly pertaining to a customer management software which was replaced as a part of the restructuring of the Group. The impairment has been recognised in the consolidated statement of profit or loss within 'Depreciation, amortisation and impairment.'

<sup>3</sup> During the prior year, the Group impaired goodwill of \$691,287 pertaining to the acquisition of Stocks In Value Pty Ltd and software licences of \$158,197 in line with the refocus on the Group's core business of funds and individual account management. The impairment has been recognised in the consolidated statement of profit or loss within 'Depreciation, amortisation and impairment.'

<sup>4</sup> During the prior year, the Group divested its investment in Madison Financial Group, which resulted in a reduction of goodwill of \$1,038,054 and customer lists of \$812,532.

### (b) Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the applicable cash-generating unit for impairment testing. Each cash-generating unit represents a business operation of the Group.

CASH-GENERATING UNIT	Funds management	Advice	Total
	\$	\$	\$
<b>2025 - Consolidated</b>			
Balance at the beginning and end of the year	<b>8,565,144</b>	<b>2,253,946</b>	<b>10,819,090</b>
<b>2024 - Consolidated</b>			
Balance at the beginning of the year	5,528,227	7,020,204	12,548,431
Derecognised on divestment (Note 33)	-	(1,038,054)	(1,038,054)
Impairment	(691,287)	-	(691,287)
Other movements during the year	3,728,204	(3,728,204)	-
<b>Balance at end of year</b>	<b>8,565,144</b>	<b>2,253,946</b>	<b>10,819,090</b>

### Funds management

The recoverable amount of the cash generating unit has been determined based on fair value less costs to sell, using the basis of arms' length transactions between knowledgeable and willing parties with the best information available. In determining these amounts, outcomes of recent transactions for similar assets and businesses have been considered. The Company's acquisitions of the components of its Funds Management business were conducted at prices within the historical range of 2.5% to 6.0% of their underlying FUM.

### Advice

The recoverable amount of this cash-generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets, normalised EBITDA for a period of five years, a pre-tax discount rate of 15.3% (2024: 15.4%) per annum and a growth rate of 5% per annum (2024: 5% per annum).

Management believe that any reasonably possible change in the key assumptions on which the recoverable amount of the cash generating unit is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related cash generating unit.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2025

Clime Investment Management Limited

**19 TRADE AND OTHER PAYABLES**

	30 June 2025	30 June 2024
	\$	\$
<b>Unsecured</b>		
Trade payables	300,309	508,112
Accruals	770,015	1,751,407
Other payables	739,527	456,591
Dividends on shares issued under the Employee Incentive Scheme	-	32,562
	<b>1,809,851</b>	<b>2,748,672</b>

Trade and other payables are generally settled on 30-day terms, where are Licensee fees payable are settled within 15-days. Due to the short-term nature of these payables, their carrying values represent a reasonable approximation of their fair values.

**20 PROVISIONS**

	30 June 2025	30 June 2024
	\$	\$
<b>Current provisions</b>		
Provisions for claims (a)	1,392,500	1,392,500
<b>Employee benefits</b>		
Annual leave	267,914	352,639
Long service leave	232,699	196,615
<b>Total current provisions</b>	<b>1,893,113</b>	<b>1,941,754</b>
<b>Non-current provisions</b>		
<b>Employee benefits</b>		
Long service leave	<b>11,388</b>	<b>103,659</b>

- (a) Provision for claims of \$1,392,500 relates to existing Madison claims in progress as at the date of divestment (28 June 2024). These are expected to be fully recovered from the adviser and hence, an equivalent receivable has been recorded as disclosed in Note 10(f) above.

**21 ISSUED CAPITAL****(a) Share capital**

	Parent equity			
	30 June 2025		30 June 2024	
	No. of shares	\$	No. of shares	\$
Ordinary shares, fully paid	<b>75,708,491</b>	<b>26,931,281</b>	<b>75,660,265</b>	<b>26,915,802</b>

Note that the number of shares on issue above will differ from the number of shares on issue as notified to the Australian Securities and Investments Commission and the Australian Securities Exchange. This is due to the application of AASB 2 Share-based Payments which treats the shares issued under the Employee Incentive Scheme as 'in-substance options' for statutory reporting purposes. Refer to Note 2(r) for further information.

As at 30 June 2025, there are nil (2024: 500,000) fully paid ordinary shares issued under the Employee Incentive Scheme as 'in-substance options', which are not included in the fully paid ordinary shares disclosed above.

**21 ISSUED CAPITAL (continued)****(b) Movements in ordinary share capital**

<b>Date</b>	<b>Details</b>	<b>No. of shares</b>	<b>\$</b>
30 June 2023	Balance	71,160,265	25,587,865
19 January 2024	Issue of ordinary shares to Teaminvest Private Group Limited	4,500,000	1,350,000
January to March 2024	Cost of issuing capital – net of tax	-	(22,063)
<b>30 June 2024</b>	<b>Balance</b>	<b>75,660,265</b>	<b>26,915,802</b>
16 December 2024	Issue of ordinary shares to employees under the Employee Share Purchase Plan	67,650	21,986
20 March 2025	On-market buy-back of shares (d)	(19,424)	(6,507)
<b>30 June 2025</b>		<b>75,708,491</b>	<b>26,931,281</b>

**(c) Terms and conditions**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

**(d) On-market share buy-back**

During the financial year ended 30 June 2025, Clime Investment Management Limited, in accordance with its on-market share buy-back scheme, bought back 19,424 shares (2024: Nil). The number of shares, if any, bought back and cancelled was within the '10/12 limit' imposed by s257B of the *Corporations Act 2001*, and as such, shareholder approval was not required. The shares were acquired at an average price of 33.5 cents. The total cost of \$6,557, including \$50 transaction costs, was deducted from contributed equity. The shares bought back in the current year were cancelled immediately.

**(e) Employee Incentive Scheme ("EIS")**

As at 30 June 2025, there are no EIS 'in-substance' options on issue (2024: 500,000). Share options granted under the Company's EIS carry rights to dividends and voting rights. Refer to Note 25(a) for a schedule of the movements in EIS options on issue during the year. No new share options (2024: 150,000 share options) were granted under the Company's EIS in the current financial year.

**(f) Employee Share Plan ("ESP")**

During the financial year ended 30 June 2025, the Company issued 67,650 shares (2024: Nil) under the Clime Employee Share Plan valued at \$21,986 (2024: Nil). The participants under the ESP are entitled to dividends and are subject to a 3-year lock-in period in accordance with the plan rules. The fair value of these shares issued, if any, are immediately expensed to profit or loss account. Refer Note 25(b) for further information.

**(g) Employee Stock Options**

Pursuant to the Remuneration Agreement approved by shareholders on 22 November 2024, the Managing Director was granted 6,746,032 options that vest immediately and expire in three tranches. Expenses of \$102,826 were recognised towards these options during the year. Refer to Note 25(c) for a schedule of the movements in the options on issue during the year. These options do not carry any dividend or voting rights.

**(h) Capital Risk Management**

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure and to reduce the cost of capital.

The Group's capital structure currently consists of total equity, as recognised in the Statement of Financial Position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid, return capital to shareholders, issue new shares from time to time or buy back its own shares. The Group's strategy is unchanged from 2024.

**22 RESERVES AND RETAINED EARNINGS**
**(a) Reserves**

	30 June 2025	30 June 2024
	\$	\$
<b>Share-based payments reserve</b>		
Opening balance at 1 July	368,202	333,612
Share-based payment expense recognised towards EIS options	11,746	34,590
Transfer to retained earnings on expiry of the EIS options	(379,948)	-
Share-based payment expense recognised towards options issued to Managing Director	102,826	-
Transfer to retained earnings on lapse of Tranche 1 options	(36,344)	-
<b>Closing balance at 30 June</b>	<b>66,482</b>	<b>368,202</b>

The share-based payments reserve is used to recognise the fair value of options issued to employees but not exercised. On expiry and cancellation of the share options, balance in share-based payments reserve has been transferred to retained earnings.

**(b) Accumulated losses**

	30 June 2025	30 June 2024
	\$	\$
Opening balance at 1 July	(6,427,605)	(2,656,012)
Net profit/(loss) for the year attributable to owners of the Group	510,676	(3,771,593)
Transfers from share-based payment reserve	416,292	-
Transfer of EIS dividends received	32,562	-
Dividends paid during the year	(189,272)	-
<b>Closing balance at 30 June</b>	<b>(5,657,347)</b>	<b>(6,427,605)</b>

**23 REMUNERATION OF AUDITORS**

During the year the following fees were paid or payable for services provided by the auditor of the Parent Entity (Pitcher Partners Sydney) and its related practices:

	Year ended 30 June 2025	30 June 2024
	\$	\$
Audit and review of financial statements - Pitcher Partners	193,166	266,331
Other services - Taxation matters	24,583	26,006
<b>Total services provided by Pitcher Partners</b>	<b>217,749</b>	<b>292,337</b>
<i>Other auditors (excluding Pitcher Partners)</i>		
Audit and review of financial statements – KPMG	11,950	9,928
Others	4,725	15,800
	<b>16,675</b>	<b>25,728</b>

**24 EARNINGS/(LOSS) PER SHARE**
**(a) Basic and diluted earnings/(loss) per share**

	<b>Year ended</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>Cents</b>	<b>Cents</b>
Basic and diluted earnings/(loss) per share	<b>0.7</b>	<b>(5.2)</b>
Basic and diluted earnings/(loss) per share for continuing operations	<b>0.7</b>	<b>(4.5)</b>
Basic and diluted earnings/(loss) per share for discontinuing operations	<b>-</b>	<b>(0.6)</b>

The following table reflects the income data used in the basic and diluted EPS calculations:

	<b>Year ended</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Profit/(Loss) attributable to the ordinary equity holders of the Group		
Continuing operations	510,676	(3,312,587)
Discontinued operations	-	(459,006)
Profit/(Loss) attributable to the ordinary equity holders of the Group for basic and diluted earnings/(loss) per share	<b>510,676</b>	<b>(3,771,593)</b>

**(b) Reconciliation of weighted average number of shares**

	<b>Year ended</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	<b>75,691,164</b>	<b>73,164,364</b>
Weighted average number of ordinary shares deemed to be issued for no consideration in respect of - Employee Incentive Scheme (note (i) below)	460,411	-
Weighted average number of ordinary shares in respect of Tranche 1 options using Treasury stock method (note (ii) below)	68,298	-
Weighted average number of ordinary shares used in the calculation of diluted earnings per share	<b>76,219,874</b>	<b>76,219,874</b>

(i) Options outstanding under the Employee Incentive Scheme were considered to be anti-dilutive as at 30 June 2024 and have not been included in the determination of basic and diluted earnings/(loss) per share for the prior year.

(ii) At 30 June 2025, the Company had on issue:

- 1,428,571 options at an exercise price of \$0.35 (Tranche 1);
- 2,222,222 options at an exercise price of \$0.45 (Tranche 2); and
- 1,666,667 options at an exercise price of \$0.60 (Tranche 3).

Only Tranche 1 options were dilutive during the year ended 30 June 2025. Tranche 2 and Tranche 3 options were excluded from the diluted EPS calculation as their exercise prices were greater than the average market price of the Company's shares during the year and were therefore anti-dilutive.



**25 SHARE-BASED PAYMENTS**

**(a) Employee Incentive Scheme (EIS)**

The Clime Investment Management Limited EIS was approved by shareholders at the Company's Annual General Meeting held on 25 October 2007.

The EIS provides an opportunity for eligible employees, as determined by the Board from time to time, to purchase shares in the Company via the provision of an interest-free, non-recourse loan.

Shares issued in accordance with the EIS are subject to certain restrictions for the duration of the loan, including continued employment with the Company and share transfer locks. Upon the expiration of the loan term, and the repayment of the outstanding loan balance by relevant employees, the shares become unconditional. Shares issued under the EIS rank equally with other fully paid ordinary shares.

Due to certain aspects of the EIS - specifically the share transfer locks and non-recourse nature of the loans - the Company is required to classify shares issued under the EIS as 'in-substance options' in accordance with *AASB 2 Share-based Payment*.

It should be noted that the application of this accounting policy will therefore result in differences between the number of shares on issue as disclosed in the Company's statutory reports, and the number of shares on issue as advised to the Australian Securities Exchange.

No new in-substance options were granted during the current financial year (2024: 150,000 share options).

Set out below is a summary of in-substance options previously granted under the plan:

Grant Date	Vesting/ Expiry Date	Exercise price	Balance at the start of the year	Granted during the year	Exercised during the year	Transferred/ forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
			Number	Number	Number	Number	Number	Number
<b>2025</b>								
22/03/2022	21/03/2025	\$0.582	350,000	-	-	(350,000)	-	-
22/08/2023	20/08/2026	\$0.358	150,000	-	-	(150,000)	-	-
<b>Total</b>			<b>500,000</b>	<b>-</b>	<b>-</b>	<b>(500,000)</b>	<b>-</b>	<b>-</b>
Grant Date	Vesting/ Expiry Date	Exercise price	Balance at the start of the year	Granted during the year	Exercised during the year	Transferred/ forfeited during the year	Balance at the end of the year	Vested and exercisable at the end of the year
			Number	Number	Number	Number	Number	Number
<b>2024</b>								
30/04/2021	29/04/2024	\$0.575	400,000	-	-	(400,000)	-	-
23/06/2021	22/06/2024	\$0.573	550,000	-	-	(550,000)	-	-
22/03/2022	21/03/2025	\$0.582	350,000	-	-	-	350,000	-
22/08/2023	20/08/2026	\$0.358	-	150,000*	-	-	150,000	-
<b>Total</b>			<b>1,300,000</b>	<b>150,000</b>	<b>-</b>	<b>(950,000)</b>	<b>500,000</b>	<b>-</b>
<b>Weighted average exercise price</b>				<b>\$0.515</b>				

\* In-substance options granted to the Chief Operating Officer.

The weighted average contractual life of in-substance options outstanding at the end of the period was 1.02 years (2024: 1.02 years).

**25 SHARE-BASED PAYMENTS (continued)****(a) Employee Incentive Scheme (EIS) (continued)**

The assessed fair value at grant date of in-substance options granted to the individuals is allocated equally over the period from grant date to vesting date. Fair values at grant date are determined by using a binomial distribution model to statistically estimate the future probability of the in-substance options vesting and the amounts that these in-substance options would be worth. The valuation was performed as at the grant date of each in-substance option issued.

The model inputs for in-substance options granted during the current and previous financial year ended 30 June included:

- in-substance options are granted via an interest free, non-recourse loan and vest based on the terms discussed above;
- in-substance options become unconditional on the date of their vesting following the repayment of the outstanding loan balance;
- exercise price: The forecast outstanding loan principal at the expiration of the loan term is equivalent to the exercise price variable in a standard option valuation. The forecast outstanding loan principal is \$0.53 (2024: \$0.53) per share (for in-substance options issued with a three-year term);
- vesting date: 3 years from the grant date;
- expected price volatility of the Company's shares: between 30.2% and 34.3% (2024: between 30.2% and 34.3%);
- risk-free interest rate: 1.35% (2024: 1.35%); and
- discount rate: 12% (2024: 12%).

There are no in-substance options outstanding as at 30 June 2025. Refer to the Remuneration Report on pages 15 to 22, for additional information in relation to the EIS.

**(b) Employee Share Plan (ESP)**

During the period, the Company issued 67,650 shares valued at \$21,986 (2024: nil) to eligible employees under the Clime Employee Share Plan – December 2024 for nil consideration. The fair value of the shares issued is based on the Company's share trading price on 6 December 2024. The participants under the ESP are entitled to dividends and are subject to a three-year lock in period in accordance with the ESP rules.

**(c) Employee Stock Options**

Pursuant to the Remuneration Agreement approved by shareholders on 22 November 2024, the Managing Director was granted options as follows:

Nature of options	Grant date/ vesting date	Expiry date	Exercise Price	Granted during the year	Lapsed during the year	Balance at the end of the year
				Number	Number	Number
Tranche 1 Options	22/11/2024	30/06/2025	0.35	2,857,143	1,428,572	1,428,571
Tranche 2 Options	22/11/2024	30/06/2026	0.45	2,222,222	-	2,222,222
Tranche 3 Options	22/11/2024	30/06/2027	0.60	1,666,667	-	1,666,667
				<b>6,746,032</b>	<b>1,428,572</b>	<b>5,317,460</b>

The weighted average fair value of options granted during the year was \$0.02 (2024: Nil).

The options are non-transferable and the holder of these options does not have the right, by virtue of the option, to participate in any other share issue of the Company or of any other body corporate or registered scheme.

On 30 June 2025, the Managing Director communicated his intention to exercise the outstanding Tranche 1 options and shares were issued against these options on 14 July 2025. The weighted average share price at the date of exercise of the above options was \$0.40.

The weighted average contractual life of in-substance options outstanding at the end of the year was 1.43 years.

The assessed fair value at grant date of \$91,675 has been fully recognised to the statement of profit or loss in the current year since the options vested immediately. Fair values at grant date are determined by using the Black-Scholes option valuation model to statistically estimate the value of the options.

**25 SHARE-BASED PAYMENTS (continued)**
**(c) Employee Stock Options (continued)**

The following tables list the inputs to the models used for the valuation of above options for the year ended 30 June 2025:

	<b>Tranche 1</b>	<b>Tranche 2</b>	<b>Tranche 3</b>
Weighted average fair values at the measurement date (\$)	0.03	0.01	0.00
Dividend yield (%)	2.14%	7.14%	7.14%
Expected volatility (%)	21.80%	25.53%	23.79%
Discount rate (%)	4.35%	4.06%	4.07%
Expected life of share options (years)	0.6	1.6	2.6
Weighted average share price (\$)	0.35	0.35	0.35

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

**(d) Expenses arising from share-based payment transactions**

Total expenses arising from share-based payment transactions recognised during the year as part of the employee benefit expense were as follows:

	<b>Year ended</b>	
	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
Employee Incentive Scheme	11,746	34,590
Employee Share Plan	21,986	-
Employee Stock Options	102,826	-
	<b>136,558</b>	<b>34,590</b>

Refer to the Remuneration Report on pages 15 to 22. for additional information in relation to the Employee Incentive Scheme and Employee Share Plan Scheme.

**26 SEGMENT INFORMATION**
**(a) Description of segments**

Our internal reporting system produces reports in which business activities are presented in a variety of ways. Based on these reports, the Directors, who are responsible for assessing the performance of various components of the business and making resource allocation decisions as Chief Operating Decision Makers (CODM), evaluate business activities in a number of different ways.

During the year ended 30 June 2025, the Group made a reclassification of its operating segments following the divestment of Madison Financial Group Pty Limited and WealthPortal Pty Limited in FY24.

The revised Group's reportable segments under *AASB 8 Operating Segments* are as follows:

- Funds Management
- Advice
- Corporate

The accounting policies of the reportable segments are the same as the Group's accounting policies.

**Funds Management**

The Group's funds management business provides a range of investment management services through Clime Asset Management Pty Ltd, CBG Asset Management Limited, Ralton AM Pty Limited, ProActive Portfolios Pty Limited and Stocks In Value Pty Ltd.

These businesses generate operating revenue (investment management and performance fees) as remuneration for managing the investment portfolios of individuals, corporations and mandates.

**Advice**

The Group's private wealth business through Clime Private Wealth Pty Limited (CPW), MTIS Wealth Management Pty Limited (MTIS), and Investment Strategists Accounting Services Pty Limited delivers tailored private wealth advisory services for its wholesale, sophisticated and retail clients. CPW and MTIS are now operating under the Clime Advice Pty Ltd AFSL.

Revenue generated from the Group's associate James Street Wealth Pty Limited is also included within this segment.

**Corporate**

Corporate includes the results of the Group's investments held in Clime Capital Limited, investment in associate BizGPT Pty Ltd, Infocus convertible notes and shared costs including unallocated group employees, and unallocated expenses relating to the Group's support functions.

**(b) Reportable segments**

30 June 2025	Funds management	Advice	Corporate	Eliminations	Total
	\$	\$	\$	\$	\$
<b>Segment revenue</b>					
Sales to external customers	9,386,447	3,426,719	119,204	-	12,932,370
Investment income	216,788	5,127	236,308	-	458,223
<b>Total segment revenue from continuing operations</b>	<b>9,603,235</b>	<b>3,431,846</b>	<b>355,512</b>	<b>-</b>	<b>13,390,593</b>
Net realised and unrealised loss on financial assets at fair value through profit or loss	-	-	500,811	-	500,811
<b>Net profit before tax from continuing operations</b>	<b>4,371,220</b>	<b>270,028</b>	<b>(3,613,335)</b>	<b>-</b>	<b>1,027,913</b>
Income tax expense	-	-	(517,237)	-	(517,237)
<b>Profit for the year from continuing operations</b>	<b>4,371,220</b>	<b>270,028</b>	<b>(4,130,572)</b>	<b>-</b>	<b>510,676</b>
Depreciation and amortisation expense	(407,092)	(211,411)	(994,321)	-	(1,612,824)

**26 SEGMENT INFORMATION (continued)****(b) Reportable segments (continued)**

30 June 2024	Funds management	Advice	Corporate	Eliminations	Total
	\$	\$	\$	\$	\$
<b>Segment revenue</b>					
Sales to external customers	7,822,475	3,173,715	293,067	-	11,289,257
Intersegment sales	-	-	-	-	-
Investment income	241,906	1,496	315,461	-	558,863
<b>Total segment revenue from continuing operations</b>	<b>8,064,381</b>	<b>3,175,211</b>	<b>608,528</b>	<b>-</b>	<b>11,848,120</b>
Net realised and unrealised loss on financial assets at fair value through profit or loss	-	-	(92,952)	-	(92,952)
<b>Net profit/(loss) before tax from continuing operations</b>	<b>3,400,667</b>	<b>(642,197)</b>	<b>(6,872,043)</b>	<b>-</b>	<b>(4,113,573)</b>
Income tax benefit	-	-	800,986	-	800,986
<b>Profit/(Loss) for the year from continuing operations</b>	<b>3,400,667</b>	<b>(642,197)</b>	<b>(6,071,057)</b>	<b>-</b>	<b>(3,312,587)</b>
Depreciation and amortisation expense	(1,367,070)	(217,465)	(622,467)	-	(2,207,002)

**(c) Segment assets and liabilities**

Information about the segment assets and liabilities are not regularly reviewed by the CODM. As a result, information relating to segment assets and liabilities are not presented. The Group operates in the geographical segments of Australia.

**(d) Information about major clients**

Included in revenues arising from the funds management business of \$9,603,235 (2024: \$8,064,381) (see Note 25(b) above) are revenues of approximately \$1,246,738 (2024: \$1,274,666) which arose from services provided to the Group's largest client.

**27 EVENTS SUBSEQUENT TO REPORTING DATE**

On 30 June 2025, the Managing Director communicated his intention to exercise the outstanding Tranche 1 options and shares were issued against these options on 14 July 2025.

In July 2025, the Company entered into new lease contracts for the Sydney office and the Melbourne office for a term of five years respectively. The registered address of the Company has been updated to the new Sydney office at Level 31, Suite 2, Angel Place, 123 Pitt Street, Sydney, NSW, 2000 with effect from 1 August 2025.

A fully franked final dividend of 0.50 cents per share has been proposed by the Board with the announcement to follow.

No other matters or circumstances have arisen since the end of the reporting period which significantly affect or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in the future financial periods.

**28 CONTINGENT ASSETS, CONTINGENT LIABILITIES AND COMMITMENTS**

The Group has no contingent assets, contingent liabilities or commitments as at 30 June 2025 and 30 June 2024.

**29 KEY MANAGEMENT PERSONNEL DISCLOSURES**
**(a) Remuneration of Directors and other key management personnel**

A summary of the remuneration of Directors and other key management personnel for the current and previous financial year is set out below:

	Short-term employee benefits	Post- employmen t benefits	Long service leave	Termination benefits	Share-based payments	Total
	\$	\$	\$	\$	\$	\$
<b>2025</b>						
Remuneration of Directors and other Key Management Personnel	1,340,870	109,838	16,074	90,125	102,826	<b>1,659,733</b>
<b>2024</b>						
Remuneration of Directors and other Key Management Personnel	970,971	72,139	9,748	115,385	14,243	<b>1,182,486</b>

Further information regarding the identity of key management personnel and their compensation can be found in the Audited Remuneration Report contained in the Directors' Report on pages 15 to 22 of this Annual Report.

**(b) Equity instrument disclosures relating to Directors and other Key Management Personnel**
***Options provided as remuneration and shares issued on exercise of such options***

Details of options provided as remuneration and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the Remuneration Report on pages 15 to 22.

***Shareholdings***

The numbers of shares (including shares issued under Employee Incentive Scheme (EIS)) in the Company held during the year by each Director of Clime Investment Management Limited and other key management personnel of the Group, including their personally related entities, are set out below:

2025	Shareholding at the start of the year	Received during the year on the exercise of options	Other changes during the year	Shareholding at the end of the year
	No.	No.	No.	No.
Mr. John Abernethy	<b>5,189,350</b>	-	967,490	<b>6,156,840</b>
Mr. Henry Davis	-	-	13,250	<b>13,250</b>
Mr. Anthony Kynaston	-	-	150,000	<b>150,000</b>
Mr. Michael Baragwanath	<b>24,000</b>	-	40,000	<b>64,000</b>
Mr. William Riggall	<b>535,185</b>	-	(350,000)	<b>185,185</b>
Ms. Susan Wynne (resigned on 16 October 2024)	<b>10,000</b>	-	(10,000)	-
Ms. Claire Bibby (resigned on 16 October 2024)	-	-	-	-
Mr. Andrew Coleman (resigned on 16 October 2024)	<b>4,500,000</b>	-	-	<b>4,500,000</b>
Ms. Annick Donat (resigned on 31 July 2025)	<b>403,000</b>	-	(403,000)	-

**29 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)****(b) Equity instrument disclosures relating to Directors and other Key Management Personnel (continued)****Shareholdings (continued)**

2024	Shareholding at the start of the year	Received during the year on the exercise of options	Other changes during the year	Shareholding at the end of the year
	No.	No.	No.	No.
Mr. John Abernethy	5,129,350	-	60,000	5,189,350
Ms. Susan Wynne	10,000	-	-	10,000
Ms. Claire Bibby	-	-	-	-
Mr. Andrew Coleman	-	-	4,500,000	4,500,000
Mr. Ronni Chalmers (resigned 3 April 2024)	8,252,008	-	(3,492,285)	4,759,723
Mr. Michael Kollo (resigned 3 April 2024)	-	-	-	-
Ms. Annick Donat	403,000	-	-	403,000

**(c) Loans to Directors and other key management personnel**

Nil (2024: \$218,400) loan to Executive Officers in relation to the EIS shares issued under the Employee Incentive Scheme (refer Note 25(a)).

There were no other loans made to Directors of Clime Investment Management Limited or other key management personnel of the Group, including their personally related entities, at any stage during the financial year.

As described in Note 25(a), notional non-recourse loans exist in relation to “in substance” options issued under the Employee Incentive Scheme.

**30 RELATED PARTY TRANSACTIONS**

All transactions with related entities were made on normal commercial terms and conditions no more favourable than transactions with other parties unless otherwise stated. Details of transactions between the Group and other related parties are disclosed below.

**(a) Parent Entity**

The Parent Entity within the Group is CIW (Clime Investment Management Limited).

**(b) Subsidiaries**

Interests in subsidiaries are set out in Note 34.

**(c) Key Management Personnel**

Disclosures relating to Key Management Personnel are set out in Note 29.

**(d) Other related party transactions****1. Clime Capital Limited**

- i. The Group received income from Clime Capital Limited for Director and Company Secretarial services, marketing services and reimbursement of shared expenses. During the period, Mr John Abernethy was a Director of Clime Capital Limited and in FY 2024, Mr. John Abernethy and Mr. Ronni Chalmers were Directors of Clime Capital Limited. In FY 2025, the Group received \$114,545 (2024: \$131,423) of such income from Clime Capital Limited.

**30 RELATED PARTY TRANSACTIONS (continued)****(d) Other related party transactions (continued)****1. Clime Capital Limited (continued)**

- ii. Clime Clime Investment Management Ltd directly owns 1.25% (2024: 1.39%) of the share capital and 0.12% (2024: Nil) of the Convertible Notes of the Company as at 30 June 2025. Clime Investment Management Ltd, through the Investment Manager, has the indirect power to dispose 2.72% (2024: 2.70%) of the Company's shares and has the indirect power to dispose 6.90% (2024: 5.83%) of the Company's Convertible Notes held by the Investment Manager's Individually Managed Accounts (IMAs) and other managed funds.
- iii. Clime Asset Management Pty Limited received \$1,246,738 (2024: \$1,274,666) excluding GST as remuneration for managing Clime Capital Limited's investment portfolio.
- iv. All dividends paid and payable by Clime Capital Limited, whose investments are managed by Clime Asset Management Pty Limited, a wholly owned subsidiary of Clime Investment Management Ltd, to its Directors and their related entities are on the same basis as to other shareholders.

**2. Clime All Cap Australian Equities Fund (Wholesale)**

Clime Asset Management Pty Limited, during the year received \$363,435 (2024: \$94,037) as remuneration for managing the investment portfolios and acting as trustee of Clime All Cap Australian Equities Fund (Wholesale).

CBG Asset Management Limited, during the year received nil remuneration (2024: \$287,373) for managing the investment portfolios and acting as trustee of Clime All Cap Australian Equities Fund (Wholesale).

**(e) Outstanding balances as at year end**

The following balances, prior to group elimination, were outstanding at the end of the reporting period:

	Amount owed by related parties		Amount owed to related parties	
	30 June 2025 \$	30 June 2024 \$	30 June 2025 \$	30 June 2024 \$
Clime Capital Limited	134,722	137,513	-	-
Clime All Cap Australian Equities Fund (Wholesale)	-	33,662	-	-
Subsidiaries of Clime Investment Management Limited	11,238,052	11,716,063	22,179,097	32,349,910



**31 PARENT ENTITY DISCLOSURES**

The following information relates to the Parent Entity - Clime Investment Management Limited. The information presented has been prepared using accounting policies that are consistent with those presented in Note 2.

**(a) Financial position**

	30 June 2025	30 June 2024
	\$	\$
<b>Assets</b>		
Current assets	13,407,485	14,023,579
Non-current assets	30,237,449	31,312,311
<b>Total assets</b>	<b>43,644,934</b>	<b>45,335,890</b>
<b>Liabilities</b>		
Current liabilities	9,824,134	20,686,967
Non-current liabilities	-	514,992
<b>Total liabilities</b>	<b>9,824,134</b>	<b>21,201,959</b>
<b>Net assets</b>	<b>33,820,800</b>	<b>24,133,931</b>
<b>Equity</b>		
Issued capital	26,931,281	26,915,802
Profit reserve	24,660,560	24,849,831
Accumulated losses	(17,837,523)	(27,999,904)
Share-based payments reserve	66,482	368,202
<b>Total capital and reserves</b>	<b>33,820,800</b>	<b>24,133,931</b>

**(b) Financial performance**

	30 June 2025	30 June 2024
	\$	\$
Profit/(Loss) for the year	10,196,346	(5,651,380)
Other comprehensive income	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>10,196,346</b>	<b>(5,651,380)</b>

**(c) Guarantees entered into by the Parent Company**

The parent company provides cash backed guarantees for the lease agreement of office premises. During the year these guarantees amounted to \$288,796 (2024: \$288,796) and is secured by a charge over other financial assets of \$288,796 (2024: \$288,796).

**(d) Commitments**

The parent company does not have any commitments outstanding as at 30 June 2025 (2024: \$232,560 for the operating lease commitments of short-term office leases).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2025

Clime Investment Management Limited

**32 DEFERRED CONSIDERATION PAYABLE**

	30 June 2025	30 June 2024
	\$	\$
Current	-	61,008
Non-current	-	1,393,168
	-	<b>1,454,176</b>

Deferred consideration payable represents the remaining balance of the discounted purchase consideration related to the Group's acquisition of MTIS Wealth Management Pty Limited ("MTIS") and Investment Strategists Accounting Services Pty Limited ("ISAS") completed on 14 August 2022.

During the current year, the Group settled the final instalment of the deferred consideration, amounting to \$1,496,000 (undiscounted).

A finance cost of \$41,824 (2024: \$20,120) was recognised in the statement of profit or loss and other comprehensive income, reflecting the unwinding of the discount and changes in the fair value of the remaining liability.

**33 DISCONTINUED OPERATIONS****(a) Divestment of Madison Financial Group Pty Ltd and WealthPortal Pty Ltd**

The Company sold its 100% stake in subsidiaries Madison Financial Group Pty Ltd and WealthPortal Pty Ltd on 28 June 2024 to Infocus Wealth Management Limited. The results of these subsidiaries have been presented as discontinued operations in the prior period comparatives in the statement of profit or loss and other comprehensive income. Financial information relating to the discontinued operations for the prior period from 1 July 2023 to 28 June 2024 is set out below:

**(b) Financial performance and cash flow information**

The financial performance and cash flow information presented below are for the prior year ended 30 June 2024:

	Year ended 30 June 2024
	\$
Revenue	3,028,968
Expenses	(3,514,890)
<b>Loss before income tax</b>	<b>(485,922)</b>
Income tax credit	26,916
<b>Loss from discontinued operations</b>	<b>(459,006)</b>
Net cash outflow from operating activities	(691,156)
Net cash inflow from financing activities	128,606
<b>Net decrease in cash generated by subsidiary</b>	<b>(562,550)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>1,413,316</b>
<b>Cash and cash equivalents at end of the year</b>	<b>850,766</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 30 June 2025

Clime Investment Management Limited

**33 DISCONTINUED OPERATIONS (continued)****(c) Details of sale of subsidiaries**

	<b>28 June 2024</b>
	<b>\$</b>
<b>Consideration received or receivable</b>	
8% Convertible notes redeemable after 3 years	2,073,937
Other receivables*	30,421
<b>Total consideration</b>	<b>2,104,358</b>
<b>Carrying amount of net assets sold</b>	<b>2,104,358</b>

\*Other receivables were adjusted against claims payable to Infocus during FY 2025 and hence, convertible notes were not issued against the other receivables.

**34 INVESTMENTS IN SUBSIDIARIES**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 2(b).

<b>Name of entity</b>	<b>Country of Incorporation</b>	<b>Class of Shares</b>	<b>2025 %</b>	<b>2024 %</b>
Clime Asset Management Pty Ltd	Australia	Fully Paid Ordinary	100	100
Stocks In Value Pty Ltd	Australia	Fully Paid Ordinary	100	100
Clime Private Wealth Pty Ltd	Australia	Fully Paid Ordinary	100	100
Clime Investors Education Pty Ltd	Australia	Fully Paid Ordinary	100	100
CBG Asset Management Limited	Australia	Fully Paid Ordinary	100	100
Clime Advice Pty Limited	Australia	Fully Paid Ordinary	100	100
ProActive Portfolios Pty Limited	Australia	Fully Paid Ordinary	100	100
Ralton AM Pty Limited	Australia	Fully Paid Ordinary	100	100
MTIS Wealth Management Pty Ltd	Australia	Fully Paid Ordinary	100	100
Investment Strategist Accounting Services Pty Ltd	Australia	Fully Paid Ordinary	100	100
Optimise Advice Services Pty Ltd	Australia	Fully Paid Ordinary	100	100
James Street Wealth Pty Ltd	Australia	Fully Paid Ordinary	50	30
BizGPT Pty Ltd	Australia	Fully Paid Ordinary	28.33	-

**CONSOLIDATED ENTITY DISCLOSURE STATEMENT**

For the year ended 30 June 2025

Clime Investment Management Limited

Clime Investment Management Limited is required by Australian Accounting Standards to prepare consolidated financial statements in relation to the Company and its controlled entities (the consolidated entity).

In accordance with subsection 295(3A) of the *Corporations Act 2001*, this consolidated entity disclosure statement provides information about each entity that was part of the consolidated entity at the end of the financial year.

<b>Name of entity</b>	<b>Type of entity</b>	<b>Country of incorporation</b>	<b>Percentage of share capital held</b>	<b>Australian tax resident or foreign tax resident</b>
Clime Asset Management Pty Ltd	Body corporate	Australia	100%	Australian
Stocks In Value Pty Ltd	Body corporate	Australia	100%	Australian
Clime Private Wealth Pty Ltd	Body corporate	Australia	100%	Australian
Clime Investors Education Pty Ltd	Body corporate	Australia	100%	Australian
CBG Asset Management Limited	Body corporate	Australia	100%	Australian
Clime Advice Pty Limited	Body corporate	Australia	100%	Australian
ProActive Portfolios Pty Limited	Body corporate	Australia	100%	Australian
Ralton AM Pty Limited	Body corporate	Australia	100%	Australian
MTIS Wealth Management Pty Ltd	Body corporate	Australia	100%	Australian
Investment Strategist Accounting Services Pty Ltd	Body corporate	Australia	100%	Australian
Optimise Advice Services Pty Ltd	Body corporate	Australia	100%	Australian
James Street Wealth Pty Ltd	Body corporate	Australia	50%	Australian
BizGPT Pty Ltd	Body corporate	Australia	28.33%	Australian

At the end of the financial year, no entity within the consolidated Group was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

## Directors' Declaration

The Directors declare that:

- a. in the Directors' opinion, the attached consolidated financial statements and notes thereto, as set out on pages 25 to 70, are in accordance with the *Corporations Act 2001*, including compliance with Accounting Standards, and giving a true and fair view of the financial position and performance of the Group;
- b. in the Director's opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;
- c. in the Directors' opinion, the attached consolidated financial statements are in compliance with International Financial Reporting Standards, as stated in Note 2 to the consolidated financial statements;
- d. in the Directors' opinion, the consolidated entity disclosure statement, as set out on page 71, is true and correct;
- e. the Directors have been given the declarations required by S295A of the *Corporations Act 2001*; and
- f. the remuneration disclosures contained in the Remuneration Report comply with S300A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors made pursuant to S295(5) of the *Corporations Act 2001*.

On behalf of the Directors by:



**John Abernethy**  
**Chairman**  
**Clime Investment Management Limited**

Sydney, 29 August 2025

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF CLIME INVESTMENT MANAGEMENT LIMITED  
ABN 37 067 185 899****Report on the Audit of the Financial Report**

We have audited the accompanying financial report of Clime Investment Management Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies, the consolidated entity disclosure statement and the Directors' Declaration.

*Opinion*

In our opinion:

- a) the accompanying financial report of Clime Investment Management Limited is in accordance with the *Corporations Act 2001*, including:
  - i. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
  - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

*Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matter</b>	<b>How our audit addressed the matter</b>
<b>Accuracy of Management and Performance Fees</b> <b>Refer to Note 5: Revenue and Note 30: Related party transactions</b>	
<p>Management fees and Performance fees account for \$6,930,718 of the Group's \$13,390,593 reported revenue from continuing operations in 2025.</p> <p>We focused our audit effort on the accuracy of management fees and performance fees given their significance to the revenue of the Group and the calculation includes key inputs such as portfolio movements, relevant index benchmarking and set percentages in accordance with the Investment Management Agreements.</p> <p>In addition to their quantum, as some of these transactions are made with related parties, there are additional inherent risks associated with these transactions, including the potential for these transactions to be charged in excess of those mandated under the management agreement.</p> <p>We therefore identified accuracy of management and performance fees as a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of and evaluating the design and implementation of management's processes and controls for calculating the management fees including those performed by an independent service organisation;</li> <li>• Reviewing the independent auditor's report on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the Investment Administrator for the current financial year;</li> <li>• Making enquiries with management and the directors with respect to any significant events during the year and associated adjustments made as a result, in addition to reviewing ASX announcements and Board meeting minutes;</li> <li>• Testing a sample of key inputs such as dividend distributions, income tax payments, capital raisings, capital reductions as well as any other relevant expenses used in the calculation of management and performance fees;</li> <li>• Testing of key inputs such as portfolio movements, application of the relevant index benchmarking, set percentage used in the calculation of management fees, as well as performing a recalculation in accordance with our understanding of the Investment Management Agreements; and</li> <li>• Assessing the appropriateness of the accounting policy in relation to management fees and the adequacy of disclosures in the financial statements.</li> </ul>

*Key Audit Matters (Continued)*

Key audit matter	How our audit addressed the matter
<b>Impairment Assessment of Intangible Assets</b> <b>Refer to Note 18: Intangible Assets</b>	
<p>At 30 June 2025 the Group's consolidated statement of financial position has intangible assets totalling \$13,772,682.</p> <p>The assessment of impairment of the Group's intangible assets incorporates significant management judgement surrounding the assumptions and estimates used in calculating their recoverable amount.</p> <p>Key assumptions and estimates include financial and cash flow forecasts, discount rates, and growth rates.</p> <p>We therefore identified valuation of intangible assets as a key audit matter.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtain an understanding of and evaluating the design and implementation of management's processes and controls regarding the determination of the recoverable amount of the intangible assets;</li> <li>• Challenging key assumptions and estimates (e.g., cash flow forecasts, transaction multiples, growth rates and discount rates) used to determine the recoverable amount of the intangible assets;</li> <li>• Performing sensitivity analysis on recoverable amount calculations performed by management; and</li> <li>• Assessing the appropriateness of the accounting policy in relation to impairment and the adequacy of disclosures in the financial statements.</li> </ul>

*Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Group's Annual Report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Directors Responsibility for the Financial Report*

The directors of the Company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and



*Other Information (Continued)*

for such internal controls as the Directors determine is necessary to enable the preparation of:

- (i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- (ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

*Auditor's Responsibilities for the Audit of the Financial Report (Continued)*

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report***Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 15 to 22 of the Directors' Report for the year ended 30 June 2025. In our opinion, the Remuneration Report of Clime Investment Management Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

*Responsibilities*

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



**S M Whiddett**  
Partner

29 August 2025



**Pitcher Partners**  
Sydney

## Shareholder Information

The shareholder information set out below was applicable as at 22 August 2025:

### A. Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

ORDINARY SHARES	NUMBER OF HOLDERS
1 - 1,000	44
1,001 - 5,000	144
5,001 - 10,000	54
10,001 - 100,000	150
100,001 and over	58
	<b>450</b>

### B. Equity Security Holders

The names of the twenty largest holders of quoted equity securities are listed below:

ORDINARY SHARES	NO OF SHARES	PERCENTAGE OF ISSUED SHARES
Citicorp Nominees Pty Limited	13,997,412	18.5%
Mr Wen Ding	8,112,321	10.7%
Torres Industries Pty Limited	7,430,896	9.8%
Double Pty Limited & Abernethy SMSF Pty Ltd <Abernethy Super Fund A/C>	6,135,875	8.1%
Primewest Management Ltd <Primewest Property Fund A/C>	5,434,783	7.2%
Teaminvest Private Group Ltd	4,500,000	6.0%
Mr David Schwartz <David Schwartz Fam Hlds A/C> & Related Entities	3,623,286	4.8%
Ruminator Pty Ltd	1,574,645	2.1%
Hsbc Custody Nominees (Australia) Limited	1,539,000	2.0%
Robansheil Pty Limited	1,178,833	1.6%
Luton Pty Ltd	1,074,012	1.4%
J P Morgan Nominees Australia Pty Limited	1,068,240	1.4%
Di Iulio Homes Pty Limited <Di Iulio Super Fund A/C>	840,951	1.1%
Clodene Pty Ltd	813,522	1.1%
Cpg Investments Group Pty Limited	742,309	1.0%
Alet Investments Pty Ltd	729,000	1.0%
Alet Investments Pty Ltd	648,387	0.9%
Garrett Smythe Ltd	634,474	0.8%
Barrob Bondi Pty Ltd <The Townson Superfund A/C>	609,453	0.8%
The Sports Cafe (Australia) Pty Ltd	570,400	0.8%
	<b>61,257,799</b>	<b>81.0%</b>

**B. Equity Security Holders (continued)**

Substantial holders in the Company are set out below:

ORDINARY SHARES	NO OF SHARES	PERCENTAGE OF ISSUED SHARES
Citicorp Nominees Pty Limited	13,997,412	18.5%
Mr Wen Ding	8,112,321	10.7%
Torres Industries Pty Limited	7,430,896	9.8%
Double Pty Limited & Abernethy SMSF Pty Ltd <Abernethy Super Fund A/C>	6,135,875	8.1%
Primewest Management Ltd <Primewest Property Fund A/C>	5,434,783	7.2%
Teaminvest Private Group Ltd	4,500,000	6.0%

**C. Voting Rights**

Subject to any restrictions from time to time affecting any class of shares, on a show of hands every member present in person shall have one vote and upon a poll every member present or by proxy or attorney shall have one vote for each share held.

**Terms and conditions**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

**D. Other information**
**Annual General Meeting**

The next Annual General Meeting of Clime Investment Management Limited is expected to be held on 21 November 2025.

**Stock Exchange Listing**

The shares of the Company are listed on the Australian Securities Exchange under the exchange code CIW. Quotation has been granted for all the ordinary shares of the Company on all member exchanges of the Australian Securities Exchange. The home exchange is Sydney.

**Contact Details**

Mr. Tushar Kale and Ms. Angela Wang are the Joint Company Secretaries of the Company.

The address of the registered office and principal place of business in Australia is:

Level 31, Suite 2,  
Angel Place, 123 Pitt Street,  
Sydney NSW 2000  
Telephone: 1300 788 568

# Corporate Directory

Clime Investment Management Limited

ABN 37 067 185 899

The shares of Clime Investment Management Limited are listed on the Australian Securities Exchange under the trade symbol “CIW”.

## Directors

John Abernethy  
Henry Davis  
Anthony Kynaston

## Managing Director

Michael Baragwanath

## Joint Company Secretary

Tushar Kale  
Angela Wang

## Head office and registered office

Level 31, Suite 2,  
Angel Place, 123 Pitt Street,  
Sydney NSW 2000

P.O. Box H90, Australia Square  
Sydney NSW 1215

**Telephone:** 1300 788 568

**Email:** [info@clime.com.au](mailto:info@clime.com.au)

**Website:** [www.clime.com.au](http://www.clime.com.au)

## Share registry

### Boardroom Pty Limited

Level 8, 210 George Street  
Sydney NSW 2000

Telephone +61 2 9290 9600

Facsimile: +61 2 9279 0664

Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

## Auditor

### Pitcher Partners

Level 16, Tower 2 Darling Park  
201 Sussex Street  
Sydney NSW 2000