

3 June 2020

ASX Market Announcements
ASX Limited
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Successful completion of A\$4.5 million institutional placement

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Clime Investment Management Limited ACN 067 185 899 (ASX: CIW) (**CIW** or the **Company**) is pleased to announce the successful completion of a A\$4.5 million institutional placement (**Placement**) of 9,782,609 new fully paid ordinary shares (**Shares**) at the issue price of A\$0.46 per Share (**Placement Price**).

The issue price of A\$0.46 per Share represents an 8.2% premium to the closing price of CIW Shares as traded on ASX on 22 May 2020, being the last trading day prior to announcement of the Placement, being \$0.425.

The Placement was undertaken to fund the consideration payable by the Company to acquire all of the issued share capital of each of Madison Financial Group Pty Limited, AdviceNet Pty Ltd, WealthPortal Pty Ltd and Proactive Portfolios Pty Ltd ACN 141 064 717 (together, the **MFG Entities**) from SC Australian Holdings 1 Pty Ltd (**SC**) (**Acquisition**). Further details of the terms of the Acquisition are set out below.

The Shares to be issued under the Placement (**Placement Shares**) will rank equally with existing CIW Shares on issue with effect from their date of issue. No shareholder approval is required for the issue of Placement Shares as the Placement Shares are being issued in reliance on the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A.

The Company expects its trading halt to be lifted and CIW Shares to resume trading from market open today.

Settlement of the Placement is scheduled to take place on 9 June 2020, with the quotation of the Placement Shares issued in respect of the Placement to occur on the ASX on 11 June 2020.

The Placement is fully underwritten by Primewest Group Limited ACN 636 344 137 (**Underwriter**). Primewest Group Limited and Primewest Management Ltd ACN 091 415 833 as responsible entity of the Primewest Property Fund ARSN 636 405 635 form the stapled entity Primewest (ASX:PWG). Primewest has also agreed to apply for 5,434,783 Placement Shares which will be held by One Managed Investment Funds Limited ACN 117 400 987 as custodian of Primewest Management Ltd ACN 091 415 833 in its capacity as responsible entity of the Primewest Property Fund ARSN 636 405 635.

Acquisition

On 2 June 2020, the Company entered into a share sale agreement with SC pursuant to which the Company agreed to acquire all of the issued share capital in the MFG Entities for an aggregate consideration of \$4.4 million (**Share Sale Agreement**). Key terms of the Share Sale Agreement are as follows:

- **Transaction description:** Clime to acquire all of the issued shares in the entities comprising the MFG Entities.

- **Consideration payable:**
 - A\$4.4 million, subject to post-completion adjustment for working capital as at the completion date for the acquisition.
 - A\$2.5 million of the consideration payable for the acquisition will be held in escrow with A\$1.25 million available for release after 12 months and a further A\$1.25 million being available for release after 24 months, subject in each case to payments to the Company for claims (under a limited indemnity) and adjustments related to post-completion revenues of the MFG Entities.
- **Conditions precedent:** Completion of the acquisition of the MFG Entities is conditional on, among other customary conditions, (**Conditions**) the receiver and manager of the MFG Entities obtaining a court order in respect of the application of the proceeds of the transaction, or similar.
- **Reps and warranties:** None provided as the MFG Entities are being acquired from a receiver.
- **Completion of the acquisition of the MFG Entities:** Completion of the acquisition of the MFG Entities is expected to occur within 2 business days of the date on which the Conditions are satisfied.

Clime's strategy is to transition to an integrated wealth management business by expanding its financial services offering for clients. At its most recent AGM, Clime advised it was seeking acquisitions and mergers that would deliver scale and optimise operational leverage. Acquisition of MFG is consistent with this strategy, providing the opportunity to support retail clients with Clime's investment products and services and complementing existing self-directed and wholesale investor offerings.

MFG Entities provide licensing, compliance, technology and support to approx. 100 financial advisory firms licensed under its Australian Financial Services License (AFSL). MFG Entities have around \$3Bn in funds under advice and total in-force insurance premiums of \$65m, with total gross annual revenue around \$34m.

All MFG staff will transition with the business to Clime, including the MFG CEO. Advisors licensed with MFG will significantly benefit from the transaction by gaining access to clients from Clime's existing 45,000 subscriber database; a greater pool of quality investment opportunities for clients; and premium equities research and investment capability.

Yours faithfully

Biju Vikraman
Company Secretary

Authorised for release to the ASX by the Board of Clime Investment Management Limited

Disclaimer

The information in this announcement does not constitute investment or financial product advice or any recommendation to acquire Shares. It does not take into account any individual's investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information from their individual perspective and, if in doubt, seek professional financial, legal or taxation advice. This announcement is not an offer or an invitation to acquire Shares or any other financial products and is not a prospectus, product disclosure statement or other offering document under Australian law or any other law. It is for information purposes only.

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Forward looking statements

This announcement may contain forward-looking statements about the Company. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", and "guidance", or other similar words. To the extent that this announcement contains forward-looking information, the forward-looking information is subject to a number of risk factors, including those generally associated with the industry in which the Company operates and the specific, key risks set out in the investor presentation released by the Company on 3 June 2020. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company's actual results, performance and achievements or industry results to differ materially from any future results, performance or achievements, or industry results, expressed or implied by these forward-looking statements. Forward-looking statements are based upon management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the Company's business and operations in the future. The Company cannot give any assurance that the assumptions upon which management based its forward-looking statements will prove to be correct, or that the Company's business and operations will not be affected in any substantial manner by other factors not currently foreseeable by management or beyond its control. Any forward-looking statements contained in this announcement are based on information available to the Company as at the date of this announcement. Except as required by law or regulation (including the ASX Listing Rules), the Company undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance on, future earnings or financial position or performance are also forward-looking statements. To the maximum extent permitted by law, the Company and its directors, officers, employees, advisers, agents and intermediaries and the other parties disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions. Neither the Company, nor any other party, makes any representation or warranty as to the accuracy of any forward looking statements contained in this announcement.