

26 June 2020

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

Acquisition of Madison Financial Group Completes

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Clime Investment Management Limited ACN 067 185 899 (ASX: CIW) (**CIW** or the **Company**) is pleased to announce satisfaction of conditions precedent in the Share Sale Deed and resulting completion of the acquisition of 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**).

Acquisition Terms

As previously announced, on 2 June 2020, the Company entered into a Share Sale Deed 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 included:

- **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 and adjustments related to post-completion revenues of the MFG Entities.
- **Reps and warranties:** None provided as the MFG Entities are being acquired from a receiver.

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. 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.

Yours faithfully

Biju Vikraman
Company Secretary

Authorised for release to the ASX by Biju Vikraman, Company Secretary

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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.