

Appendix 4D

Lodged with the ASX under Listing Rule 4.2A.3
Results for Announcement to the Market

Half-Year Ended 31 December 2021

(Previous corresponding period – Half-Year Ended 31 December 2020)

Revenue from ordinary activities	up	4%	to	\$7,109,867
Profit from ordinary activities before tax attributable to members	down	52%	to	\$597,220
Profit from ordinary activities after tax attributable to members	down	49%	to	\$445,434

Dividends per share	Amount per security	Franked amount per security
Interim Dividend – FY22 (proposed)	1.00 cent	1.00 cent
Final Dividend – FY21 (paid)	1.50 cents	1.50 cents

Record date for determining entitlements to the interim dividend is **23 March 2022**

Explanation of Revenue and Net Profit

Breakdown of operating results (pre-non-cash amortisation and tax)

	31 December 2021 (\$'000)	31 December 2020 (\$'000)	Change
Cash operating profit	869	747	+16%
Cash investment income	265	152	
Cash earnings	1,134	899	+26%
Mark to Market (MTM) Investments	(282)	744	
Cash earnings plus MTM	852	1,643	
Net Non-recurring	80	(96)	
Profit reported pre-amortisation and tax	932	1,547	(-40%)

Please refer to the Directors' Report included in the interim financial statements for the half-year ended 31 December 2021 for further explanations.

Net tangible assets per security

	Current period	Previous corresponding period
Net tangible asset backing per ordinary share before tax	\$0.18	\$0.12
Net tangible asset backing per ordinary share after tax	\$0.18	\$0.12

Dividends

Details of dividends/distributions declared or paid during or subsequent to the six months ended 31 December 2021 are as follows:

Record Date	Payment Date	Type	Amount per security	Total Dividend \$000's	Franked amount per security	Foreign sourced dividend amount per security
15 October 2021	28 October 2021	Final	1.50 cents	1,098	1.50 cents	-
23 March 2022	7 April 2022	Interim	1.00 cent	726	1.00 cent	-

Dividend/Distribution Reinvestment Plans

The consolidated entity does not currently operate a dividend/distribution reinvestment plan.

Associates and Joint Venture Entities

Name of the entities	Ownership Interest		Contribution to net profit	
	Current period %	Previous corresponding period %	Current period %	Previous corresponding period %
James Street Private Wealth - Joint Venture	30%	-	-	-

Review

This report is based on accounts that have been reviewed. The unqualified review report is on page 24 of the attached Interim Financial Report.



Clime Investment Management Limited

and Controlled Entities

Interim Financial Report 31 December 2021

Clime Investment Management Limited

Level 12, 20 Hunter Street Sydney NSW 2000 Australia | PO Box H90 Australia Square NSW 1215
ABN 37 067 185 899 P 1300 788 568

www.clime.com.au



General Purpose Interim Financial Report

31 December 2021

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Directors' Report

The Directors of Clime Investment Management Limited submit herewith the financial report of Clime Investment Management Limited and its subsidiaries ("the Group", "Company", "Clime") for the half-year ended 31 December 2021 ("HY 2021"). In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

Directors

The names of the Directors of the Company during or since the end of the half-year are:

John Abernethy
Non-Executive Chairman
Susan Wynne
Independent Director (appointed 27 September 2021)
Michael Kollo
Independent Director (appointed 27 September 2021)
Ronni Chalmers
Non-Independent Director (appointed 27 September 2021)
Claire Bibby
Independent Director (appointed 18 October 2021)
Neil Schafer
Independent Director (ceased 6 August 2021)
Brett Spork
Independent Director (resigned 27 September 2021)
Peter Beaumont
Independent Director (resigned 27 September 2021)

Financial Highlights for HY 2021

The Group recorded a net profit before tax of \$597,220 compared with \$1,233,416 in HY 2020.

The Group recorded an after-tax profit attributable to members of \$445,434 for HY 2021 (HY 2020: \$865,010). The operating result is reported after amortisation of intangibles of \$287,005 compared with \$285,626 during HY 2020.

Basic earnings per share for HY 2021 were 0.7 cents per share compared with 1.3 cents per share for HY 2020.

Review of Operations

Gross balances of Funds under Management & Advice ("FUM&A") as at 31 December 2021 were \$5,417 million compared to \$5,115 million as at 30 June 2021, an increase of 6%.

Gross Funds under Management (FUM)	31 December 2021 millions	30 June 2021 millions
Clime Individually Managed Accounts	\$588	\$556
Listed Investment company (Clime Capital - ASX: CAM)	\$170	\$163
Managed Funds and Mandates	\$365	\$363
Separately Managed Accounts*	\$291	\$271
Sub-Total Funds Under Management	\$1,414	\$1,353
Funds Under Management and Advice - WealthPortal*	\$597	\$660
Funds Under Advice - Other investment platforms	\$3,358	\$3,057
Insurance Premiums Under Advice	\$48	\$45
Sub-Total Funds and Insurance Premiums Under Advice	\$4,003	\$3,762
TOTAL FUM&A	\$5,417	\$5,115

*During the period \$190 million (June 2021: \$173 million) was reclassified from Funds under Management and Advice – WealthPortal to Separately Managed Accounts (SMAs).

Review of Financial Results

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

	31 December 2021 \$	31 December 2020 \$
Funds management and related activities revenue	5,344,946	4,474,854
Revenues from MFG Entities	1,476,423	1,998,112
Investment software revenue	114,042	161,820
Performance fees generated	-	10,929
Gross Income	6,935,411	6,645,715
Staff Costs before redundancy cost	(3,922,018)	(3,746,159)
Total staff costs	(3,922,018)	(3,746,159)
Depreciation of right-of-use assets	(214,722)	(214,722)
Finance cost on lease liabilities	(47,957)	(52,234)
Short term leases	(84,168)	(46,047)
Total occupancy costs	(346,847)	(313,003)
Other administrative expenses	(1,220,892)	(1,161,804)
Third party custody, management & fund administration services	(403,963)	(521,478)
Sales and marketing expenses	(172,765)	(156,473)
Total other operating expenses	(1,797,620)	(1,839,755)
Operating earnings	868,926	746,798
Direct investment income – dividends, interest and realised gains	265,107	152,994
Mark to market movement in investments	(282,344)	743,691
Income/(loss) generated by financial assets held at fair value	(17,237)	896,685
Redundancy cost	(36,912)	(244,645)
Government subsidy	-	397,000
Other non-recurring expenses	-	(282,809)
Other non-recurring income	116,830	33,867
Total net non-recurring expenses	79,918	(96,587)
Profit before depreciation and amortisation	931,607	1,546,896
Depreciation of property, plant and equipment	(47,382)	(27,854)
Amortisation of intangibles	(287,005)	(285,626)
Total depreciation and amortisation	(334,387)	(313,480)
Statutory profit before income tax	597,220	1,233,416
Income tax expense	(151,786)	(368,406)
Statutory profit after income tax	445,434	865,010

To further explain the results, it's useful to understand how the Group's margins are derived. These are a function of three sources: operating earnings, performance fees and return on financial assets held at fair value on the Group's statement of financial position.

Operating Earnings

Operating earnings for HY 2021 were \$868,926 (HY 2020: \$746,798), an increase of \$122,128 or 16%.

Funds management fees of \$5,344,946 increased from \$4,474,854 earned in HY 2020. MFG Entities contributed \$1,476,423 in HY 2021 in comparison to \$1,998,112 of revenues during HY 2020.

Software revenue from the Clime Direct business was \$114,042 compared to \$161,820 in HY 2020 as a result of a drop in subscription levels. The Company has been focusing on enhancing the user experience and improving functionality to grow the subscriber base.

Administrative and occupancy expenses rose to \$6,066,485 in HY 2021 from \$5,898,917 incurred in HY 2020 mainly due to increase in head count.

Performance Fees

The Group did not earn performance fees in HY 2021. Domestic and international share markets have recovered and a number of Clime's investment products are performing well, although have not exceeded their respective performance benchmarks.

Financial Assets Held at Fair Value

Direct investment income comprises dividends, trust distributions, interest income and realised gains from our investments. For the HY 2021, this represented \$265,107 compared to HY 2020: \$152,994. Mark-to-market movements of financial assets resulted in an unrealised loss of \$282,344 compared to a profit of \$743,691 during HY 2020.

Capital Raising

During HY 2021, the Group raised new capital of \$4.1 million at 62 cents per share through institutional placements and associated Share Purchase Plan (SPP). The capital raised will be allocated to strategic growth opportunities and initiatives aligned to our core objectives of providing expert advisory and investment services to our clients. These opportunities and initiatives are at various stages of due diligence, with an aim to provide returns to shareholders in the latter half of FY 22 and beyond.

Intangible Assets

During the period, the Group acquired Client Books of CHL Bayswater Financial Planning Pty Limited and MI Wealth Plan Pty Limited for \$232,000 and has been accounted as an addition to intangible assets.

Summary of Total Equity

The Total Equity at balance date comprised the following:

	31 December 2021 \$	30 June 2021 \$
Cash and cash equivalents	8,671,090	6,078,777
Other financial asset at amortised cost	289,177	289,334
Trade and other receivables less payables	(652,195)	(826,028)
Listed investment – Clime Capital Limited	5,743,370	5,649,076
Unlisted investments - Managed funds	21,617	21,596
Equity accounted investments	41,667	-
Other tangible assets less liabilities	(1,386,466)	(2,153,957)
Net tangible assets	12,728,260	9,058,798
Intangible assets, right-of-use assets and contract costs	13,534,367	13,709,057
Deferred tax assets	410,977	308,545
Total Equity	26,673,604	23,076,400
No. of Ordinary Shares on Issue (Excluding shares issued under EIS)	71,528,206	64,708,505
Equity per Share	37.3 cents	35.7 cents
Net Tangible Assets per Share	17.8 cents	14.0 cents

Dividend

During HY 2021, shareholders received 1.5 cents per share fully franked dividend amounting to \$1,097,787, which was paid on 28 October 2021.

Subsequent Events

An interim dividend of 1.0 cent per share (100% franked) (HY 2020: 1.0 cent), totalling \$726,473 (HY 2020: \$657,075) has been declared by the Directors. This dividend has not been reflected in these financial statements.

In January 2022, the Group announced its intention to transfer management of its circa \$270 million of Funds Under Management (FUM) in Separately Managed Accounts/Managed Discretionary Accounts to Ralton AM Pty Ltd (Ralton) in exchange for an initial shareholding of 75% of Ralton. This transaction enables the Group to expand its suite of Managed Accounts to support Advisers and investors with high quality, professionally managed solutions.

On 7 February 2022, the Company announced its intention to refresh its ability to implement an on-market buy back (within the 10/12 limit) for a further 12-month period which will commence from 23 February 2022 and end on 22 February 2023. During this period, the Company has the ability to buy a maximum of 7,264,729 fully paid ordinary shares.

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 consolidated entity, the results of those operations or the state of affairs of the consolidated entity in the future financial periods.

COVID-19 impact

The existence of COVID-19 was confirmed in early 2020 and in March 2020 was declared a pandemic by the World Health Organisation. This has resulted in significant volatility in global and domestic financial markets.

At the date of signing of the financial statements, there is still significant uncertainty on the likely duration and the ultimate impact COVID-19 will have on world economies. Given the high degree of estimation uncertainty, management cannot reasonably assess or quantify the potential short or longer-term financial impact on the Group.

Auditors' Independence Declaration

The Auditors' Independence Declaration as required under section 307C of the Corporations Act 2001 is included on page 10 of the half-year report.

Rounding off of amounts

In accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in this Directors' Report and in the financial statements are rounded to the nearest dollar, unless otherwise stated.

This report is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:



John Abernethy
Chairman



Claire Bibby
Director

Sydney, 24 February 2022



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

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

Auditors' Independence Declaration
To the Directors of Clime Investment Management Limited
ABN 37 067 185 899

In relation to the independent Auditors' review for the half year ended 31 December 2021, to the best of my knowledge and belief there have been:

- (i) no contraventions of the Auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

A handwritten signature in black ink that reads 'Mark Godlewski'.

Mark Godlewski
Partner

Pitcher Partners
Sydney

24 February 2022

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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Interim Financial Statements

31 December 2021

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These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made by Clime Investment Management Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.



	Note	Half-Year	
		31 December 2021 \$	31 December 2020 \$
Revenue	4	7,109,867	6,842,163
Net realised and unrealised (loss)/gains on financial assets at fair value through profit or loss		(191,693)	734,105
Government subsidy		-	397,000
Other Income		116,830	-
Occupancy expenses		(84,168)	(46,047)
Depreciation and amortisation expense		(549,110)	(528,202)
Administrative expenses		(5,756,549)	(6,111,194)
Finance costs		(47,957)	(54,409)
Profit before income tax		597,220	1,233,416
Income tax expense attributable to operating profit		(151,786)	(368,406)
Profit for the period		445,434	865,010
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the period		445,434	865,010
Profit attributable to members of Clime Investment Management Limited		445,434	865,010
Total comprehensive income attributable to members of Clime Investment Management Limited		445,434	865,010
Earnings per share			
Basic - cents per share		0.7 cents	1.3 cents
Diluted - cents per share		0.6 cents	1.3 cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

	Notes	31 December 2021 \$	30 June 2021 \$
ASSETS			
Current Assets			
Cash and cash equivalents		8,671,090	6,078,777
Trade and other receivables		1,593,912	3,937,543
Other current assets		1,082,618	475,466
Financial assets at fair value through profit or loss	8	5,764,987	5,670,672
Total Current Assets		17,112,607	16,162,458
Non-Current Assets			
Other financial asset		289,177	289,334
Investment in associate		41,667	-
Property, plant and equipment		149,348	163,990
Right-of-use assets		1,503,056	1,717,778
Deferred tax assets - net		410,977	308,545
Contract costs		449,280	477,360
Intangible assets		11,582,031	11,513,919
Total Non-Current Assets		14,425,536	14,470,926
Total Assets		31,538,143	30,633,384
LIABILITIES			
Current Liabilities			
Trade and other payables		2,187,483	4,564,298
Lease Liabilities		401,559	377,884
Current tax liabilities		58,624	199,273
Contract liabilities		180,620	244,233
Provisions		748,998	526,792
Total Current Liabilities		3,577,284	5,912,480
Non-Current Liabilities			
Lease liabilities		1,225,768	1,436,017
Provisions		61,487	208,487
Total Non-Current Liabilities		1,287,255	1,644,504
Total Liabilities		4,864,539	7,556,984
Net Assets		26,673,604	23,076,400
EQUITY			
Issued capital		25,810,572	21,539,410
Reserves		273,346	294,951
Retained earnings		589,686	1,242,039
Total Equity		26,673,604	23,076,400

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity	Notes	Issued capital	Share-based payments reserve	Retained earnings	Total
		\$	\$	\$	\$
Balance as at 1 July 2020		21,508,300	286,307	272,124	22,066,731
Profit for the period		-	-	865,010	865,010
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		-	-	865,010	865,010
Transactions with equity holders in their capacity as equity holders:					
• Issue of ordinary shares under CIW Employee Share Plan	3	31,110	-	-	31,110
• Recognition of share-based payments		-	6,422	-	6,422
• Dividends paid or provided for	2	-	-	(657,075)	(657,075)
Balance as at 31 December 2020		21,539,410	292,729	480,059	22,312,198
Profit for the period		-	-	1,412,565	1,412,565
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		-	-	1,412,565	1,412,565
Transactions with equity holders in their capacity as equity holders:					
• Recognition of share-based payments		-	2,222	-	2,222
• Dividend paid or provided for		-	-	(650,585)	(650,585)
Balance as at 30 June 2021		21,539,410	294,951	1,242,039	23,076,400
Profit for the period		-	-	445,434	445,434
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		-	-	445,434	445,434
Transactions with equity holders in their capacity as equity holders:					
• Issue of ordinary shares by way of placement and share purchase plan	3	4,140,131	-	-	4,140,131
• Transaction cost on issue of ordinary shares		(38,300)	-	-	(38,300)
• Shares bought back on-market and cancelled	3	(151,820)	-	-	(151,820)
• Issue of ordinary shares under CIW Employee Share Plan		27,400	-	-	27,400
• Transfer from share-based payments reserve to issued capital on completion of EIS loan term	3	42,850	(42,850)	-	-
• Transfer of loan repayment to issued capital on completion of EIS loan term	3	250,901	-	-	250,901
• Recognition of share-based payments		-	21,245	-	21,245
• Dividends paid or provided for	2	-	-	(1,097,787)	(1,097,787)
Balance as at 31 December 2021		25,810,572	273,346	589,686	26,673,604

The above Consolidated Statement of changes in equity should be read in conjunction with the accompanying notes.

	Half-Year	
	31 December 2021 \$	31 December 2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Fees received in the course of operations	9,806,344	7,605,243
Expense payments in the course of operations	(9,179,246)	(8,210,455)
Dividends and distributions received	165,988	139,701
Government subsidy received	-	510,500
Interest received	8,394	8,598
Income taxes paid	(394,865)	(177,399)
	406,615	(123,812)
Proceeds from disposal of financial assets at fair value through profit or loss	650,901	526,000
Payments for financial assets at fair value through profit or loss	(936,836)	(138,124)
	(285,935)	387,876
Net cash provided by operating activities	120,680	264,064
CASH FLOWS FROM INVESTING ACTIVITIES		
Refund received for working capital adjustments on acquisition of MFG Entities	-	338,977
Payment for investment in associate	(41,667)	-
Proceeds from/(payments of) maturity of other financial asset at amortised cost	157	(59,167)
Payments for property, plant & equipment	(32,741)	(70,901)
Payments for intangible assets	(327,036)	(46,142)
Payments for contract costs	-	(533,520)
Proceeds on termination of investment management agreement	-	533,520
Net cash provided by (used in) investing activities	(401,287)	162,767
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of share capital under placement and share purchase plan	4,391,032	-
Transaction cost on issue of ordinary shares	(38,300)	-
Payments for shares bought back (including transaction costs)	(151,820)	-
Principal elements of lease payments	(186,574)	(164,572)
Finance costs paid	(43,631)	(52,234)
Dividends paid to Company's shareholders	(1,097,787)	(657,075)
Net cash used in financing activities	2,872,920	(873,881)
Net decrease in cash and cash equivalents	2,592,313	(447,050)
Cash and cash equivalents at beginning of the period	6,078,777	6,276,531
Cash and cash equivalents at end of the period	8,671,090	5,829,481
Non-cash investing activities		
Conversion of convertible notes into ordinary shares in Clime Capital Limited	649,307	-

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTE 1

Basis of Preparation of the Interim Financial Report

(a) Basis of accounting

These consolidated general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting.

The half-year financial statements have been prepared on the basis of the historical cost convention, as modified by the valuation of investments.

These interim half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2021 and any public announcements made by the Group during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Details of Reporting Period

The current reporting period is the half-year ended 31 December 2021. For the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows, the previous corresponding period is the half-year ended 31 December 2020. For the Statement of Financial Position, the previous corresponding date is 30 June 2021.

(b) Accounting policies

The accounting policies applied in these interim financial statements have been applied consistently throughout the period. The accounting policies in these half-year financial statements are the same as those applied in the Company's financial statements for the year ended 30 June 2021.

New and revised accounting standards effective during the reporting period

There are no new and revised accounting requirements that significantly affect the half year financial report.

(c) Rounding off of amounts

In accordance with the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the financial statements have been rounded to the nearest dollar, unless otherwise stated.

NOTE 2

Dividends

Half-Year

	2021 \$	2020 \$
<hr/>		
Fully Paid Ordinary Shares		
1.5 cents per share (HY 2020: 1.0 cent) fully franked dividends were paid during the period in respect of the previous financial period	1,097,787	657,075
<hr/>		

NOTE 3

Issuing and repurchases of equity securities

	Half - Year		Half - Year	
	2021 No. of shares	2020 No. of shares	2021 \$	2020 \$
Issuing and repurchases of ordinary shares during the half-year				
Issue of ordinary shares by way of placement and share purchase plan	6,677,285	-	4,140,131	-
On-market buy-back of ordinary shares during the half-year	(253,634)	-	(151,820)	-
Transfer of loan repayment to issued capital on completion of EIS loan term	350,000	-	250,901	-
Shares issued under Employee Share Plan	46,050	51,000	27,400	31,110

Institutional Placement and Share Purchase Plan (SPP)

During the period ended 31 December 2021, the Company issued 6,677,285 fully paid ordinary shares (31 December 2020: nil) at 62 cents per share through institutional placement and associated SPP.

Institutional Placement and Share Purchase Plan (SPP)

As at 31 December 2021, there are 1,450,000 (31 December 2020: 1,050,000) EIS 'in-substance' options on issue. During the period, 350,000 (31 December 2020: nil) in-substance options were exercised.

Share options granted under the Company's EIS carry no rights to dividends and are subject to a three-year lock in period.

Employee Share Plan ("ESP")

On 22 December 2021, the Company issued 46,050 fully paid ordinary shares (31 December 2020: 51,000 shares) under the ESP for nil consideration. These shares were issued to all Clime employees (excluding Directors). 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.

NOTE 4

Revenue

	Half-Year	
	31 Dec 2021 \$	31 Dec 2020 \$
Revenue from contract with customers		
Management fees ¹	4,770,280	4,137,557
Performance fees ²	-	10,929
Other fees ²	403,347	201,591
	5,173,627	4,350,077
Private wealth		
Advice fees ¹	95,917	84,667
Other fees ²	75,402	84,907
	171,319	169,574
Revenues from MFG Entities		
Licensee, portfolio management and other fees ¹	1,476,423	1,998,112
Investment software		
Subscription fees ¹	114,042	161,820
Direct investments income		
Dividends and distributions	166,062	153,982
Interest income	8,394	8,598
	174,456	162,580
TOTAL REVENUE	7,109,867	6,842,163

¹ Revenue from contracts with customers recognised over time

² Revenue from contracts with customers recognised at a point in time

Refer to Note 5 for an analysis of revenue by segment.

NOTE 5

Segment Information

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. The Group's reportable segments under AASB 8 are as follows:

- Funds Management
- MFG Entities
- Private Wealth
- Investment Software
- Direct Investments

Funds Management

The Group's Funds Management businesses, primarily consist of Clime Asset Management Pty Limited and CBG Asset Management Limited, which are based in Sydney. These businesses generate operating revenue (investment management and performance fees) as remuneration for managing the investment portfolios of individuals, corporations and mandates.

MFG Entities

MFG Entities include Madison Financial Group Pty Limited, AdviceNet Pty Limited, WealthPortal Pty Limited and ProActive Portfolios Pty Limited. These entities generate operating revenue in the form of Licensee fees from Authorised Representatives (Madison) and portfolio management fees (AdviceNet, WealthPortal and ProActive).

Private Wealth

The Group, through Private Wealth, delivers tailored private wealth advisory services for wholesale and sophisticated investors.

Investment Software

Revenue generated from external subscriptions to the Group's proprietary web-based investment software, Stocks in Value Pty Limited (trading as Clime Direct), is included within this segment.

Direct Investments

Includes revenue generated by the Group's direct investments in listed, unlisted securities and managed investment schemes. A significant proportion of the Group's direct investments are 'self-managed' and include a substantial investment in the ASX listed company Clime Capital Limited.

There has been no changes in the basis of segmentation or the basis of segment profit or loss since the previous financial report.

NOTE 5

Segment Information (continued)

The following is an analysis of the Group's revenue and results by reportable operating segment for the periods under review:

Half-year ended 31 December 2021	Funds Management	MFG Entities	Private Wealth	Investment Software	Direct Investments	Unallocated	Consolidated
	\$	\$	\$	\$	\$	\$	\$
Segment revenue							
Sales to external customers	4,488,814	1,476,423	779,132	114,042	-	193,830	7,052,241
Investment income	-	-	-	-	174,456	-	174,456
Government subsidy	-	-	-	-	-	-	-
Total segment revenue	4,488,814	1,476,423	779,132	114,042	174,456	193,830	7,226,697
Net realised and unrealised gains on financial assets at fair value through profit or loss	-	-	-	-	(191,693)	-	(191,693)
Net group result							
Net group result before tax	2,087,865	201,165	75,895	(32,935)	(17,237)	(1,717,533)	597,220
Income tax expense							(151,786)
Profit for the year							445,434
Depreciation and amortisation expense	450,389	-	-	32,452	-	66,269	549,110
Half-year ended 31 December 2020							
Segment revenue							
Sales to external customers	3,714,758	1,998,112	704,741	161,820	-	100,152	6,679,583
Investment income	-	-	-	-	162,580	-	162,580
Government subsidy	-	-	-	-	-	397,000	397,000
Total segment revenue	3,714,758	1,998,112	704,741	161,820	162,580	497,152	7,239,163
Net realised and unrealised gains on financial assets at fair value through profit or loss	-	(1,163)	-	-	735,268	-	734,105
Net group result							
Net group result before tax	1,203,883	419,788	(137,736)	42,502	897,819	(1,192,840)	1,233,416
Income tax expense							(368,406)
Profit for the year							865,010
Depreciation and amortisation expense	433,337	-	-	32,501	-	62,364	528,202

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.

NOTE 6

Events Occurring After the Reporting Date

An interim dividend of 1.0 cent (fully franked) (2020: 1.0 cent fully franked) per share, totalling \$726,473 (2020: \$650,585) has been declared by the Directors subsequent to period end. This dividend has not been reflected in the financial statements.

In January 2022, the Group announced its intention to transfer management of its circa \$270 million of Funds Under Management (FUM) in Separately Managed Accounts/Managed Discretionary Accounts to Ralton AM Pty Ltd (Ralton) in exchange for an initial shareholding of 75% of Ralton. This transaction enables the Group to expand its suite of Managed Accounts to support Advisers and investors with high quality, professionally managed solutions.

On 7 February 2022, the Company announced its intention to refresh its ability to implement an on-market buy back (within the 10/12 limit) for a further 12-month period which will commence from 23 February 2022 and end on 22 February 2023. During this period, the Company has the ability to buy a maximum of 7,264,729 fully paid ordinary shares.

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 7

Contingent Liabilities and Commitments

Total purchase consideration paid for acquisition of MFG Entities in June 2020 included payment of \$2.5 million as contingent consideration. As at the date of this report, the amounts to be released from escrow are being agreed with SC Australian Holdings 1 Pty Ltd in accordance with the terms of the Share Sale Deed.

There are no other contingent liabilities or commitments since the last annual reporting date.

NOTE 8

Fair Value Measurement

The Group measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis. The Group has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the assets or liability that are not based on observable market data (unobservable inputs).

(i) Recognised fair value measurements

All financial instruments that are measured subsequent to initial recognition at fair value comprise financial assets at fair value through profit or loss.

NOTE 9

Fair Value Measurement (continued)

At 31 December 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss				
Listed equities and convertible notes	5,743,370	-	-	5,743,370
Unlisted unit trusts	-	21,617	-	21,617
	5,743,370	21,617	-	5,764,987

At 30 June 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss				
Listed equities	5,649,076	-	-	5,649,076
Unlisted unit trusts	-	21,596	-	21,596
	5,649,076	21,596	-	5,670,672

(ii) Transfers between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

(iii) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables approximate their fair values.

(iv) Valuation techniques

Listed Investments

When fair values of publicly traded securities 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 period end.

Unlisted unit trusts

Investments in unlisted unit trusts are recorded at the redemption value per unit as reported by the investment managers of such funds and are included within Level 2 of the hierarchy.

Directors' Declaration

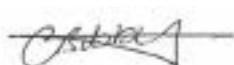
The Directors declare that:

- (a) in the Directors' opinion, the financial statements and notes set out on pages 12 to 22 are in accordance with the Corporations Act 2001; and
 - (i) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001; and
 - (ii) give a true and fair view of the financial position of the Group as at 31 December 2021 and of its performance for the half-year ended on that date.
- (b) in the Directors' opinion, there are reasonable grounds, at the date of this declaration, to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



John Abernethy
Chairman



Claire Bibby
Director

Sydney, 24 February 2022



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

Postal Address
GPO Box 1615
Sydney NSW 2001

p. +61 2 9221 2099
e. sydneypartners@pitcher.com.au

**Independent Auditors' Review Report
To the Members of Clime Investment Management Limited
ABN 37 067 185 899**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Clime Investment Management Limited ("the Company") and its Controlled Entities ("the consolidated entity"), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Clime Investment Management Limited and its Controlled Entities does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditors' Responsibilities for the Review of the Financial Report* section of our report. We are independent of the consolidated entity 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 annual 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 Auditors' review report.

Responsibility of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**Independent Auditors' Review Report
to the Members of Clime Investment Management Ltd
ABN 37 067 185 899**



Auditors' Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and its performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in dark ink that reads 'Mark Godlewski'.

Mark Godlewski
Partner

A handwritten signature in dark ink that reads 'Pitcher Partners'.

Pitcher Partners
Sydney

24 February 2022

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
Susan Wynne
Michael Kollo
Ronni Chalmers
Claire Bibby

Chief Executive Officer

Annick Donat

Company Secretary

Biju Vikraman

Head office and registered office

Level 12, 20 Hunter Street
Sydney NSW 2000

P.O. Box H90
Australia Square
Sydney NSW 1215

Telephone: 1300 788 568

Email: info@clime.com.au
Website: www.clime.com.au

Share registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

Telephone +61 2 9290 9600
Facsimile: +61 2 9279 0664
Website: www.boardroomlimited.com.au

Auditor

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



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