

Company Announcements  
Australian Securities Exchange, Sydney

23 February 2021

## Clime Investment Management Limited (ASX: CIW)

### Half Year Results and Dividend Announcement

The Board of CIW is pleased to announce that Profit before Amortisation and Tax was \$1.518 million. This represents an increase of 6% over the previous corresponding period (pcp) (December 2019).

The Board is also pleased to declare an interim dividend of 1 cent per share fully franked.

CIW's profit was affected by several positives and negatives which we detail below.

- Unlike the previous period CIW generated minimal performance fees (net \$1.3 m in pcp).
- CIW received government subsidies of circa \$400k (pcp nil).
- Redundancy costs of circa \$245k were expensed (pcp nil).
- Balance sheet investments generated a return of \$896k (pcp \$241k).
- Inclusion of the results of Madison Financial Group (MFG) of \$419k (pcp nil).
- Amortisation charges were \$285k (pcp \$224k).

Group Net Profit after Tax (NPAT) was \$865k or 0.2% above pcp.

#### Further Commentary

The half year result benefitted from the merger of the operations of CIW and MFG.

However, the full integration of the businesses and resulting synergies will be borne over the next 12 months. The Board notes the ongoing issues surrounding COVID-19 did slow our progress and ability to meet with present, and market to the prospective investors. The ability of Clime Private Wealth advisors to engage with clients and prospects was also severely curtailed during the various state border lockdowns.

More recently and pleasingly the relaxation of border controls has allowed our marketing to generate more activity across both the Clime and Madison investor networks. Buoyant markets have also meant that FUM of Clime (excluding Madison) have risen to \$1.1 billion at the time of this report - well above the 30 June 2020 balance of \$982 million.

## Outlook

The second half of FY21 has commenced strongly.

As part of Project Streamline, the company has initiated a number of cost reduction programs designed to open up the operating margin of the group. The closure of small loss-making funds, reduction in duplication of costs and external consultant fees are underway. We are also working to make our products available to a larger community of investors.

At the same time, Madison has developed several programs to grow its advisory network and to benefit from Clime's extensive marketing capability.

The Board is confident that (subject to market movements) the Group is well positioned for a solid second half result and extremely well positioned to grow solidly in FY22.

Importantly the balance sheet of the Group remains strong with over \$10 million of cash and other liquid assets.

The interim dividend of 1 cent fully franked will be paid to shareholders on 12 March 2021.

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