

Appendix 4D

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

Half-Year Ended 31 December 2023

(Previous corresponding period – Half-Year Ended 31 December 2022)

Revenue from ordinary activities	down	24%	to	\$6,808,614
Loss from ordinary activities before tax attributable to members	down	644%	to	(\$2,048,835)
Loss from ordinary activities after tax attributable to members	down	780%	to	(\$1,606,847)

Dividends per share	Amount per security	Franked amount per security
Nil	Nil	Nil

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

	31 December 2023 (\$'000)	31 December 2022 (\$'000)	Change
Operating (loss)/profit	(1,610)	42	(1,652)
Investment income	344	218	126
Cash (losses)/earnings	(1,266)	260	(1,526)
Mark to Market (MTM) Investments	(87)	318	(405)
Cash (losses)/earnings plus MTM	(1,353)	579	(1,932)
Net non-recurring	(248)	119	(367)
(Loss)/profit reported pre-amortisation and tax	(1,601)	698	(2,299)

n/m= not meaningful

Explanation of Revenue and Net Profit

Please refer to the Directors' Report included in the Interim Financial Report for the half-year ended 31 December 2023 for further explanations.

Net tangible assets per security

	31 December 2023	31 December 2022
Net tangible asset backing per ordinary share before tax	2.0 cents	6.7 cents
Net tangible asset backing per ordinary share after tax	2.0 cents	6.7 cents

Dividends

There were no dividends/distributions declared or paid during or subsequent to the half-year ended 31 December 2023.

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	
	31 December 2023 %	30 June 2023 %	31 December 2023 %	31 December 2022 %
James Street Private Wealth - Joint Venture	30%	30%	-	(10%)

Review

This report is based on accounts that have been reviewed. The unqualified review report is on page 28 of the attached Interim Financial Report.



Clime Investment Management Limited

and Controlled Entities

Interim Financial Report
31 December 2023

Clime Investment Management Limited

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www.clime.com.au



General Purpose Interim Financial Report

31 December 2023

Contents	Page No.
Directors' Report	5
Auditor's Independence Declaration	10
Interim Financial Statements	11
Directors' Declaration	27
Independent Auditor's Review Report	28
Corporate Directory	30

Directors' Report

The Directors of Clime Investment Management Limited submit herewith the financial report of Clime Investment Management Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") for the half-year ended 31 December 2023 ("HY 2024"). In order to comply with the provisions of the *Corporations Act 2001*, the Directors' report is 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
Michael Kollo
Independent Director
Ronni Chalmers
Non-Independent Director
Claire Bibby
Independent Director
Andrew Coleman
Independent Director (appointed 19 January 2024)

Financial Highlights for HY 2024

The Group recorded a net loss before tax of \$2,048,835 in HY 2024 compared with a profit of \$376,616 in HY 2023.

The Group recorded an after-tax loss attributable to members of \$1,606,847 for HY 2024 (HY 2023: profit of \$236,353). The operating result is reported after amortisation of intangibles of \$424,637 (HY 2023: \$291,173).

Basic earnings per share for HY 2024 were (2.3) cents per share compared with basic earnings per share of 0.3 cents per share for HY 2023.

Review of Operations

Gross balances of Funds under Management & Advice ("FUM&A") as at 31 December 2023 were \$5,590 million compared to \$5,663 million as at 30 June 2023, a decrease of 1%.

Gross Funds under Management (FUM)	31 December 2023 millions	30 June 2023 millions
Clime Individually Managed Accounts	\$463	\$496
Listed Investment company (Clime Capital - ASX: CAM)	\$158	\$157
Managed Funds and Mandates	\$237	\$249
Separately Managed Accounts	\$422	\$372
Sub-Total Funds Under Management	\$1,280	\$1,274
Funds Under Management and Advice - WealthPortal*	\$470	\$516
Funds Under Advice - Other investment platforms	\$3,784	\$3,822
Insurance Premiums Under Advice	\$56	\$51
Sub-Total Funds and Insurance Premiums Under Advice	\$4,310	\$4,389
Total FUM&A	\$5,590	\$5,663

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 2023 \$	31 December 2022 \$
Funds management and related activities revenue	3,856,517	4,482,257
Revenues from MFG Entities	1,170,544	1,431,309
Investment software revenue	34,775	55,931
Private wealth	1,401,325	1,445,560
Performance fees generated	1,148	1,374,689
Gross income	6,464,309	8,789,746
Staff Costs before redundancy cost	(4,770,614)	(5,112,065)
Short-term incentives to staff	130,000	(620,332)
Total staff costs	(4,640,614)	(5,732,397)
Depreciation of right-of-use assets	(214,722)	(214,722)
Finance cost on lease liabilities	(22,925)	(73,074)
Short term leases	(194,494)	(187,592)
Total occupancy costs	(432,141)	(475,388)
Other administrative expenses	(2,528,796)	(1,957,231)
Third party custody, management & fund administration services	(282,090)	(381,482)
Sales and marketing expenses	(190,979)	(201,077)
Total other operating expenses	(3,001,865)	(2,539,790)
Operating (loss)/profit	(1,610,311)	42,171
Direct investment income – dividends, distributions and interest	344,305	218,171
Realised and unrealised (losses)/gains on investments	(86,866)	318,276
Income generated by financial assets held at fair value	257,439	536,447
Share of loss from associate	-	(23,250)
Other non-recurring expenses	(297,676)	(21,158)
Other non-recurring income	49,653	163,761
Total net non-recurring income and expenses	(248,023)	119,353
(Loss)/profit before depreciation and amortisation	(1,600,895)	697,971
Depreciation of property, plant and equipment	(23,303)	(30,182)
Amortisation of intangibles	(424,637)	(291,173)
Total depreciation and amortisation	(447,940)	(321,355)
Statutory (loss)/profit before income tax	(2,048,835)	376,616
Income tax benefit/(expense)	441,988	(140,263)
Statutory (loss)/profit after income tax	(1,606,847)	236,353

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

Operating Earnings

Operating loss for HY 2024 was \$1,610,311 (HY 2023: earnings of \$42,171), a decrease of \$1,652,482 reflecting higher investment in the underlying business underpinning strategic growth.

Funds management fees of \$3,856,517 decreased from \$4,482,257 earned in HY 2023 largely reflecting net outflows of funds under management (including monthly pension payments) and lower average market values. Madison Entities contributed \$1,170,544 in HY 2024 in comparison to \$1,431,309 of revenues during HY 2023 due to reduction in the number of advisers.

Staff, occupancy and other operating expenses reduced to \$8,074,620 in HY 2024 from \$8,747,575 incurred in HY 2023 mainly due to an organisational restructure and expense reduction measures.

Performance Fees

The Group earned \$1,148 in performance fees in HY 2024 (HY 2023: \$1,374,689). Clime Australian equity portfolios delivered divergent returns across strategies with notable above benchmark returns delivered in the Clime Small Company Fund and Clime International Fund. The performance of our small-cap strategy over the last 12 months is heartening with the fund soundly beating its benchmark by 5.80% (gross of fees) over the calendar year and 10.22% (gross of fees) over the past 5 months.

Financial Assets Held at Fair Value

Direct investment income comprises dividends, trust distributions and interest income. For HY 2024, this represented \$344,305 compared to \$218,171 in HY 2023. Net realised and unrealised losses on investments were \$86,866 compared to gains of \$318,276 in HY 2023.

Capital Raising

There was no capital raised during the half-year ended 31 December 2023.

Summary of Total Equity

The total equity at balance date comprised the following:

	31 December 2023 \$	30 June 2023 \$
Cash and cash equivalents	1,980,229	2,173,769
Other financial asset at amortised cost	296,558	295,060
Trade and other receivables less payables	(2,068,648)	(128,934)
Listed investment – Clime Capital Limited	4,379,958	4,650,301
Other tangible assets less liabilities	(3,176,306)	(4,023,572)
Net tangible assets	1,411,791	2,966,624
Intangible assets, right-of-use assets and contract costs	18,897,492	19,372,796
Deferred tax assets - net	1,368,035	926,045
Total equity	21,677,318	23,265,465
No. of ordinary shares on issue (excluding shares issued under EIS)	71,160,265	71,160,265
Equity per share	30.5 cents	32.7 cents
Net tangible assets per share	2.0 cents	4.2 cents

Dividend

No dividends were declared or paid during HY 2024.

Events After the Reporting Date

On 19 January 2024, the Company issued 4.5 million fully paid ordinary shares to Teaminvest Private Group Limited (ASX: TIP), for a consideration of \$1.35 million. This was part of a broader strategic alliance between the parties in line with the ASX announcement dated 29 December 2023.

Other than the above, no 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.

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, 27 February 2024



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

In relation to the independent auditor's review of Clime Investment Management Limited and its Controlled Entities for the half year ended 31 December 2023, 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)*.

A handwritten signature in black ink, appearing to read 'S M Whiddett'.

S M Whiddett
Partner

Pitcher Partners
Sydney

27 February 2024

Interim Financial Statements

31 December 2023

Contents

Page

Consolidated Statement of Profit or Loss and Other Comprehensive Income	12
Consolidated Statement of Financial Position	13
Consolidated Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Notes to the Consolidated Financial Statements	16
Directors' Declaration	27
Independent Auditor's Review Report	28
Corporate Directory	30

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 2023 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 2023 \$	31 December 2022 \$
Revenue	4	6,808,614	9,007,917
Net realised and unrealised (losses)/gains on financial assets at fair value through profit or loss		(86,866)	318,276
Other income		49,653	163,761
Administrative expenses		(8,056,096)	(8,480,937)
Depreciation and amortisation		(662,662)	(536,077)
Finance costs		(101,478)	(73,074)
Share of loss from associate		-	(23,250)
(Loss)/Profit before income tax		(2,048,835)	376,616
Income tax benefit/(expense) attributable to operating profit		441,988	(140,263)
(Loss)/Profit for the period		(1,606,847)	236,353
Other comprehensive income, net of income tax		-	-
Total comprehensive (loss)/income for the period		(1,606,847)	236,353
(Loss)/Profit attributable to members of Clime Investment Management Limited		(1,606,847)	236,353
Total comprehensive (loss)/income attributable to members of Clime Investment Management Limited		(1,606,847)	236,353
(Loss)/Earnings per share			
Basic - cents per share		(2.3) cents	0.3 cents
Diluted - cents per share		(2.3) cents	0.3 cents
(Loss)/Earnings per share			
Basic - cents per share		(2.3) cents	0.3 cents

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.

INTERIM FINANCIAL STATEMENTS | Consolidated Statement of Financial Position
As at 31 December 2023

	Notes	31 December 2023 \$	30 June 2023 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,980,229	2,173,769
Trade and other receivables		2,077,795	3,143,628
Current tax assets		211,201	104,278
Other current assets		309,200	360,660
Financial assets at fair value through profit or loss	8	4,379,958	4,650,301
Total Current Assets		8,958,383	10,432,636
Non-Current Assets			
Other financial asset		296,558	295,060
Investment in associate		-	-
Property, plant and equipment		127,276	136,837
Right-of-use assets		644,167	858,890
Deferred tax assets - net		1,368,035	926,045
Contract costs		336,960	365,040
Intangible assets		17,916,365	18,148,866
Total Non-Current Assets		20,689,361	20,730,738
Total Assets		29,647,744	31,163,374
LIABILITIES			
Current Liabilities			
Trade and other payables		4,357,644	3,376,840
Lease liabilities		504,743	477,392
Contract liabilities		109,048	48,091
Provisions		644,139	757,898
Deferred consideration payable	9	1,245,343	1,262,592
Total Current Liabilities		6,860,917	5,922,813
Non-Current Liabilities			
Lease liabilities		269,734	532,788
Provisions		135,418	75,776
Deferred consideration payable	9	704,357	1,366,532
Total Non-Current Liabilities		1,109,509	1,975,096
Total Liabilities		7,970,426	7,897,909
Net Assets		21,677,318	23,265,465
EQUITY			
Issued capital		25,587,865	25,587,865
Reserves		352,312	333,612
Accumulated losses		(4,262,859)	(2,656,012)
Equity attributable to owners of the Company		21,677,318	23,265,465
Non-controlling interest		-	-
Total Equity		21,677,318	23,265,465

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

INTERIM FINANCIAL STATEMENTS | Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2023

	Notes	Issued capital	Share-based payments reserve	Accumulated losses	Attributable to owners of Company	Non-controlling interest	Total
		\$	\$	\$	\$	\$	\$
Balance as at 1 July 2022		25,487,865	290,137	(482,851)	25,295,151	10,575	25,305,726
Profit for the period		-	-	236,353	236,353	-	236,353
Other comprehensive income for the period, net of tax		-	-	-	-	-	-
Total comprehensive income for the period		-	-	236,353	236,353	-	236,353
Transactions with equity holders in their capacity as equity holders:							
• Recognition of share-based payments		-	23,650	-	23,650	-	23,650
• Dividends paid or provided for	2	-	-	(289,100)	(289,100)	-	(289,100)
• Issue of shares - Ralton AM Pty Limited	3	100,000	-	-	100,000	-	100,000
• Adjustment arising from change in non-controlling interest of Ralton AM Pty Ltd		-	-	(16,394)	(16,394)	(10,575)	(26,969)
Balance as at 31 December 2022		25,587,865	313,787	(551,992)	25,349,660	-	25,349,660
Balance as at 1 July 2023		25,587,865	333,612	(2,656,012)	23,265,465	-	23,265,465
Loss for the period		-	-	(1,606,847)	(1,606,847)	-	(1,606,847)
Other comprehensive income for the period, net of tax		-	-	-	-	-	-
Total comprehensive loss for the period		-	-	(1,606,847)	(1,606,847)	-	(1,606,847)
Transactions with equity holders in their capacity as equity holders:							
• Recognition of share-based payments		-	18,700	-	18,700	-	18,700
Balance as at 31 December 2023		25,587,865	352,312	(4,262,859)	21,677,318	-	21,677,318

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

		Half-Year	
	Notes	31 December 2023 \$	31 December 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Fees received in the course of operations		7,956,472	8,218,279
Expense payments in the course of operations		(7,342,587)	(8,423,925)
Dividends and distributions received		237,308	201,834
Interest received		44,408	16,337
Income tax payment		(107,748)	(40,202)
Income tax refund received		-	212,483
Operating cashflows		787,853	184,806
Proceeds from disposal of financial assets at fair value through profit or loss		183,476	22,464
Payments for financial assets at fair value through profit or loss		-	(5,524)
Net cash provided by operating activities		971,329	201,746
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for acquisition of subsidiaries net of cash acquired	9	(700,000)	(4,014,199)
Loan to associate		-	(50,000)
Payments for other financial asset at amortised cost		(1,498)	(3,715)
Payment for property, plant & equipment		(9,437)	(27,470)
Payment for intangible assets		(164,056)	(235,669)
Net cash used in investing activities		(874,991)	(4,331,053)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal elements of lease payments		(235,704)	(210,248)
Finance costs paid for lease liabilities		(22,925)	(33,890)
Finance costs- other		(31,249)	-
Dividends paid to Company's shareholders	2	-	(289,100)
Net cash used in financing activities		(289,878)	(533,238)
Net decrease in cash and cash equivalents		(193,540)	(4,662,545)
Cash and cash equivalents at beginning of the period		2,173,769	8,141,740
Cash and cash equivalents at end of the period		1,980,229	3,479,195
Non-cash financing activities			
Issue of shares - Ralton AM Pty Ltd		-	100,000

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

NOTE 1

Basis of Preparation of the Interim Financial Report

(a) Basis of accounting

This consolidated interim financial report for the half-year reporting period ended 31 December 2023 has been prepared in accordance with the *Corporations Act 2001* and Accounting Standard 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 2023 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 2023. 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 2022. For the Statement of Financial Position, the previous corresponding date is 30 June 2023.

(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 2023.

New and amended Accounting Standards and interpretations effective during the reporting period.

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(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	
	2024 \$	2023 \$
Fully paid ordinary shares		
Nil (HY 2023: 0.4 cents per share) fully franked dividends were paid during the period in respect of the previous financial period	-	289,100

NOTE 3

Issue and repurchase of equity securities

	Half -Year		Half - Year	
	2024 No. of shares	2023 No. of shares	2024 \$	2023 \$
Issue of shares on acquisition of Ralton Asset Management Pty Ltd	-	185,185	-	100,000

Employee Incentive Scheme (“EIS”)

As at 31 December 2023, there are 1,150,000 (31 December 2022: 1,300,000) EIS ‘in-substance’ options on issue. During the period, in-substance options were not exercised (HY 2023: nil). Share options granted under the Company’s EIS carry no rights to dividends and are subject to a three-year lock in period.

No new share options were granted under the Company’s EIS in the current half-year period.

Employee Share Plan (“ESP”)

During the period, the Company did not issue any new shares (HY 2023: nil) under the Clime Employee Share Plan. 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.

Issue of shares on acquisition of Ralton Asset Management Pty Ltd

On 15 December 2022, 185,185 fully paid ordinary shares were issued at a issue price of \$0.54 cents in settlement of part consideration on 100% acquisition of Ralton Asset Management Pty Ltd.

NOTE 4

Revenue

	Half-Year	
	31 Dec 2023	31 Dec 2022
	\$	\$
Revenue from contracts with customers		
Funds Management fees ¹	3,630,754	4,171,249
Performance fees ²	1,148	1,374,689
Other fees ²	225,763	311,008
	3,857,665	5,856,946
Private wealth		
Advice fees ¹	1,355,325	1,311,918
Other fees ²	46,000	133,642
	1,401,325	1,445,560
Revenues from MFG Entities		
Dealership, portfolio management and other fees ¹	1,170,544	1,431,309
Investment software		
Subscription fees ¹	34,775	55,931
Direct investments income		
Dividends and distributions	309,417	201,834
Interest income	34,888	16,337
	344,305	218,171
TOTAL REVENUE	6,808,614	9,007,917

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

a. Description of Segments

The Group's 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 2023, the Group made a reclassification of its operating segments following the acquisition of MTIS Wealth Management Pty Limited, Investment Strategists Accounting Services Pty Limited and Ralton AM Pty Limited.

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

- Investment Management
- Licensee Services
- Corporate Centre

Investment Management

The Group's Investment Management businesses provide a range of investment management services through its controlled entities. Clime Asset Management Pty Ltd, CBG Asset Management Limited and Ralton AM Pty Limited businesses generate operating revenue (investment management and performance fees) as remuneration for managing the investment portfolios of individuals, corporations and mandates.

The Group's private wealth business through Clime Private Wealth Pty Limited, MTIS Wealth Management Pty Limited, and Investment Strategists Accounting Services Pty Limited delivers tailored private wealth advisory services for its wholesale, sophisticated and retail clients.

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

Licensee Services

Licensee Services include the businesses of Madison Financial Group Pty Limited, AdviceNet Pty Limited, WealthPortal Pty Limited, ProActive Portfolios Pty Limited and Optimise Advice Services 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).

Corporate Centre

Corporate Centre includes the results of the Group's investments held in Clime Capital Limited and shared costs including unallocated group employees, and unallocated expenses relating to the Group's support functions.

The previous year's information has been restated to reflect the above change.

There have been no changes in the basis of segmentation or the basis of segment profit or loss since the previous financial report as at 30 June 2023.

NOTE 5

Segment Information (continued)

b. Reportable Segments

31 December 2023	Investment Management	Licensee Services	Inter-Segment Eliminations	Corporate Centre	Consolidated
	\$	\$	\$	\$	\$
Segment revenue					
Sales to external customers	5,133,280	1,392,484	(221,940)	384,120	6,687,944
Intersegment sales	-	-	-	-	-
Investment income	-	-	-	34,888	34,888
Other income	-	-	-	85,782	85,782
Total segment revenue	5,133,280	1,392,484	(221,940)	504,790	6,808,614
Net realised and unrealised loss on financial assets at fair value through profit or loss	-	-	-	(86,866)	(86,866)
Net group result before tax	1,263,615	126,019	-	(3,438,469)	(2,048,835)
Income tax benefit	-	-	-	-	441,988
Loss for the year					(1,606,847)
Depreciation and amortisation expense	(324,330)	(36,933)	-	(301,399)	(662,662)

31 December 2022	Investment Management	Licensee Services	Inter-Segment Eliminations	Corporate Centre	Consolidated
	\$	\$	\$	\$	\$
Segment revenue					
Sales to external customers	7,108,155	1,610,922	(179,612)	-	8,539,465
Intersegment sales	-	-	-	-	-
Investment income	7,103	2,067	-	209,001	218,171
Other income	-	-	-	250,281	250,281
Total segment revenue	7,115,258	1,612,989	(179,612)	459,282	9,007,917
Net realised and unrealised loss on financial assets at fair value through profit or loss	-	-	-	318,276	318,276
Net group result before tax	2,491,118	(11,309)	-	(2,103,193)	376,616
Income tax expense	-	-	-	-	(140,263)
Profit for the year					236,353
Depreciation and amortisation expense	(213,673)	(40,434)	-	(281,970)	(536,077)

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.

NOTE 5

Segment Information (continued)

d. Information about major clients

Included in revenues arising from the funds management business of \$5.13 million (HY 2023: \$7.27 million) (see Note 5 (b) above) are revenues of approximately \$0.64 million (HY 2023: \$1.88 million) which arose from services provided to the Group's largest client.

NOTE 6

Events After the Reporting Date

On 19 January 2024, the Company issued 4.5 million fully paid ordinary shares to Teaminvest Private Group Limited (ASX: TIP) for a consideration of \$1.35 million. This was part of a broader strategic alliance between the parties in line with the ASX announcement dated 29 December 2023.

Other than the above, no 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 Assets, Contingent Liabilities and Commitments

During the year ended 30 June 2022, there was a claim instigated against one of the advisers operating under the Madison Australian Financial Services Licence.

The investigation and remediation for this claim has been completed. It has been confirmed that the liability will be covered against the escrow amount created as part of the acquisition of Madison Entities with SC Australian Holdings 1 Pty Limited and the Company is in the process of getting this amount released.

The Group has outstanding capital commitments of \$26,944 as at 31 December 2023 (30 June 2023: nil).

There are no other contingent liabilities, contingent assets 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 8

Fair Value Measurement (continued)

At 31 December 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss				
Listed equities	4,379,958	-	-	4,379,958
	4,379,958	-	-	4,379,958
At 30 June 2023	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets at fair value through profit or loss				
Listed equities	4,650,301	-	-	4,650,301
	4,650,301	-	-	4,650,301

(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 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.

(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.

NOTE 9

Business Combinations

Prior year acquisition of MTIS Wealth Management Pty Ltd and Investment Strategist Accounting Service Pty Ltd

On 14 August 2022, the Company acquired 100% of the share capital of MTIS Wealth Management Pty Limited ("MTIS") and Investment Strategists Accounting Services Pty Limited ("ISAS"), with the Group obtaining beneficial ownership and rights from 1 July 2022. MTIS is a diversified wealth management, advisory and accounting/tax services business. MTIS offers similar and complementary services to Clime Private Wealth and expands the Group's presence in Melbourne's CBD, creating new market opportunities for the Group. The Group will obtain synergies from merging the Melbourne offices and by providing administration support and AFS Licensing support by MFG.

The details of the purchase consideration as at 31 December 2022 were as follows:

	Half-year 2023 \$
Details of the purchase consideration	
Cash paid	3,969,511
Shares issued	-
Contingent consideration ¹	2,595,865
Total purchase consideration	6,565,376

¹ The MTIS contingent consideration reflects maximum deferred consideration payable based on successful business performance criteria extending to 31 July 2024.

Assets and liabilities acquired as at 31 December 2022

Assets and liabilities recognised as a result of the business combination were:

	Half-year 2023 \$
Cash	129,862
Intangible assets	2,963,037
Payables	(354,351)
Net identifiable assets acquired	2,738,548
 Add: Goodwill	 3,826,828
Total purchase consideration	6,565,376

Changes during full-year ended 30 June 2023

During the period, the performance criteria associated with the contingent consideration payable was removed, which impacted the fair value of the residual consideration payable.

The impact due to the change in fair value, was reflected in the full-year financial statements for the period ended 30 June 2023.

Changes during half-year ended 31 December 2023

During the period, the payment terms associated with the deferred consideration payable were revised which impacted the fair value of residual deferred consideration payable. The impact due to the change in fair value measurements of \$49,653 has been reflected in the Statement of Profit or Loss and Other Comprehensive Income.

The potential undiscounted amount of all future payments that the Group is required to make under the deferred consideration arrangement is \$2,096,000 and will be settled in cash by the purchaser on or before 31 July 2025 revising from previously agreed 30 September 2024.

NOTE 9

Business Combinations (continued)

Net cash outflow on acquisitions

As at 31 December 2023, purchase consideration of \$4,669,511 towards MTIS was fully paid in cash as follows:

	\$
Total purchase consideration paid in cash	4,669,511
Payments made till 30 June 2023	(3,969,511)
Net cash flow paid in HY 2024	700,000

The discounted value of the deferred consideration payable as at 31 December 2023 is as follows:

	\$
Details of Deferred consideration payable	
- Non-current	704,357
- Current	1,245,343
Total purchase consideration	1,949,700

NOTE 10

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

No changes in subsidiaries since 30 June 2023.

c. Key Management Personnel

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 employment benefits	Long service leave	Share-based payments	Total
	\$	\$	\$	\$	\$
31 December 2023					
Remuneration of Key Management Personnel	644,596	40,356	27,939	9,900	722,791*
31 December 2022					
Remuneration of Key Management Personnel	518,000	43,680	3,963	9,900	575,543

*The remuneration of Key Management Personnel for the half-year ended 31 December 2023 includes termination and associated leave balance payments of \$154,460 (HY 2023: nil).

Loans to Directors and other Key Management Personnel

\$300,000 (30 June 2023: \$300,000) loan to Executive Officers in relation to the EIS shares issued under the Employee Incentive Scheme.

There were no other loans made to Directors of Clime Investment Management Limited or other Key Management Personnel of the consolidated entity, including their personally related entities, at any stage during the period.

Notional non-recourse loans exist in relation to “in-substance” options issued under the Employee Incentive Scheme.

d. Other related party transactions

1. Clime Capital Limited

- i. Mr. John Abernethy and Mr. Ronni Chalmers are Directors of Clime Capital Limited.

The Group received \$77,364 (HY 2023: \$69,050) as management fees for the services rendered by two Directors and Company Secretary, reimbursement for marketing fees and shared expenses from Clime Capital Limited.

- ii. Clime Investment Management Ltd directly owns 3.66% (30 June 2023: 3.98%) of the share capital of the Company as at 31 December 2023. Clime Investment Management Ltd, through the Investment Manager (held on behalf of clients), has the indirect power to dispose 3.57% (30 June 2023: 3.66%) of the Company's shares and has the indirect power to dispose 6.54% (30 June 2023: 7.55%) 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 \$638,853 (HY 2023: \$1,884,891) excluding GST as remuneration for managing Clime Capital Limited's investment portfolio in full.

- iv. All dividends paid and payable by Clime Capital Limited to its Directors and their related entities are on the same basis as to other shareholders.

NOTE 10**Related Party Transactions (continued)****2. Clime Fixed Interest Fund (Wholesale)**

Clime Asset Management Pty Limited during the year received nil (HY 2023: \$27,385) remuneration for managing the investment portfolios and acting as trustee of Clime Fixed Interest Fund. This fund was wound up during the previous financial year.

3. Clime All Cap Australian Equities Fund (Wholesale)

CBG Asset Management Limited, during the year received \$264,269 (HY 2023: \$437,414) as remuneration for managing the investment portfolios and acting as trustee of Clime All Cap Australian Equities Fund (Wholesale).

4. Clime Australian Equity Long Short Fund (Wholesale)

Clime Asset Management Pty Limited, during the year received nil (HY 2023: \$2,759) remuneration for managing the investment portfolios and acting as trustee of Clime Australian Equity Long Short Fund.

Directors' Declaration

The Directors declare that:

- (a) in the Directors' opinion, the interim consolidated financial statements and notes set out on pages 11 to 26 are in accordance with the *Corporations Act 2001*; and
 - (i) comply with the *Corporations Act 2001* and Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (ii) give a true and fair view of the financial position of the Group as at 31 December 2023 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, 27 February 2024



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**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 2023, 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 material 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 2023 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 *Auditor's 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 auditor's review report.

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



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.

Auditor's 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 2023 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 black ink, appearing to read 'S M Whiddett'.

S M Whiddett
Partner

A handwritten signature in black ink, appearing to read 'Pitcher Partners'.

Pitcher Partners
Sydney

28 February 2024

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

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Susan Wynne
Michael Kollo
Ronni Chalmers
Claire Bibby
Andrew Coleman

Chief Executive Officer

Annick Donat

Company Secretary

Andrew Metcalfe

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