

30 August 2024

Company Announcements
Australian Securities Exchange

Clime Investment Management Limited (ASX: CIW)

Annual Results

- **Restructure has returned CIW to profit**
- **Operating loss \$1.6 million**
- **Reported statutory loss \$3.8 million**

The Board of CIW advises that the company reported a statutory loss of \$3.8 million for FY24.

The components of the reported loss can be summarised as follows:

- Operating loss (before noncash amortisation and depreciation) of \$1.6 million (equivalent to the half year operating loss).
- Noncash amortisation and depreciation charges expensed of \$1.36 million.
- Noncash asset impairment expensed of \$0.85 million.

As previously reported CIW divested its adviser licensing business (Madison) effective 30 June. Madison reported a loss of \$0.46 million for FY24 but also consumed significant non direct overheads estimated at about \$1.0 million.

Following the sale of Madison and the restructure of Clime operations, the Board is pleased to advise that the company has now returned to operating profit in the opening months of FY25. Shareholders should note that there are further divestment costs to be expensed in FY25, however these are well covered by operating cashflows.

The divestment of Madison was effected by the receipt of a \$2 million 3-year convertible note issued by Infocus Wealth Management Limited (Infocus) that yields 8%. This income plus normal balance sheet revenue should ensure at least \$300k in non-operating revenue is also generated.

Outlook

As noted above and in the Annual Report, the Board is pleased to report that CIW has returned to profit and is targeting a minimum \$2 million annual operating profit.

The confidence stems from three main observations:

1. The significant reduction in operating costs that flowed from our restructure.
2. The discontinuance of losses from Madison; and
3. The growth in FUM and investment mandates reported in recent months.

CIW is pursuing further mandate opportunities and working actively with clients and prospects alike to build the business to a level where operating margin approaches 30%. We regard this as an operating target for FY26.

We are pleased to have created a significant alliance with Infocus who will license Clime Private Wealth and work with CIW on SMA solutions into the Infocus network.

CIW has in excess of \$1.6 billion in funds under management and advice. Therefore, the opportunity to grow remains immense given the addressable market of SMSFs, family trusts and charities, is estimated at more than \$4 trillion in Australia.

We look forward to updating shareholders of developments in the September Quarter update and at the AGM to held in November.

This announcement is approved by the Board of Directors of Clime Investment Management Limited for release to the ASX.

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