

29 July 2025

Company Announcements
Australian Securities Exchange

Clime Investment Management Limited (ASX: CIW)

June Quarter Update

Highlights

Financial

- **Operating profit of at least \$1.5 million (before amortisation and tax).**
- **Board intends to declare a final dividend of 0.50 cents per share, fully franked.**

Operational

- **Headcount and operational expansion: 8 new administration staff, new advisers and investment specialists appointed this quarter**

Dear Shareholders,

The Board is pleased to advise shareholders that over the June Quarter Clime (or “the company”) established the groundwork for an efficient business operating across three capital cities, with a diverse range of products and advisory capabilities. Clime is poised to introduce new solutions for young, non-advised retail investors, multi-asset solutions suitable for broader distribution, and bespoke wholesale solutions that integrate our new team members' unique skills with our existing strong listed asset management capabilities.

These solutions position us as an attractive partner for other market participants.

The Board is also pleased to advise that the company has achieved a strong operating turnaround with an unaudited operating profit (pre-amortization and tax) of approximately **\$1.5 million**.

This result will allow the Board to declare a final dividend of no less than **0.5 cents per share (fully franked)**.

The Board congratulates our Managing Director (Michael Baragwanath) and his executive team on this result. The Board also notes the recent exercise by Michael of his first tranche of options which shows both his confidence in and commitment to the company going forward.

Also, the Board both acknowledges and thanks Michael for the redirection of a significant part of his performance bonus to other members of the team.

We encourage shareholders to read the following update from Michael.

Managing Director update

I am pleased to provide you with an update of both the June quarter and the past year.

Twelve months ago, we set a clear course: rebuild the team, invest in technology, lift transparency and service, and put our balance sheet to work. We said we would get on the front foot and make the hard calls quickly. We have.

The June quarter shows a business that is more focused, faster, and better aligned to client outcomes. Transaction and corporate advice revenue of \$1.8 million underwrote profitability while the core operating engines were restructured and reset.

I believe that we continue to build **quality, intelligent and scalable scaffolding** to grow our business and take market share both organically and inorganically.

People & culture – instilling a culture of service before self

Executive Team

Will Riggall is leaving Clime in September and is assisting with our Funds management team transition.

Leo Economides steps into the Chief Investment Officer role.

Leo brings over 35 years of experience in valuation, structured finance, project finance, and funds management, with a distinctive actuarial background that underpins his rigorous approach to risk and opportunity analysis. He has held senior roles across institutions such as Macquarie Bank, Bankers Trust, and Oxley Corporate Finance, delivering complex structured property and infrastructure development transactions exceeding \$5 billion in value.

Leo is a former Investment Director for a family office; he also served as CIO of Performance Preservation Capital delivering a consistent record of outperformance in equity portfolios. Leo has advised on matters ranging from A-REIT repositioning, infrastructure projects (energy, water, road and rail), government fleet sale and leasebacks, startup tech businesses, and has acted as expert witness on real estate, infrastructure and structured finance transactions, underlining his depth of expertise across most asset classes. Leo brings genuine breadth across listed and unlisted markets, portfolio construction and risk.

Anshul Thapar has been appointed as Head of Operations. Anshul was recruited to manage our unlisted asset operations but has quickly demonstrated an ability to add value across the business by

breaking down complex workflows, negotiating hard with our suppliers and identifying weak points. Anshul will be supported by the recruitment of two additional operations staff and a product manager.

We have continued to invest where it counts: **8** new admin staff forming a new “business transformation team”, **2** advisers joined this quarter with **2** new investment specialists joining next month.

New Premises

We have negotiated new full-floor premises at **Level 8, 85 Spring Street (in Melbourne CBD)** will be ~**75%** utilised on day one, leaving capacity to grow. Whilst in Sydney our new office (1 August) will be at **Level 31, 123 Pitt Street, Sydney**.

Culture is action

We continue to award tranches of CIW shares across the team (standard two-year vesting/lock-up).

Advisers have moved to a balanced-scorecard revenue model with a clear pathway to both revenue share and equity.

100% of the Managing Director’s (my) short-term incentive has been approved by the board and 80% has been re-allocated to customer service, administration and support staff as a one-off bonus. This was a personal election by me recognising the team effort required to achieve this year’s result.

We have implemented new commercial arrangements with our advisers that allow them to build equity as employees while respecting the law on restraints, protecting clients and delivering for our shareholders.

Technology and improved transparency

We are implementing a new transparent, audit and reporting framework that allows advisers and clients to inspect underlying documents, exact holdings and transactions.

The Approved Product List is being audited and only products that comply with our reporting framework will be deemed suitable for investment. Considering recent product failures our approach to approved products will be – Trust but verify.

Clever.Clime.com.au will open for **public beta in August**. The first module will be free during testing. It is a rethink — a practical way for clients and self-directed investors to **interact with market data** then create and monitor their own portfolio using our value-based methodology or their own approach.

EchoNotes adoption is growing. Early measures show **just under one hour saved per client interaction (meeting to documented file note)** with higher quality output reviewed by a third party

and issued to clients. The combination of automated transcription, external review and client sign off is designed to tighten compliance, lift service and free advisers to spend more time with clients.

Clime Fund Product offerings – sharpening the edge

All non-Clime branded products will either transition to the Clime brand or be closed.

Strategic Debt Fund launches this month under Tim and Mitch. Open to wholesale investors only the fund combines unlisted credit with listed debt. Designed to address the common shortfalls of Mortgage Funds and the lacklustre performance of regular fixed interest products this product will initially, only be available to existing Clime clients.

Vertium (acquired in March) integration continues, with Jason Teh’s approach embedded into our dividend and income strategies.

Small Companies Fund; Our appointment of Acorn Capital as sub-manager has commenced, and joint marketing activities are underway.

International Fund is being refreshed by Adam working with Leo and our US partners XVol / Acrucence. We met with Tidal — XVol’s platform provider in the US this month; Tidal manages 240+ ETFs with US\$40+ billion on platform creating new network and investment opportunities for our international investment portfolio.

Australian Income Fund is performing well, this was one of the first products reviewed in 2024 with the management fee reduced to 0.88% combined with changes to the portfolio construction. As of 30/06/2025 MorningStar reports our fund is in the **top 1% in trailing returns over 5 years and in the top 20% year to date.**

Clime Capital – rollover on notes (6.5% pa paid monthly)

Clime Capital (ASX: CAM) has launched another rollover offering (ASX: CAMG) paying **6.5%, monthly**. The manager (Clime) intends to contribute to the cost of this rollover offer. The structure is simple: provide investors with a listed, tradable coupon and invest the pool into **unlisted private credit** where we expect **8–10%** yields. The spread is captured for equity holders, supporting a sustainably higher dividend stream in a market where quality equities are fully priced and cash yields are compressing.

Communications – reconnecting at scale

Our content program is resonating. Clients are telling us they feel **“reconnected with Clime”**

Selected metrics:

- **YouTube:** **94,400** views; **+600** new subscribers (**+519%**); **4,600 hours** watch time; top video *Australia’s Economic Outlook EXPOSED* with **23,472** views;
- **TikTok:** **394,000** total views; **+285** new followers (**+692%**); top video in the last quarter *Housing crisis and failed leadership* **18,100** views; engagement **~6%**; audience **67% male, 68% aged 45+**.
- **Instagram (@clime.australia):** **231,374** reach; **5,278** interactions (likes **3,992**, comments **147**, saves **394**, shares **372**); follower growth **+16.8%**; **14** posts published.
- Content leaning into **intergenerational economics, housing affordability and policy failures** drives the highest engagement.

Transactions and Inflow Opportunities

The Sphinx Group (refer to ASX announcement in May) remains subject to SEC processes following the N-2/A filing in April. We disclosed the opportunity early due to a SEC public notification — to ensure transparency around potentially material activity. Forecasts are unchanged; We met with key Sphinx stakeholders in Washington during the month and continue to progress the workstreams.

We are in advance negotiations with three additional highly credentialed advisers to join the Melbourne office and activity is underway to grow our footprint in Brisbane.

Reviewing FUM, FUA and balance sheet

Total funds under management and advice increased by 1% over the June quarter.

The core business streams can be summarised as:

- Funds under direct management through SMAs, discrete portfolio services (IMAs), managed funds and listed investment company (circa \$1.7 billion).
- CPW funds under direction and advice with CPW/MTIS undertaking a full integration, with CPW QLD being fully consolidated, circa \$1.02 billion.
- Balance sheet investments (\$3.7 million) – Clime Capital Limited and Infocus Wealth Management (convertible notes). Net cash approximately \$1.1 million.

Funds Under Management and Mandates (FUM) at circa \$1.7 billion

The following table provides specific detail of FUM across the CIW Group and changes over the June quarter:

FUNDS UNDER MANAGEMENT & ADVICE (Unaudited)	30-Jun-25 \$mill	31-Mar-25 \$mill	Change \$mill	Change \$
Individually Managed Accounts (IMAs)	\$403	\$407	(\$4)	(0.9%)
Clime Capital Limited (Listed Investment Co.)	\$151	\$148	\$3	2.0%
Managed Funds	\$234	\$245	(\$11)	(4.4%)
Separately Managed Accounts (SMAs)	\$328	\$319	\$9	2.9%
Mandates and directed FUM&A [#]	\$582	\$564	\$18	3.3%
TOTAL FUM&A	\$1,698	\$1,682	\$16	1.0%

[#] Includes FUM&A for the MTIS business.

CLIME PRIVATE WEALTH - FUNDS UNDER ADVICE (FUA) & DIRECTION				
Private Wealth – FUA & direction	\$1,017	\$1,047	(\$29)	(2.8%)
TOTAL FUA	\$1,017	\$1,047	(\$29)	(2.8%)

Outlook and positioning for FY25

In a previous quarterly report, I mentioned, “*We are committed to positioning Clime for substantial profit growth by crafting a distinctive market offering that sets us apart from competitors. Our goal is to innovate and deliver value in ways that are challenging for others to replicate.*”

The Board and I believe that we are moving along the path set out in the above statement and we expect the core operating business to improve in profitability as we transition clients to these new solutions.

The Board will report audited results to shareholders in late August and will declare the final dividend at this time.

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

For enquiries, please contact Michael Baragwanath (MD) on 1300 788 568 or via email at info@clime.com.au.



Michael Baragwanath
Managing Director