30 January 2026

Company Announcements
Australian Securities Exchange

Clime Investment Management Limited (ASX: CIW)

December Quarter Update

Highlights

Financial

- **Sale of retail advice business**
- **Strong fund returns generating performance fees**

Operational

- **John Abernethy returns to operational role – Director of Investments**

Dear Shareholders,

The Board is pleased to advise one of the most significant changes to operations since 2018. John Abernethy will return to a direct, operational role as the Director of Investments leading the investment team. Further information on this important change is outlined below.

John will remain a director. The Board strategy has been to position the company for strong revenue and profit growth.

Last quarter was focused on refining our product roadmap, this work has been completed and will be implemented over the next six months. Further detail will be available in the half year investor briefing.

As previously advised, CIW sold a portion of its retail financial advice business ($99m of advised FUM) that accounted for approximately $750,000 of annual revenue. As stated in previous quarterly announcements CIW continues to focus the company on high-net-worth clients by providing differentiated product solutions. A book profit from the sale of more than $1 million is expected.

Managing Director update

Before I commenced with Clime, and as has been consistently reinforced since, it has been clear to me that following John Abernethy's decision in 2018 to step back from an operational role, a disconnect emerged between the company's investment philosophy and John's vision.

Recently, I undertook a detailed review of John's historical investor letters alongside independent market data. The results were striking. In many instances, John stated positions that were against prevailing market commentary and consensus views. In the main these commentaries were correct and highly sought after in both the marketplace and by our clients.

In particular, he was an early commentator on the perverse effects of QE across the world and as to how these policies corrupted market forces that determine interest rates, economic growth, equity markets, and currency.

This reinforced my conviction that Clime has underutilised one of its greatest assets.

It is worth noting that John has over 40 years' experience in the Australian Financial market. In that period, he headed one of the most successful fund management teams, undertook strategic corporate advice to multiple public and private entities, and drove litigation (through leading two class actions) on behalf of retail investors when regulators failed to act.

To execute the next phase of Clime's strategy, we need our strongest investment thinking embedded directly into portfolio construction, asset allocation, and direct client engagement.

With John returning to an operational role as Director of Investments. Leo Economides remains the Chief Investment Officer; both are excited about the new alignment of their individual skills.

I am firmly of the view that Clime needs John's approach and methodology embedded across the organisation if Clime is to move to the next level.

Importantly, due to the changes we have already made, with more insights from John, the portfolios over the past six months have delivered tangible and improving results. Fund performance has improved, and Clime Capital Limited (CAM) has outperformed its benchmark to the extent that a performance fee has been provisioned in the first half of FY26.

This outcome for CAM is not accidental. It reflects the exceptional work of our portfolio team, combined with an uncommon use of listed and unlisted credit instruments to generate alpha. CAM is easy to buy, generates high yield and offers a genuine point of difference when compared to a straightforward portfolio of shares or ETFs.

The next phase of Clime's evolution is about focus, judgement and execution, and ensuring our investment philosophy is consistently reflected in the way capital is deployed on behalf of clients.

Regulatory Engagement and Shareholder Impact

During the quarter, the Company experienced material adverse impacts arising from ASIC attributed statements embedded in a newspaper article in the Australian newspaper. We refer shareholders to our ASX statement of 27 October 20205 and note that the article in The Australian published on the 24th of October 2025 has been withdrawn.

The consequences of the article were material. It is notable that Clime's affected fund (Clime Australian Income Fund) was one of the highest performing in its category, with a total return of 8.7% to investors in calendar 2025. Importantly, unitholders have suffered no investment losses with its wind-up being conducted in the best interests of retail investors. Some $50million of capital was returned to investors prior to 31 December.

The impact of the relevant Fund's closure is noted in our FUM update for the December quarter.

Reviewing FUM, FUA and balance sheet

Total funds under management and advice decreased by 7.2% over the December quarter due to the following key factors:

- Closure of the Clime Australian Income Fund (circa $80m of FUM and 66% returned to investors during the December quarter).
- Closure of the Clime Smaller Companies Fund (circa $22m of FUM and 97% returned to investors during the December quarter).
- Previously announced divestment of a retail client book with circa $99m of FUA.

The remaining core business streams can be summarised as:

- Funds under direct management through SMAs, discrete portfolio services (IMAs), managed funds and listed investment company (circa $1.55 billion).
- CPW funds under direction and advice with CPW/MTIS undertaking a full integration, with CPW QLD being fully consolidated, circa $0.92 billion.
- Balance sheet investments ($4.5 million) – Clime Capital Limited and Infocus Wealth Management (convertible notes). In addition, total cash and net receivables of approximately $1.5 million.

Funds Under Management and Mandates (FUM) at circa $1.55 billion

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

FUNDS UNDER MANAGEMENT & ADVICE (Unaudited)	31-Dec-25 $mill	30-Sep-25 $mill	Change $mill	Change $
Individually Managed Accounts (IMAs)	$386	$409	($23)	(5.6%)
Clime Capital Limited (Listed Investment Co.)	$155	$158	($3)	(1.9%)
Managed Funds	$116	$201	($85)	(42.5%)
Separately Managed Accounts (SMAs)	$335	$328	$7	2.3%
Mandates and directed FUM&A#	$558	$574	($16)	(2.8%)
TOTAL FUM&A	**$1,551**	**$1,670**	**($120)**	**(7.2%)**

Includes FUM&A for the MTIS business.

CLIME PRIVATE WEALTH - FUNDS UNDER ADVICE (FUA) & DIRECTION				
Private Wealth – FUA & direction	$921	$1,037	($116)	(11.2%)
TOTAL FUA	**$921**	**$1,037**	**($116)**	**(11.2%)**

Outlook and positioning for FY25

Despite the business disruptions noted above, the directors (subject to audit review) expect to announce an interim profit after amortisation. Last year a loss was reported after amortisation.

Over the coming months, our priority is to continue the next phase of Clime's transformation heading towards completion and a new operating model. We will complete the ongoing product review, continue to simplify the business where appropriate, and progress strategic initiatives that support long-term value creation.

Client outcomes will remain central to our approach, supported by active portfolio management and clear communication.

Clime enters this next phase with improved investment momentum, a strengthened leadership structure and a clear focus on delivering consistent outcomes for clients and shareholders.

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

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