Clime Investment Management Limited

ASX: CIW | 2026 Annual General Meeting

Chairman's Address

Paul Lahiff – Chairman

Good morning, ladies and gentlemen, fellow shareholders, directors and members of the Clime team.

Welcome to the 2026 Annual General Meeting of Clime Investment Management Limited.

It is a pleasure to address you as Chairman, having joined the Board in March this year. I would also like to acknowledge John Abernethy, who stepped down as Chairman on 4 March 2026 after more than three decades on the Board, including five years as Chairman. John continues to serve as a Director and as Director of Investments. His contribution to Clime and his experience in investment markets are significant, and the Board is grateful for his continued involvement.

The past twelve months have been a period of substantial change for Clime. We have made difficult decisions, undertaken significant restructuring and fundamentally reconsidered how the business should operate, where it should compete and how it can deliver sustainable returns for shareholders.

While the year has not been without its challenges, I believe Clime enters the next stage of its development as a more focused organisation, with a clearer strategy, a simplified operating structure and significant opportunities ahead.

Financial Performance

Despite the considerable restructuring undertaken throughout the year, Clime delivered an improved financial result.

For the financial year ended 30 June 2026, the Company reported:

- Net profit after tax of approximately **$802,000**, an increase of 57% on the previous year.
- Profit before tax from continuing operations of approximately **$1.4 million**, an increase of 47%.
- Operating revenue of approximately **$7.57 million**, reflecting the divestment and closure of businesses and products that no longer aligned with our strategic direction.
- Other income of approximately **$3.94 million**, principally associated with strategic transactions and restructuring activities.

These results demonstrate that the business has been able to improve profitability while undertaking substantial structural change.

However, we recognise that transaction-related income is not a substitute for sustainable recurring earnings.

Our priority is to rebuild and grow recurring revenue, maintain disciplined control over operating expenditure and ensure the Company's capital is employed where it can generate the strongest risk-adjusted returns.

From a balance sheet perspective, there was a material improvement in the composition of our assets. Net tangible assets increased to $17.51 million, or 21.3 cents per share, compared with 8.2 cents per share at 30 June 2025. Total equity increased to $24.1 million from $21.3 million, while cash and cash equivalents rose to $1.74 million from $816,000.

Transforming Clime

One of the most important achievements of the year has been the simplification of our business.

For many years, Clime operated across financial advice, managed funds, separately managed accounts, listed investment vehicles and investment management.

While these businesses offered opportunities, they also created operational complexity, overlapping costs, distribution dependencies and, in some cases, insufficient commercial scale.

The Board and management have taken deliberate steps to address these issues.

The divestment of our financial advice business was a significant milestone. It recognised that financial advice is fundamentally a relationship-driven profession and that its long-term success is best supported by a structure aligned with the advisers delivering that service.

We have also progressed the sale and restructuring of selected managed funds and separately managed account activities.

These decisions were not simply about reducing costs. They were about ensuring that Clime concentrates its resources on the activities where it has a genuine competitive advantage.

Our direction is increasingly clear.

Clime is an investment management business. We manage capital, not products.

Our focus is on direct investment management relationships, bespoke mandates, asset consulting and investment opportunities across public and private markets.

We believe this approach provides stronger client relationships, greater control over investment outcomes and a more sustainable commercial model.

Investment Management and Opportunities

At the heart of Clime remains its investment capability.

Our investment professionals bring considerable experience across Australian equities, multi-asset portfolios, private markets and the structuring and management of complex investments.

We believe our competitive advantage is not simply in selecting securities, but in understanding the underlying value of assets, identifying opportunities and managing capital through changing market conditions.

During the year, our investment teams have continued to deliver positive outcomes across a number of strategies.

Importantly, our capabilities extend beyond traditional investment portfolios.

We see considerable opportunities in direct investment mandates, institutional and family office relationships, private market investments and transactions where Clime can combine investment expertise with commercial execution.

These are areas where relationships, experience, judgement and the ability to structure transactions can create meaningful value.

Our ambition is not to become the largest investment manager in Australia.

It is to build a respected, profitable and highly capable investment management business that delivers consistently for its clients and shareholders.

Governance, Audit and Valuations

A further outcome of the transformation has been a Board structure better aligned with the needs of Clime as a listed investment and transaction-focused business. The Company now has an independent Chairman and a majority of independent directors. Anthony Kynaston chairs the Board Audit, Risk and Compliance Committee, and Henry Davis chairs the Remuneration and Nomination Committee.

The Board has also maintained a disciplined approach to remuneration. No short-term incentives were paid to key management personnel in respect of FY26. Total key management personnel remuneration reduced to $1.079 million from $1.940 million in FY25. We believe executive reward should follow the delivery of sustainable shareholder value, rather than anticipate it.

I also want to address the audit qualification relating to certain unlisted investments.

The increased regulatory and audit focus on private market valuations has required additional independent evidence to support the carrying values of a number of investments.

While the Company has undertaken substantial work to obtain that evidence, not all independent valuations were completed within the required audit timetable.

This resulted in a qualified audit opinion, and as a result has delayed the payment of a $2.25m performance fee payable to CIW from Clime Capital Limited.

The Board takes this matter seriously.

Independent valuation work has been commissioned, reporting and oversight processes are being strengthened, and management continues to work with the relevant investment managers, independent valuers and auditors to complete the outstanding requirements.

It is important to distinguish between the timing and availability of sufficient audit evidence and a determination that an investment has suffered a loss.

Nevertheless, shareholders are entitled to expect robust governance, appropriate documentation and reliable financial reporting.

These are essential responsibilities of the Board, and we are committed to ensuring the Company's systems and processes meet the standards expected of a listed investment management business.

Dividends

Shareholders received a fully franked final dividend of 0.50 cents per share in respect of FY25 and a fully franked interim dividend of 0.30 cents per share in July 2026.

The Board has also proposed a fully franked final dividend of 0.50 cents per share for FY26. The Board has taken the decision to delay the final decision on this dividend payment until the outcome of an independent valuation into the $36.2m of unlisted assets that were subject to the audit qualification. It is pleasing to note that as reported to the ASX on 6 November 2026, a refinancing of a significant industrial asset has confirmed the value of 18% of the $36,2m of unlisted assets that was subject to audit qualification.

Our People

A transformation of this scale places considerable demands on an organisation.

I would like to acknowledge the commitment of our employees, investment professionals and management team throughout what has been a demanding period.

Restructuring a business while continuing to serve clients, manage investments and execute complex transactions requires considerable effort.

Our people have continued to demonstrate dedication to the interests of clients and the long-term success of the Company.

I particularly acknowledge our Managing Director, Michael Baragwanath, and the executive and investment teams for their work in progressing the Company's strategic transformation.

The Board recognises that the next stage will require continued discipline, accountability and a strong focus on commercial outcomes.

The Path Ahead

Looking forward, our priorities are straightforward.

First, we will continue simplifying the business and ensuring that our cost structure is appropriate for the activities we undertake.

Second, we will focus on building sustainable recurring earnings through direct investment mandates, investment management and asset consulting relationships.

Third, we will continue to assess opportunities to unlock value from the Company's existing assets, investment capabilities and strategic relationships.

Fourth, we will maintain a disciplined approach to capital allocation, governance and the protection of shareholder interests.

The Board also recognises the importance of ensuring that the Company's corporate structure remains appropriate for its strategy, operating requirements and shareholder base.

As our business evolves, we will continue to consider opportunities that may improve efficiency, reduce unnecessary costs and enhance long-term shareholder value.

Any material corporate proposal will be assessed on its merits, with appropriate governance and regard to the interests of shareholders as a whole.

Our objective is not simply to make Clime smaller.

It is to make Clime stronger, more profitable and more valuable.

Closing Remarks

Ladies and gentlemen, corporate transformations are rarely straightforward.

They require difficult decisions, a willingness to challenge established practices and the discipline to pursue long-term outcomes rather than short-term appearances.

Clime has made considerable progress over the past year.

We have exited activities that no longer fit our strategy, improved reported profitability and established a clearer direction for the business.

There remains work to be done.

We must continue strengthening our governance and financial reporting, completing our restructuring and demonstrating that our investment capabilities can translate into sustainable earnings and shareholder returns.

But I believe the Company has an opportunity to build something of lasting value.

AGM PRESENTATION · 16 NOVEMBER 2026

Clime: from restructuring to a scalable investment management business

What changed, what it delivered, and the platform it has built for growth.

Clime Investment Management Limited (ASX: CIW) · Michael Baragwanath and John Abernethy· 16 November 2026

IMPORTANT NOTICE

Important notice and disclaimer

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Past performance. Past performance, including that of Clime Capital Limited (ASX: CAM) and Clime's model portfolios, is not a reliable indicator of future performance.

Forward-looking statements and targets. This presentation contains forward-looking statements, including FY27 targets for net flows and normalised EBITDA. These targets are internal objectives. They are not forecasts or earnings guidance. Forward-looking statements are subject to known and unknown risks, uncertainties and assumptions, many of which are outside Clime's control, and actual results may differ materially. Except as required by law or the ASX Listing Rules, Clime does not undertake to update them.

Financial information. All amounts are in Australian dollars unless stated otherwise. FY25 and FY26 results are drawn from Clime's audited accounts. Other figures, including funds under management, transaction values and audience data, are drawn from management records and have not been audited. Normalised EBITDA is a non-IFRS measure. Some figures are rounded.

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Authorised for release by the Board of Clime Investment Management Limited (ASX: CIW).

RESULTS

From a $3.8m loss to a profitable, focused business

$0.80m
FY26 statutory NPAT. FY25 $0.51m; FY24 loss of $3.77m

1.55c
Four fully franked dividends across FY25 and FY26

$2.74bn
FUM and mandates at Sep 2026, up 9.4% in the quarter

11.1%
CAM after fees and tax, year to Sep 2026. Benchmark 1.4%

$2.2m
FY26 CAM performance fee to Clime. Nil in FY25

WHAT WAS DELIVERED

- Two consecutive years of profit
- Dividends restored; on-market buy-back in place
- CAM NTA up from 77c to 82c; $17.0m returned to holders
- Multi-Asset model performance top 3 of 11 peers over one year

WHAT IT TOOK

- Nine exits or restructures
- Investment leadership consolidated under John Abernethy
- IT, systems and operations rebuilt
- Independent Chair; KPMG appointed auditor

WHAT CLIME IS NOW

- IMAs: six wholesale strategies, the core product
- CAM: permanent listed capital
- Transactions: CCAS lending and the Strategic Debt Fund
- Direct audience: 6,700+ YouTube subscribers

Sources: CIW FY25 and FY26 accounts; Sep 2026 quarterly; CAM Annual Report FY26. Past performance is not a reliable indicator of future performance.

TRANSACTIONS COMPLETED

Deals done: $93m of transactions, five businesses exited

$80m	$12.3m	5	$125m
Hotel assets acquired and settled, August 2026	Returned from the Melbourne industrial refinance, Oct 2026	Businesses sold or restructured since Oct 2025	New mandates since June 30, 2026

INVESTMENT TRANSACTIONS

AUG 2026	**Noah’ s Bondi, Campbell Parade**	$60m acquisition settled with a joint venture partner
AUG 2026	**Empire Hotel, Annandale**	$20m acquisition settled; cashflow turnaround.
OCT 2026	**Melbourne industrial**	Refinance settled; $8.5m returned and $3.8mil reinvested. Funding industrial subdivision with higher yield.

SIMPLIFICATION TRANSACTIONS

OCT 2025	**SMA Business simplified and rebranded**
NOV 2025	**Retail client advice book sold**
FEB 2026	**International and All Cap Fund sold**
APR 2026	**Clime Private Advice sale completed**
JUN 2026	**James Street Wealth restructured**

Sources: CIW ASX releases (Oct 2025 – Jun 2026); management records for investment transactions (Aug – Oct 2026).

STRATEGY

Three engines, with the IMA at the heart

1 The IMA: the heart of the business

Independent of platforms. Under our complete control.

Direct investors and partner-practice mandates. $1m minimum.

Platform independent
No gatekeeper sets the menu or the terms.

Complete control
Clime runs the models, mandate and relationship.

Technology we can own
We can take control of the technology if we choose.

Unparalleled flexibility
Models fit each client; exclusions and nominated holdings.

Superior brokerage
A superior brokerage solution; securities owned directly.

Where we are investing
Clime invests here, so we do not depend on others.

Target: net flows of $200m (threshold $100m, stretch $350m)

2 Transactions

$94m Set and settled, Aug 2026

- CCAS lending, private credit and property deals
- Client and partner capital; every deal accretive

Target: normalised EBITDA ≥ $1.5m

3 Market direct

937k cumulative YouTube views

- Social media and video, direct client engagement
- 6,700+ subscribers; 47,000 views on one video

Today: 40,000+ people reached each week

Sources: Clime IMA Guide v3.1; FY27 scorecard framework (Sep 2026); internal channel analytics (Oct 2026); management records.

CORE OBJECTIVE

IMAs must cover cost; transaction can deliver outperformance

TODAY

- Transactions carry the business
- IMA and mandate fees do not yet cover operating costs
- Earnings move with deal timing

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THE OBJECTIVE

- IMA and mandate fees cover operating costs
- Transactions deliver the outperformance
- Direct investors and partner practices build the base

FY27 TARGETS

$200m	Net flows. Threshold $100m, stretch $350m
≥ $1.5m	Normalised EBITDA. Threshold $1.0m, stretch $2.0m
Ahead	CAM and product marketing

Until IMA fees cover the cost base, transactions fund the business.

Once they do, transactions are the upside.

QUESTIONS

Thank you

Clime Investment Management Limited (ASX: CIW)