

1H25 HEADLINE RESULTS

26 February 2025

IAM
INCOME ASSET
MANAGEMENT

ASX Announcement

Half year to 31 December 2024.

IAM announces a 32% revenue increase, 32% FUA increase, losses reduced by 38% with another \$2m cost out since November 2024.

FINANCIAL HIGHLIGHTS.

- Revenue increased 32% to \$8.03m (1H24: \$6.08m).
- Net loss for the period reduced by 38% to \$3.87m (1H24: \$6.25m).
- Expenses reduced by more than \$2m from November 2024.
- Funds Under Administration (FUA) grew 32% to \$2.19bn (1H24: \$1.66bn).
- New client accounts increased 38% to 2,405 (1H24: 1,743).
- Trading volumes surged 74% to \$2.49bn (1H24: \$1.43bn).
- Cash in bank \$6.51 million, 38% increase (June 2024: \$4.72).
- The Perpetual Corporate Trust (PCT) transition is almost complete, with \$415m loans moved across in December 2024 and \$1.35bn bonds transitioned today.
- Capital raise in Q2 FY25 removed \$10m in debt and the related \$1.2m interest cost and reset the balance sheet for growth. It also diversified the share register and added further broker support in the process.

STRATEGIC PRIORITIES.

- IAM continues to expand client FUA through adviser networks.
- We have improved our debt capital markets pipeline into 2H25 and FY26 and are executing a list of deals ranging from strong investment-grade through to unrated high yield opportunities.
- We are enhancing recurring revenue streams via managed accounts and the **Single Bond ETF (SBetf)**, set for formal launch in **March 2025**. Having now launched two SBetf's, IAM is able to launch more issues into the market and provide a greater range of SBetf issues for investors now looking for a replacement for maturing listed-hybrid AT-1 bonds.

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MARKET UPDATES.

Perpetual Transformation:

- IAM is transferring **\$1.35bn** in bonds into **PCT custody** today, with more than \$100m additional assets that require more assistance, to follow soon. This is a significant milestone for the company given the enhanced client experience, increased revenue opportunity, and cost reduction program for IAM. Smoothly transferring nearly \$2bn in assets is testament to the work our respective teams have undertaken. This enables IAM to further reduce costs, to achieve the \$4m cost out program as previously communicated.

Debt Capital Markets:

- IAM Capital Markets has received a debt capital markets mandate to refinance MoneyMe's MME Horizon Warehouse Trust. The upsized transaction is anticipated to provide a minimum of A\$125,000,000 to support MoneyMe's personal loan and credit card offerings. Financial close is planned for the 18th of March.
- As an interesting new offer to financial markets, IAM is currently marketing a new loan transaction under a sub-participation agreement. The benefit of this approach is the opportunity to partner and invest alongside major global powerhouse institutions, with deep expertise in niche industries, at an appropriate higher risk-adjusted return. IAM is in market now with such a deal, with more to follow.

Says CEO Jon Lechte:

"The first half of FY25 is behind us, and we've made significant progress - growing revenue, expanding our client base, and increasing FUA, all while restructuring our capital framework. Now with no debt and a strengthened balance sheet, we are in a stronger position to attract client growth through adviser partnerships. Additionally, we've optimised our sales-to-support ratio within the team.

A major milestone was reached in February 2025, completing the vast majority of our asset transfer to Perpetual. This transition improves the client experience, drives cost efficiencies, and streamlines the entire workflow from research to trade execution, settlement, and reporting.

We continue to evolve the business; we are transferring client CMA money to a new at-call solution that pays the RBA cash rate with full banking platform access. We are launching new

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managed-account offers in the investment grade space and a BBSW +300 MDA, that will target investors wanting direct investments to replace their maturing listed hybrids.

With the financial year closing quickly, the outlook for revenue, costs and client experience are all improving; exciting times indeed."

This announcement was authorised for lodgement with ASX by the Company's Chair.

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