

ASX Announcement 27 October 2025
 Income Asset Management (**ASX:IAM**) (**IAM** or **Group**)
 Q1 FY2026 Quarterly Activities Report

Trading Update

Income Asset Management Group Limited today issues its trading update in respect of the three months to 30 September 2025.

Performance of the business and reporting in this period includes the known impacts of the fraudulent activity disclosed to the market on 22 September 2025. Since that time significant work has been undertaken by the Group and FTI Consulting to establish the scope and impact of the activity.¹

Key Points:

- Operating revenue for Q1 FY2026 was \$5.35m, an increase of 34% on Q1 FY2025.
- IAM Group unaudited EBITDA for Q1 FY2026 (excluding Fraud¹ and Costs¹ of \$1.69m) is positive \$294k vs \$299k loss in Q4 FY2025.
- IAM's total cash at the end of Q1 FY2026 was \$3.44m - down \$2.85m from the previous quarter. Of this \$2.85m, \$1.69m was related to the Theft and Fraud¹.
- As at 19 October 2025 the Group's total cash and liquid resources (e.g. bonds held for facilitation) is \$3.74m.
- At this point in the ongoing investigation the Group believe the total costs of the combined Theft¹ and Fraud will be approximately \$3m. The Group's insurers continue to be updated on the investigation and costs, which are well within IAM's policy limits for fidelity, professional liability and directors' and officers' insurance.

¹ In this Announcement we refer to certain defined terms to assist readers understand the scope and impact of the fraud. Please see the Glossary on page 6 that explains these terms.

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- IAM announced the theft of \$1.5m on 22 September 2025 and previously announced that a significant reconciliation process was underway. Further investigation has found that while the direct Theft was a reduced amount of \$1.4m, historical Fraud by the same previous employee has resulted in additional losses to the Group.
- IAM continues to work closely with FTI Consulting to ensure that IAM's financial performance and clients' assets are accurately reconciled and reported. No client losses or complaints have resulted from this matter and IAM continues to provide updated reports to the regulators, its auditors and progress its claim(s) with its insurers including IAM's associated costs of the investigations.
- As previously reported, the Theft and Fraud occurred in the period prior to the Group moving its bond and loan custody and administration to Perpetual Corporate Trust (**PCT**). PCT is a leading Australian custodian and holds IAM client assets in safe custody and manages transaction settlements and payments.

On a normalised EBITDA basis the Group is trading profitably

IAM anticipates "normalised" annual costs (i.e. excluding costs¹), will be approximately \$17m from H2 FY2026 onwards, with the previous two quarters producing a combined \$10.7m in revenue, implying an annual revenue run-rate in excess of \$20m.

Had this fraud not happened, we estimate our current cash position would be approximately \$3m stronger than our current position (including Costs¹ recovery). The Group's insurers continue to be updated on the investigation and Costs.

The Fraud¹ is made up of Theft¹ of ~\$1.4m, Costs¹ of ~\$600k and additional liabilities of between ~\$800k to \$1m as at the time of writing.

Client impact.

As the fraud investigation continues, IAM has remained in close contact with its clients. **No client losses or complaints have resulted from this matter.** Our product offering remains well sought after, with strong appetite for recent primary debt transactions. Client numbers and bond/loan FUA continued to grow during the September quarter.

IAM statistical update.

- Bond/loan FuA totals **\$2.7bn** (including direct and indirect custody holdings) with syndicated corporate loans growing to over **\$550m**
- Turnover for the quarter of **\$1.15bn**, which is lower than the record volume in Q4 FY2025, but still the third highest on record
- IAM executed an increased average volume of 3000 trades in the quarter, only slightly below the record 3100 executed in Q4 FY2025.

Debt Capital Markets

In Q1 FY2026, the IAM Capital Markets team executed the following primary transactions:

- A-Mart: \$20m participation in senior secured loan (Syndicated Loan) maturing 2028
- Australian Venue Co: \$20m participation in senior secured loan (Syndicated Loan) maturing 2030

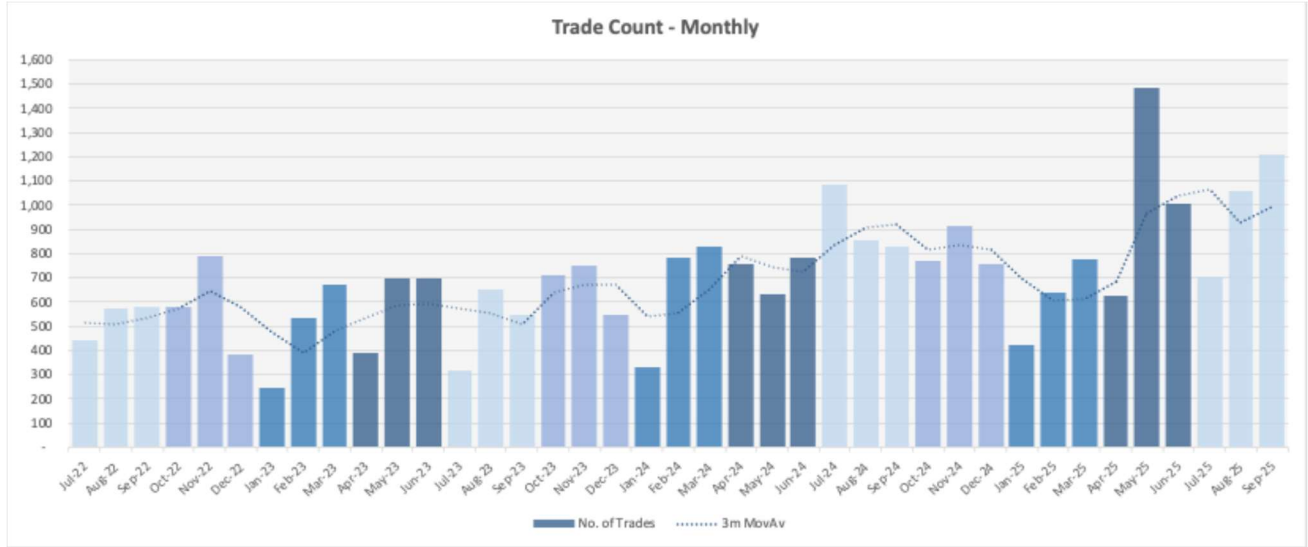
Secondary placements

- Foxtel: More than \$30m of the Senior Secured (Syndicated Loan) maturing April 2030, taking client holdings to more than \$60m
- Team Global Express: \$5m Mezzanine ABL (Syndicated Loan) maturing Oct 2027 (total holdings now more than \$35m).

External debt origination

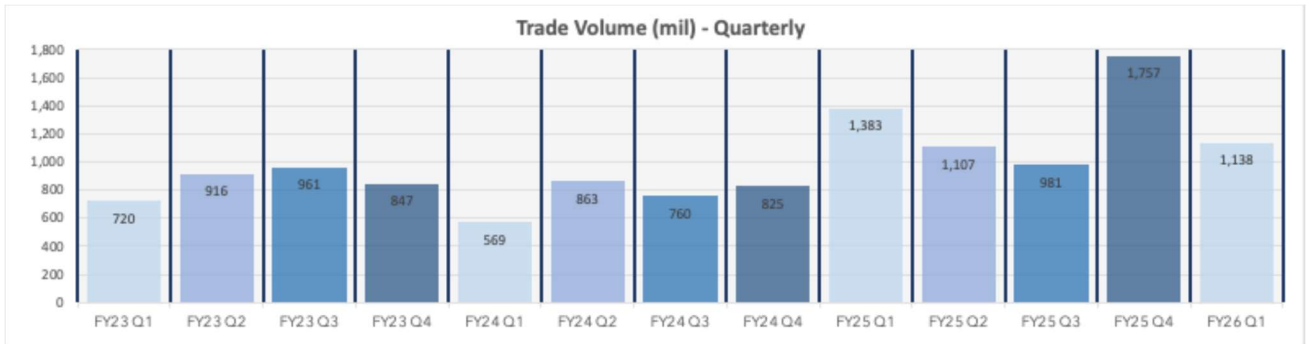
- Across 13 externally originated new issues, IAM bid for almost \$1.1bn of bonds in Q1 FY2026 and was allocated approximately \$290m, an indication of the ongoing demand for high quality transactions.

Number of Trades



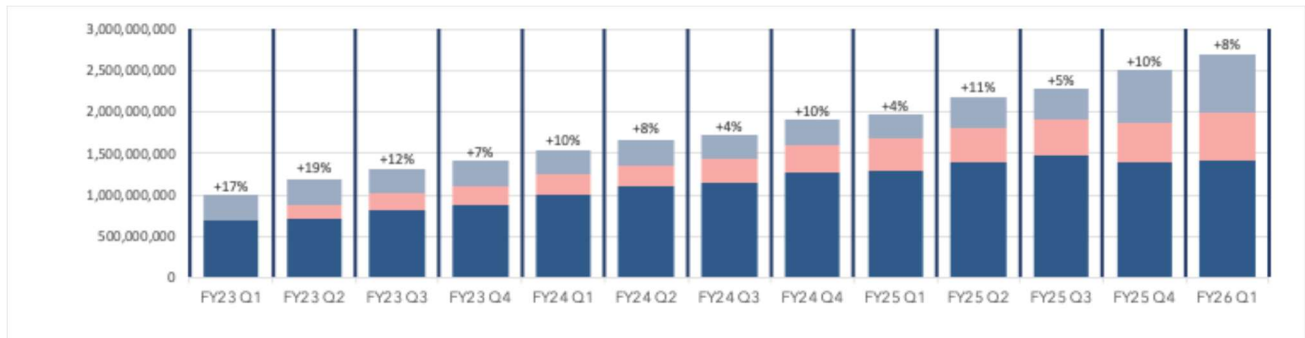
Dollar volume of Trades

While lower than the record in Q4 FY2025, the dollar turnover in Q1 FY2026 was consistent with the higher levels experienced in the past 5 quarters.



Funds under Advice

FUA growth is in line with forecast.



Cashflow Overview

- IAM's total cash at the end of Q1 FY2026 was \$3.44m plus bond holdings of \$309k.
- With a **negative \$2.52m of operating cash flow**, this equates to 3.34 quarters of available cash, in accordance with Section 8 of the attached. This negative cashflow is due to extraordinary factors and is not normal activity.
- Total cash receipts from customers and interest earned was \$4.40m in Q1 FY2026.
- Total cash operating outflows and finance costs were \$7.52m in Q1 FY2026, comprised of:
 - Normalised outflows and finance costs \$5.20m
 - Outflows related to the Fraud and investigation Costs \$1.69m
 - Outflows related to FY 2025 remuneration incentives of \$629k to non-KMP personnel.

RELATED-PARTY TRANSACTIONS

With reference to payments to related parties (Section 6 of the attached Appendix 4C), item 1 comprises payments to related parties and their associates, including directors and key management personnel. The total is comprised of directors' fees of \$138,294 and salaries (including superannuation) of \$82,500.

Items to note:

All numbers are unaudited.

This announcement was approved for release by the IAM Board of Directors.

For more information, please contact:

Jon Lechte, CEO

E: info@incomeam.com

W: incomeam.com

Glossary

The extent of the fraudulent activity is exhaustive and is why the reconciliation is both expensive and time consuming. To help readers understand, we refer to different types of fraudulent activity on the basis below.

- **"Theft"** This is the amount of money that has been directly stolen from IAM. We know this amount to be almost \$1.4m.
- **"Fraud"** relates to all the surrounding circumstances and includes the liabilities resulting from the "Theft" above and also losses and Costs associated with investigating, finding and quantifying the size of the fraud, along with any negligence or breach of professional duty, negligent misstatement or negligent misrepresentation, breach of duty of care, dishonesty, negligent acts or omissions or other civil liability and wrongful acts (including without limitation incompetence and the willful sabotage), in connection with the IAM businesses. Our current estimate of the Fraud totals approximately \$3m.
- **"Costs"** Refers to the fees paid to FTI Consulting and IAM's lawyers. It does not refer to consequential costs IAM has incurred. At time of writing we estimate this amount to be circa \$600k - but growing.

Income Asset Management Group Limited ACN 010 653 862;
 IAM Capital Markets Limited ACN 111 273 048 | AFSL 283119;
 IAM Cash Markets Pty Ltd ACN 164 806 357 corporate authorised representative (no. 001295506) of AFSL 283119;
 Trustees Australia Limited ACN 010 579 058 | AFSL 260038; and,
 IAM Funds Pty Ltd ACN 643 600 088 corporate authorised representative of (no. 001296921) of AFSL 260038;
 ETB Pty Ltd ACN 670 409 462 corporate authorised representative (no. 001305688) of AFSL 260038.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Income Asset Management Group Limited

ABN

42 010 653 862

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1.1 Receipts from customers – brokerage and fees	762	762
1.1.2 Receipts from customers – securities trading	3,598	3,598
1.1.3 Net in/(out)flows for settlement of financial instruments held on balance sheet	598	598
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,473)	(1,473)
(c) advertising and marketing	(81)	(81)
(d) leased assets	(57)	(57)
(e) staff costs	(2,887)	(2,887)
(f) administration and corporate costs	(983)	(983)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	42	42
1.5 Interest and other costs of finance paid	(352)	(352)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – fraud costs	(1,691)	(1,691)
1.9 Net cash from / (used in) operating activities	(2,524)	(2,524)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) intangibles	(8)	(8)
(g) other non-current assets	(333)	(333)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to related party	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(341)	(341)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	224	224
3.6 Repayment of borrowings	(53)	(53)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Repayment of convertible debt securities	-	-
3.9 Other – proceeds from derivative financial assets	-	-
3.9 Other – repayments of lease principal	(177)	(177)
3.10 Net cash from / (used in) financing activities	(6)	(6)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,291	6,291
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,524)	(2,524)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(341)	(341)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6)	(6)
4.5	Effect of movement in exchange rates on cash held	18	18
4.6	Cash and cash equivalents at end of period	3,438	3,438

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,438	6,291
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,438	6,291

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(221)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facility	-	-
7.2 Credit standby arrangements	-	-
7.3.1 Other – bond trading settlement (DVP) facility	5,000	-
7.3.2 Other – Supplier funding	205	205
7.4 Total financing facilities	5,205	205
7.5 Unused financing facilities available at quarter end		5,000
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
7.3.1 Bond trading settlement (DVP) facility – Secured over the traded securities. Interest rate of 5%, settled up to T+5.		
7.3.2 Flexi Commercial – Unsecured facility. Interest rate of 10.34% and repayment date of August 2026.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(2,524)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,438
8.3 Unused finance facilities available at quarter end (item 7.5)	5,000
8.4 Total available funding (item 8.2 + item 8.3)	8,438
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.34
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2025

Authorised by: The Board of Directors

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.