



ASX Announcement 28 October 2024

Income Asset Management (ASX:IAM) (IAM or Group)

Q1 FY2025 Quarterly Activities Report

IAM announces operating revenue of \$4.0m for Q1 FY2025, remaining steady from Q4 FY2024 and increasing 93% from the previous year, with bond and loan FUA of \$1.98bn and total client accounts of 2,283 as at 30 September 2024.

As detailed in the ASX announcement on 4 October 2024, IAM has appointed Perpetual Corporate Trust (PCT) as client platform partner. With the resulting reduction in costs, if IAM maintains or builds upon the current revenue run-rate, we would expect to be cashflow positive by the end of FY2025.

IAM also announced an \$18m equity raising on 14 October 2024. The proceeds from the placement, conditional placement and entitlement offer are intended to be used to repay all outstanding principal and interest on the IAM 12% Nov-25 Notes during the current quarter and provide general working capital thereafter.

Investors and other stakeholders interested in learning more details on the partnership with PCT and the equity raise, please refer to recent ASX announcements.

Key financial highlights:

- **Operating revenue of \$4.0m for Q1 FY2025, remaining steady from Q4 FY2024 and increasing 93% YOY.**
- For the first quarter of FY25, IAM posted a decline in cash holdings of \$1.87m, resulting in a closing cash position of \$2.86m.
- **Secondary trading revenue increased 21% from Q4 FY2024 to Q1 FY2025 and 145% YOY.** Our revenue from secondary trading continues to increase in line with the growth in FUA.
- Primary revenue was \$1.186m, a decrease of 26% compared to Q4 FY2024.
- **Total bond and loan FUA at the end of Q1 FY2025 is \$1.98bn.**

Proforma cash position:

The capital raising is made up of three components, an accelerated placement of ~\$1.489m, a renounceable rights issue of \$15m and a placement of ~\$1.511m requiring shareholder approval at the AGM on 25 November 2024. Once completed, the company will have repaid the IAM note principal of \$10m plus \$300k in interest and we estimate the cash holding will still be in excess of \$7m after paying the capital raising costs.

Key operational highlights:

- IAM continues to grow its trading activity, with number of trades and dollar volume of trades rising significantly. We executed **2768 trades** in **Q1 FY2025**, an increase of 27% from Q4 FY2024 and 83% YOY. We participated in a spate of bank subordinated debt deals in Q1 FY2025, and as a result, trading volumes rose to **\$1.38bn**, an increase of 67% from Q4 FY2024 and 143% YOY.
- Client numbers increased **6%** from Q4 FY2024 to Q1 FY2025, or **53% YOY** to reach **2,283**.

Key cash flow highlights:

- IAM's total cash at the end of Q1 FY2025 is **\$2.86m**.
 - Total cash receipts from customers and interest earned was **\$4.12m** in Q1 FY2025.
 - Total cash operating outflows and finance costs were **\$6.03m** in Q1 FY2025.
- With a closing cash balance of \$2.86m and **total funding available of \$7.86m**, we have an estimated **4 quarters of funding available** in accordance with Section 8 of the attached Appendix 4C.

As a reminder, the timetable for the \$18m equity raise is as follows:

Event	Date
Rights trading ends (4.00pm AEDT)	Friday 25 October
Closing date for acceptances under Entitlement Offer (5.00pm AEDT)	Friday 1 November
Company announces result of the Entitlement Offer	Wednesday 6 November
Allotment of New Shares under the Entitlement Offer	Friday 8 November
Trading for New Shares issued under the Entitlement Offer commences	Monday 11 November
Dispatch of holding statements for New Shares issued under the Entitlement Offer	Monday 11 November
Annual General Meeting to approve Conditional Placement	Monday 25 November
Settlement of Conditional Placement	Thursday 28 November
Allotment of New Shares issued under the Conditional Placement	Friday 29 November



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, and includes directors' fees of \$122,801, salaries (including superannuation) of \$82,480, and interest on issued notes of \$16,500.

Items to note:

All FY2025 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

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 2024

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	1,718	1,718
1.1.2	Receipts from customers – securities trading	2,137	2,137
1.1.3	Net in/(out)flows for settlement of financial instruments held on balance sheet	247	247
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(1,102)	(1,102)
	(c) advertising and marketing	(60)	(60)
	(d) leased assets	(24)	(24)
	(e) staff costs	(2,809)	(2,809)
	(f) administration and corporate costs	(1,677)	(1,677)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	21	21
1.5	Interest and other costs of finance paid	(359)	(359)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,908)	(1,908)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(g) entities	-	-
	(h) businesses	-	-

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(i) property, plant and equipment	(38)	(38)
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
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	(38)	(38)

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	206	206
3.6	Repayment of borrowings	(632)	(632)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – proceeds from derivative financial assets	560	560
3.9	Other – repayments of lease principal	(163)	(163)
3.10	Net cash from / (used in) financing activities	(29)	(29)

Appendix 4C

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

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	4,723	4,723
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,908)	(1,908)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(38)	(38)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(29)	(29)
4.5	Effect of movement in exchange rates on cash held	109	109
4.6	Cash and cash equivalents at end of period	2,857	2,857

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	2,855	4,721
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)	2,855	4,721

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	(222)
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 – Issued notes	10,000	10,000
7.3.2 Other – bond trading settlement (DVP) facility	5,000	-
7.3.3 Other – Insurance funding	48	48
7.3.4 Other – Supplier funding	188	188
7.4 Total financing facilities	15,236	10,236
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.		
<p>7.3.1 Issued notes – Unsecured facility. Interest rate of 12% and repayment date of 4 November 2025.</p> <p>7.3.2 Bond trading settlement (DVP) facility – Secured over the traded securities. Interest rate of 5%, settled up to T+5.</p> <p>7.3.3 Hunter Premium Funding – Unsecured facility. Interest rate of 4.96% and repayment date of February 2025.</p> <p>7.3.4 BidFin Capital – Unsecured facility. Interest rate of 6.03% and repayment date of August 2025.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,908)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,857
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)	7,857
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.12
<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: 28 October 2024

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.