INTELLIGENT MONITORING GROUP

ASX: IMB

ASX RELEASE

30 January 2025

Quarterly Activity Report and Appendix 4C

Quarter ended 31 December 2024

Intelligent Monitoring Group Limited ("Intelligent Monitoring", "IMG" or "the Company") (ASX: IMB) is pleased to provide its Quarterly Market Activity Update.

Highlights

- Operating cashflow pre-non-recurring items of $7.9m for 1H2025
- Adjusted EBITDA guidance of >$38m (pre-acquisition effects) re-affirmed
- Completion of equity raise and acquisition of DVL
- Launching of ADT and Signature Guarding services on track
- Debt refinancing proceeding according to plan

Financial Update

IMB re-affirms previously communicated FY25 earnings guidance of >$38.0m adjusted EBITDA before the impact of any acquisitions.

Additionally, the company is pleased to provide the following update in relation to Q2 FY25 trading:

$'000	Notes	Q1 FY25 Unaudited	Q2 FY25 Unaudited	1H FY25 Unaudited
Revenue (including acquisitions)	1	39,112	41,988	81,100
Adjusted EBITDA pre-acquisitions	**2**	**7,700**	**9,240**	**16,940**
EBITDA Impact of acquisitions	3	-	523	523
Adjusted EBITDA post-acquisitions		**7,700**	**9,763**	**17,463**
Non-recurring expenses	4	(860)	(1,224)	2.084
AASB Lease effect		(592)	(1,224)	1,816
Tax paid	5	-	(945)	945
Net interest paid		(2.071)	(2,535)	4,606
Movements in working capital	6	(3,416)	(3,344)	6,760
Operating cash flow		**761**	**491**	**1,252**
Non-recurring items		579	6,060	6,639
Operating cashflow pre-non-recurring items	7	1,340	6,551	7,891

ADT

signature SECURITY GROUP

Intelligent Monitoring Solutions

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Notes to Q2 & 1H FY25 financial performance:

1. Revenue across the business was in line with expectations for the quarter, up 3% compared to Q1 FY25, excluding the impact of the acquisition of DVL. Including DVL, revenue increased Up 7.4%compared to Q1 FY25.

2. Adjusted EBITDA improved by +20% pre-acquisitions on 1Q FY25 as the disruption from Project Funnel Web (cost out programme) abated, and Signature Security integrated into the broader business.

3. DVL's contribution to IMG in the first month was strong, aided by a significant project in WA due to conclude in March 2025.

4. During 1H 2025 the business experienced a number of non-recurring charges related to;

   a. The final transition payments from ADT to JCI ($569k),
   b. Refinancing costs, the cost of the DVL, ACG, and AAG acquisitions ($970k), and
   c. The internal business restructuring and redundancy costs for Project Funnel Web ($545k)

5. The business paid tax in NZ (for ADT NZ) and at ACG. Both are considered "one-offs" as these entities are consolidated into the IMG group and utilise historic tax losses.

6. Working capital and acquisition-related movements significantly impacted short-term cash flow. This was primarily through:

   a. Inventory investment including stocking for growth (a total of $1.670m on stocking Sybersense and video guarding product);

   b. Purchase of stock from Talius for the NZ 3G to 4G upgrade project ($1.7m);

   c. The impact of acquisitions (under accounting standards acquired working capital impacts the cash from operations line, but the positive cash acquired with the acquisitions positively impacts the investing cashflow line). This is estimated to have increased the investment in working capital for the half year and reduced operating cash flow by $3.610m (the difference between EBITDA and operating cashflow for ACG, AAG, and DVL in this period).

7. Excluding all non-recurring costs (as per notes 4 and 5.) and the negative impact on cash flow of the recent acquisitions (per note 6C.), IMG delivered an operating cash flow of $7.9m for H1 2025. Operating cash flow excluding non-recurring costs for 2Q FY25 of $6.6m was +388% on 1Q FY25 result of $1.3m

Operational Update

The second quarter was primarily focused on settling the business post-Project Funnel Web, integrating the acquisitions of ACG and AAG, and executing the DVL acquisition.

With the reporting lines clear, the business was focused on optimising and understanding the core operating divisions (ADT [Aust & NZ] Signature, and IMS) and preparing and pushing for growth.

This included the completed implementation of salesforce.com into the Signature Security business and the continuing implementation into the NZ business, which will make our businesses more customer-centric and easier to deal with moving forward.

IMS had a remarkable start to the 2025 calendar year (i.e. January), with five separate break-ins detected with Police engagement and activation via the video guarding and verification platform(s). This has been incredibly exciting for the business and validates all the investment in technology IMG has undertaken over the past three years as part of its commercial strategy.

IMG's video guarding and verification represents a fundamental change to the historic way the monitoring industry has been able to respond (from signal alarm/physical verification model before police response) and makes response immediate to a verified event, both deterring events, but also leading to arrests, and hopefully therefore, crime reduction. With the lesser human involvement, it is also available at a much lower price than a traditional guarding/patrol model.

IMG is now positioned to disrupt the traditional security industry and looks forward to accelerating the rollout of these services during 2025.

Management Comment

Q2 was one of internal focus, making sure we delivered the gains from the investment and disruption of Q1 and setting the platform to move forward towards strong growth, which is expected to be led by increasingly large-scale video guarding uptake and commercial enterprise customer growth.

It is very encouraging to see the success of video monitoring building quickly and IMG is very proud of its monitoring teams, who have become true crime fighters, really for the first time.

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Video guarding is a considerably improved service offering a real value proposition to our customers. We feel we currently have a lead on the market (and at globally leading or matching levels). Still, ultimately, it will be the success of the service, which entails a perfect, end-to-end delivery, that will cement our growing reputation in the monitoring market.

We are excited by several large-scale customer security and video guarding contracts signed in December 2024, one with an educational institution, one with a large global industrial company, and one with a dealer partner. These will be the first large-scale deployments of Signature Guarding. ADT Guarding is on track to officially launch at the end of February 2025.

During the quarter, we also agreed on terms and selected a new debt and banking financial partner. We look forward to signing final documentation for this facility over coming weeks.

In December we also welcomed Perth based, DVL and its staff to ADT and the wider IMG team. DVL, alongside the earlier AAG and ACG acquisitions, has been a terrific addition to our commercial and enterprise technology and security operations, hitting the ground running, and operating at full speed as it delivers its current workbook, which extends out over the next 18 months.

We are expecting IMG to continue its organic growth strategy through 2H25 and deliver its adjusted EBITDA guidance of >$38m. A strong 2H will set the base for a stronger 2026.

Furthermore, as disclosed in the October capital raising, IMG has a significant acquisition pipeline that continues to grow. Post-raising, we are in a great position to slowly and strategically work through the best opportunities the Company feels capable of delivering and the right deals as they present themselves.

Online Presentation

To hear more about our Q2 results, join us for an exclusive presentation where we will be sharing key insights and performance highlights from the second quarter. This is a great opportunity to learn more about our financial achievements, operational updates, and strategic direction moving forward.

Details of the Presentation:

Date: 30th January 2025
Time: 9am AEDT
Virtual: Click here to join

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Authorisation: This announcement is authorised for release by the Managing Director of Intelligent Monitoring Group Limited.

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Appendix 4C

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

Name of entity

Intelligent Monitoring Group Limited

ABN	**Quarter ended ("current quarter")**
36 060 774 227	31 December 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	50,128	93,401
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(27,310)	(49,104)
	(c) advertising and marketing	(602)	(1,221)
	(d) leased assets	-	-
	(e) staff costs	(14,688)	(29,415)
	(f) administration and corporate costs	(2,332)	(4,533)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	128	266
1.5	Interest and other costs of finance paid	(2,663)	(4,872)
1.6	Income taxes paid	(945)	(945)
1.7	Government grants and tax incentives received	-	-
1.8	Other		
	- Transition Services Agreement costs	(51)	(569)
	- Merger, Acquisition and Refinancing Costs	(863)	(970)
	- Business Change costs	(311)	(786)
1.9	**Net cash from / (used in) operating activities**	**491**	**1,252**

Consolidated statement of cash flows			**Current quarter $A'000**	**Year to date (6 months) $A'000**
2.	**Cash flows from investing activities**			
2.1	Payments to acquire:			
	(a)	entities	-	-
	(b)	businesses (net of cash acquired)	(5,555)	(17,186)
	(c)	property, plant and equipment	(584)	(3,673)
	(d)	investments	-	-
	(e)	intellectual property	-	-
	(f)	other non-current assets (intangible assets)	(1,441)	(1,532)
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 other entities		-	-
2.4	Dividends received (see note 3)		-	-
2.5	Other (provide details if material)		-	-
2.6	**Net cash from / (used in) investing activities**		**(7,580)**	**(22,391)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	23,678	23,678
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	(974)	(1,015)
3.5	Proceeds from borrowings	189	628
3.6	Repayment of borrowings	(183)	(358)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – Repayment of payment plans	(707)	(1,172)
3.10	**Net cash from / (used in) financing activities**	**22,003**	**21,761**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 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	**11,272**	**25,564**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	**491**	**1,252**
4.3	Net cash from / (used in) investing activities (item 2.6 above)	**(7,580)**	**(22,391)**
4.4	Net cash from / (used in) financing activities (item 3.10 above)	**22,003**	**21,761**
4.5	Effect of movement in exchange rates on cash held	**-**	**-**
4.6	**Cash and cash equivalents at end of period**	**26,186**	**26,186**

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	26,186	11,272
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other –	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**26,186**	**11,272**

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	618
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

6.1 Includes payments to directors for salaries and wages and directors' fees and key management personnel salaries.

		Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.	**Financing facilities** *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.*		
7.1	Loan facilities	1. 81,380 2. 287	1. 81,380 2. 287
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	81,667	81,667
7.5	**Unused financing facilities available at quarter end**		-

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.

1. Secured Notes issued by TOR Asia Credit Master Fund LP, maturing 31 July 2026.
   Current interest rate 15.00% pa.
2. Insurance funding/HP liabilities.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	1,252
8.2	Cash and cash equivalents at quarter end (Item 4.6)	26,186
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	26,186
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	20.9

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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: Not Applicable

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: Not Applicable

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: Not Applicable

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: 30 January 2025

Authorised by: By The Board
(Name of body or officer authorising release – see note 4)

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.