



INTELLIGENT
MONITORING
GROUP

26 July 2024

ASX: IMB

Quarterly Activity Report and Appendix 4C Quarter ended 30 June 2024

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

COMMENTS ON THE QUARTER

- The Company has set the platform for FY25 and beyond, completing the acquisition of Adeva Home Solutions (renamed Signature Security) in June and agreeing to terms on ACG Integration (“ACG”) and Alarm Assets Group (“AAG”) – both of which settled early July 2024.
- These acquisitions have been (Adeva/Signature) or are in (ACG & AAG) the process of being integrated swiftly into and with ADT (Australia), and early signs are very positive regarding their contribution to IMG in FY25. These businesses will be practically integrated in 1Q FY25.
- Net operating cash flow for the quarter was +\$3.7m or +\$5.2m before acquisition and JCI transition costs. For the full year, Operating Cash Flow was +\$4.7m or +\$13.2m before acquisition, refinance and JCI transition costs (noting the inclusion of ADT for only 11 months).
- In FY25, acquisition costs cease (subject to corporate activity), JCI transition costs cease (on 31st July 2024), and the 3G project wraps up in Australia. Additionally with the addition of Adeva/Signature, ACG & AAG, IMG expects FY25 to be a year of significant (and improved) operating cash flow. With a refinancing planned during FY25, and significant tax losses embedded from earlier years, IMG is expected to develop an increasingly strong position from which to continue to drive shareholder value.
- IMG finished the year, trading consistent with the upgraded EBITDA guidance provided in May.
- The ADT Australian Commercial business (pre-ACG and AAG) continues to grow strongly as it seeks to regain market prominence. ADT Commercial hit the \$1m delivered monthly run-rate target in June which compares favourably to the \$2m delivered in the full year before IMG acquisition.

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ABN 36 060 774 227

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- Capex for the quarter was \$3.2m, driven mainly by 3G conversions in Australia (which will cease with the shutting of the Telstra network towards the end of the year), growth in medical systems contracts in NZ, and the Christchurch office upgrade.
- IMG has retained Neu Capital to assist in refinancing its \$80m loan from Tor and Longreach to a senior banking facility. The company is focused on completing this work as soon as is practically possible and, in any event, before February 2025.
- Looking forward, IMG is focused on delivering a significantly improved cashflow result through FY25, alongside the proforma FY24 EBITDA (including recent acquisitions) of \$39.5m before any growth and business improvements expected in FY25.
- The Company had \$25.5 million of cash on hand as of 30 June 2024. Issued securities raised \$19.3 million before costs to fund acquisitions settled early in the new FY25 Financial Year. Cash in the bank post settlement of all acquisitions is currently \$9.6m.

	Q4 FY24 \$A'000	YTD (12mths) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	36,728	139,642
1.2 Payments for		
(a) product manufacturing and operating costs	(15,583)	(58,674)
(b) advertising and marketing	(313)	(1,432)
(c) staff costs	(10,418)	(41,627)
(d) administration and corporate costs	(4,047)	(18,082)
1.4 Interest received	98	241
1.5 Interest and other costs of finance paid	(2,239)	(11,176)
1.8 Other		
- Business acquisition & integration costs	(505)	(3,637)
- Acquisition & integration staff costs	-	(535)
1.9 Net cash from / (used in) operating activities	3,721	4,720



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Listing Rule 4.7C.3

In relation to item 6 of the Appendix 4C cash flow report for the quarter, payments were made to Related Parties of \$806,926 for salaries, redundancies, allowances, fees, and superannuation to executive and non-executive directors and key management personnel.

Management Comments

IMG's team has worked hard to set up the platform to execute on our three key strategies in FY25 (commercial recovery, driving easier installation in residential security and the emergence of ADT Care as a recognised player).

We are happy to have significantly overdelivered on our initial EBITDA expectations (at the time of the ADT purchase) and subsequently achieve (unaudited) the uplifted guidance for FY24. This has set a strong platform from which we can build organically through FY25.

With the financial effects of the ADT Transitional Services Agreement with JCI effectively finished at the end of July the business is now free to operate and continue to drive improvements in both customer experience and efficiency through FY25.

- ENDS -

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

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About Intelligent Monitoring Group Limited

Intelligent Monitoring Group Limited (ASX: IMB) provides monitored security and IOT solutions that ensure the safety and protection of Australian businesses, homes and individuals 24 hours a day, 365 days a year.

The Company operates with the highest security accreditation from its three monitoring centres in Australia and one in NZ.

GROWTH STRATEGY

Security services are increasingly in demand, with technology providing more and cheaper ways to provide the right solutions for customers.

As the largest Australian owned and operated monitoring partner, IMG is well positioned to be the partner of choice to those looking for professional grade solutions.

As a fragmented industry, with no clear industry leader and still dominated by small business providers IMG is in a good position to led consolidation as the industry increasingly ages..

TECHNOLOGY A KEY DRIVER FOR CHANGE

Technology change (IOT & AI) has created substantial opportunities to profitably extend the Company's existing skills into new complementary market areas and customer opportunities.

The use of Smart, High Resolution cameras, with monitoring capability will create substantial opportunities for growth in many industries over the coming decade. **'Cameras as alarms'**

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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

36 060 774 227

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	36,728	139,642
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(15,583)	(58,674)
(c) advertising and marketing	(313)	(1,432)
(d) leased assets	-	-
(e) staff costs	(10,418)	(41,627)
(f) administration and corporate costs	(4,047)	(18,082)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	98	241
1.5 Interest and other costs of finance paid	(2,239)	(11,176)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other		
- Business acquisition & integration costs	(505)	(3,637)
- Acquisition & integration staff costs	-	(535)
1.9 Net cash from / (used in) operating activities	3,721	4,720

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(535)	(535)
(c) property, plant and equipment	(2,916)	(17,555)
(d) investments	-	(42,652)
(e) intellectual property	-	-
(f) other non-current assets (intangible assets)	(20)	(753)
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	13
(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 (Adeva Cash at Bank)	231	231
2.6 Net cash from / (used in) investing activities	(3,261)	(60,150)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	19,396	27,919
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	(1,060)	(1,841)
3.5 Proceeds from borrowings	-	80,596
3.6 Repayment of borrowings	(411)	(30,136)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – Repayment of payment plans	(554)	(1,960)
3.10 Net cash from / (used in) financing activities	17,371	74,578

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	7,694	7,498
4.2	Net cash from / (used in) operating activities (item 1.9 above)	3,721	4,720
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,261)	(61,272)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	17,371	74,578
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	25,526	25,526

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	12,492	7,694
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Maddocks ATF ACG)	13,034	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	25,526	7,694

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	807
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 facilities	82,741,319	82,741,319
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	82,912,501	82,912,501
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. Secure notes issued by Tor Asia Credit Master Fund :P, maturing 31 July 2026 Current interest rate 15%		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	3,721
8.2 Cash and cash equivalents at quarter end (item 4.6)	25,526
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	25,526
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<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: N/A	
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: N/A	
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: N/A	
<i>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.</i>	

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:26 July 2024.....

Authorised by:The Board of Directors.....
(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.