



29 October 2024

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

ASX: IMB

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 used Q1 FY25 to put in place the structure and resources to achieve what is expected to be a strong underlying growth in profit through the rest of FY2025.
- In Q1, IMG undertook an internal transformation called Project “Funnel Web” (integrating the shared operations of ADT, Signature, and IMS’s residential customer bases), timed alongside the acquisitions of ACG and AAG on July 1st.
- This project, which resulted in significant redundancies (\$0.5m), was undertaken to bolster ADT Australia’s commercial focus and leverage the strength of residential and SMEs in the Signature Security business.
- These changes focus our three operating divisions (ADT, Signature, and IMS) in Australia) to support our three clear growth areas (Commercial, Residential & Care) and deliver significant savings (and speed of customer response) from Q2 onwards.
- In Q1, IMG’s wholesale monitoring business also completed its rebranding to Intelligent Monitoring Services (IMS).
 - IMS services ~40% of the independent security services market with a modern (updated in 2022) fit-for-purpose platform.
- IMS is in the process of obtaining an A1:R1 monitoring status, putting it among only two other operators able to provide this level of redundancy in Australia (having two A1 graded rooms, which can be completely redundant for each other). This upgrade cost <\$0.3m in capex during Q1. This represents the bulk of the capex required to achieve this upgrade.
- Revenue across the business was in line with expectations for the quarter, with operating cashflow inflow of \$43.3m, +66% on PCP and +18% on Q4 24 with some growth in the DIY strategy, a move toward increased service revenue per ADT residential line, and continued growth in the Commercial pipeline.
- Operating cash flow for the quarter was \$0.8 million (vs. \$3.7m in Q4 25 and -\$5.5m in Q124); however, this was pre-one-off – acquisition (legals for ACG, Adeva & AAG), integration (redundancies from project funnel web), and the

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final payment of transition expenses to JCI totaling \$1.7m. Further, the business invested \$1.8m in upfront inventory costs to support the strong organic growth expected in 2HFY25.

- With the Australian 3G sunset looming early in Q2 (3G is expected to cease from 31 October 2024) the business now turns its complete focus on its line growth strategy, a key rationale for Project Funnel Web, and the continued expansion into DIY and easily installed systems with the ADT Smart Home Connect range. Through Q1, IMG has continued to evolve its ADT Smart Home connect range and, during Q2, expects to introduce an industry-leading starter \$1,000 wireless, monitored alarm system for Australian homes.
- The ADT Australian Commercial business continues to grow as it seeks to regain market significance, bolstered by the acquisitions of ACG & AAG, opening up opportunities in some of Australia's largest corporations. This division's risk-adjusted pipeline of opportunities supports the expected strong growth over FY25, with a significant lift expected over 2H25.
- Non-acquisition related Capex for the quarter was \$3.2 million, driven mainly by the tail of 3G upgrades in Australia and the commencement of the 3G Upgrade project in New Zealand (expected to cost NZ\$5m). Operational Capex for new infrastructure amounted to only \$0.3 million, including costs of upgrading IMS's two control rooms towards becoming Grade A1R1.
- IMG has completed the work related to the debt refinance and will take this to market during November. IMG expects to be refinanced by the end of the guaranteed and enforced interest period to its current lenders in Feb 2025.
- The Company had \$11.3 million of cash on hand as of 30 September 2024.

	Q4 FY24 \$A'000	YTD (12mths) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	43,272	43,272
1.2 Payments for		
(a) product manufacturing and operating costs	(22,377)	(22,377)
(b) advertising and marketing	(619)	(619)
(c) staff costs	(14,726)	(14,726)
(d) administration and corporate costs	(2,200)	(2,200)
1.4 Interest received	138	138
1.5 Interest and other costs of finance paid	(2,209)	(2,209)
1.8 Other		
- Business acquisition & integration costs	(518)	(518)
- Acquisition & integration staff costs		
1.9 Net cash from / (used in) operating activities	761	761



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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 \$859,489 for salaries, redundancies, allowances, fees, and superannuation to executive and non-executive directors and key management personnel.

Comments on cashflow

Re-setting the business after the AU 3G Upgrade program and acquisitions of ACG & AAG have delivered a leaner, more focused business with cost savings and increased focus on the core sales strategies that will turn to strong EBITDA and cashflow performance from Q2 onwards.

- ENDS -

Authorisation: This announcement is authorised for release by the Board 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 (Formerly Threat Protect Australia Limited)

ABN

36 060 774 227

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	43,272	43,272
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(22,377)	(22,377)
(c) advertising and marketing	(619)	(619)
(d) leased assets	-	-
(e) staff costs	(14,726)	(14,726)
(f) administration and corporate costs	(2,200)	(2,200)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	138	138
1.5 Interest and other costs of finance paid	(2,209)	(2,209)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives received	-	-
1.8 Other		
- Business acquisition & integration costs	(518)	(518)
- Acquisition and integration staff costs	-	-
1.9 Net cash from / (used in) operating activities	761	761

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3months) \$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses (net of cash acquired)	(11,632)	(11,632)
(c) property, plant and equipment	(3,088)	(3,088)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets (intangible assets)	(91)	(91)
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	(14,811)	(14,811)

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	(41)	(41)
3.5 Proceeds from borrowings	439	439
3.6 Repayment of borrowings	(175)	(175)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – Repayment of payment plans	(465)	(465)
3.10 Net cash from / (used in) financing activities	(242)	(242)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	25,564	25,564
4.2	Net cash from / (used in) operating activities (item 1.9 above)	761	761
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14,811)	(14,811)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(242)	(242)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	11,272	11,272

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	11,272	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)	11,272	11,272

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
860
-

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.

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

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.

		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	1. 79,546 2. 287	1. 79,546 2. 287
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	79,833	79,833
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)	316
8.2 Cash and cash equivalents at quarter end (Item 4.6)	11,272
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	11,272
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	35.7

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: 29 October 2024

Authorised by: The Board of Intelligent Monitoring Group Ltd
(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.