INTELLIGENT MONITORING GROUP

ASX: IMB

ASX RELEASE

27 February 2025

1H25 Results Release

Intelligent Monitoring Group Limited ("**Intelligent Monitoring**", "**IMG**" or "the **Company**") (**ASX: IMB**) is pleased to announce its 1H 2025 results.

Highlights

- IMG delivered an adjusted EBITDA of $17.4m.
- Revenue +43%; EBITDA +23%. EBITDA Margin 22%. Adjusted Cashflow +44%
- Guidance reaffirmed for adjusted (pre FY25 acquisitions) EBITDA of >$38m for FY25.
- Including Acquisitions, adjusted delivered EBITDA is now expected to be >$40m.
    - This compares to a like-for-like adjusted EBITDA of $26.9m in FY24 (ADT 12-month adjusted) or +48.7% (incl acquisitions).
- Cash in the bank of $26.2m as of Dec 2024. Tax losses available of $23.4m
- Gross Debt of $83.3m; Placing the business on a Net Debt : FY25 EBITDA ratio of 1.4x
- Refinancing successful. March 17th drawdown. Funding costs fall from 15% to < 7% pa with gross debt of approximately $85m and an acquisition facility of $35m available.
- EV (fully diluted): Pro forma adjusted EBITDA of 6.6x (at $0.53cps) – trading below global comparatives.

Company comment

Managing Director Dennison Hambling said, "I am really happy to report on the progress being made by IMG, with organic growth beginning to build across the business (+4% in NZ and +6% in Australia) the acquisitions made in the past 18 months adding strength and depth to our customer offer and reach, and the release of a really phenomenal new service with ADT Guard and Signature Guard.

In particular achieving 11 confirmed arrests off only 58 live sites in the three months of operation is testament to having a completely new and improved service offering for customers. One that is cheaper than its alternatives, and more effective. We are looking forward to taking this progressively out into the commercial world and grow the customer uptake significantly.

This half year has been a further period of significant development, and with the acquisition of ACG, AAG, and DVL all in this period, along with the debt refinancing, and the creation of Signature Security (from the base of the Adeva business) the team has been busy.

I am happy to confirm we are on track to deliver the >$38m EBITDA target for FY25, which implies strong growth in 2H25. With the addition of the DVL and Kobe acquisitions, we expect total EBITDA to be >$40m.

INTELLIGENT MONITORING GROUP

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At these levels of profitability, off an increasingly streamlining business, with a clear product suite and several comparative advantages, we look forward to a significant further lift in profitability in the FY26 year, as customer demand for good quality solutions continues to grow.

Further information and presentation

An investor presentation will be lodged with ASX today and provides further details of the results and acquisitions. IMG Managing Director Dennison Hambling will host a Q&A format Microsoft Teams session where he will discuss the results implications for the Company. Interested parties can attend the presentation, due to commence at 12 Noon AEDT, by clicking the link here:

Date: 27th February 2025
Time: 12 Noon AEDT
Virtual: Click LINK to join presentation

ENDS –

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

Contact details: For further information, please contact:

Company Enquiries:

Dennison Hambling
Managing Director
Intelligent Monitoring Group Limited
dhambling@theimg.com.au

Investor Relations, Media & PR:

Rod North
Managing Director
Bourse Communications Pty Ltd
+61 408 670 706
rod@boursecommunications.com.au

INTELLIGENT MONITORING GROUP

An Intelligent Monitoring Group Company ASX:IMB

HALF-YEAR REPORT

FY2025

31 December 2024

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About Us - Intelligent Monitoring Group Limited (IMG, ASX: IMB)

Intelligent Monitoring Group Limited (IMG) is a leading provider of advanced monitored security and IoT solutions, safeguarding over 210,000 businesses, homes, and individuals across Australia and New Zealand.

With a robust wholesale monitoring arm, IMS, IMG partners with over 800 local security companies and operates four state-of-the-art A1-graded monitoring stations, ensuring round-the-clock, reliable protection throughout the year.

IMG also stands out through its subsidiaries, ADT and Signature Security Group, which deliver a wide range of cutting-edge security, camera, and IoT devices. These solutions provide fast and efficient installations to meet the evolving demands of modern security and monitoring.

In addition to our traditional offerings, IMG has expanded its core services to include **Video Guard and Video Monitoring**. This new service ensures enhanced surveillance with real-time monitoring and automated alerts, providing businesses and homeowners with a proactive added layer of protection against potential security threats.

With a commitment to innovation and customer satisfaction, IMG continues to set the standard for security and IoT solutions in the region.

Customer base of over 210,000 businesses, homes, and individuals across Australia and New Zealand.

Stable recurring revenue base of approximately $6.9 million per month

DIRECTORS' REPORT

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Intelligent Monitoring Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half year ended 31 December 2024.

Directors

The following persons were directors of Intelligent Monitoring Group Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Dennison Hambling
Managing Director

Peter Kennan
Non-Executive Chairman

Mark Brisson
Non-Executive Director

Rob Hilton
Non-Executive Director

Jason Elks
Non-Executive Director

Principal activities

During the financial half-year the principal continuing activity of the Group consisted of the provision of security, monitoring and risk management services across Australia and New Zealand.

Review of operations

The loss for the Group after providing for income tax amounted to $9,065,000 (31 December 2023: $4,307,000).

Revenue from ordinary activities amounted to $80,842,000 (31 December 2023: $55,702,000). The increase on the comparative period benefited from organic growth (+6.2% in Australia and +4.1% in NZ) and the contribution of $21,930,000 from ACG, AAG, Adeva, and DVL businesses acquired during the current and prior periods.

The Group measures performance by Adjusted earnings before interest, tax, depreciation and amortisation ('EBITDA') to normalise for:

- Accounting treatment of transactions associated with the purchase, integration and rationalisation of business assets; and
- Non-cash items such as impairment and share-based payments.

The directors consider Adjusted EBITDA to reflect the core earnings of the Group. Adjusted EBITDA is a financial measure not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and significant expenses. Adjusted EBITDA is a key measurement used by management and the Board to assess and review business performance and accordingly the table below provides a reconciliation between loss after income tax benefit and Adjusted EBITDA.

	Consolidated	
	31 Dec 2024 $'000	31 Dec 2023 $'000
Loss before income tax benefit	(9,545)	(4,307)
Finance costs	9,207	7,378
Depreciation and amortisation in cost of sales	5,273	648
Depreciation and amortisation expense	4,923	3,607
EBITDA	9,858	7,326
Adjustments		
Impairment of receivables	1,303	687
Impairment of assets	4,334	363
Business acquisition, integration and restructuring costs	1,961	3,583
Loss on sale of investment	-	1,270
Share-based payment expense	280	1,073
Interest income	(266)	-
Adjusted EBITDA	17,470	14,302

Adjusted EBITDA lifted by $3,168,000 on the comparative prior year period to $17,470,000, mainly driven by margin improvement in the NZ and Australian ADT businesses, offset by the reduction in prior earnings from capitalisation of customer service work and the 3G upgrade project. Further profit was lifted through the contribution from AAG, ACG and DVL businesses acquired during the current period. This was offset by a net loss contribution from the Adeva business as it has transitioned to become the base for Signature Security.

Reported EBITDA of $9,858,000 was lower than Adjusted EBITDA by $7,612,000 due to non-recurring costs related principally to (1.) a write down in the value of assets on revaluation, post the settling of the ADT acquisition and project funnel web restructuring and (2.) the costs related to acquisitions, capital raises, refinancing, restructuring and the conclusion of the transition for ADT away from JCI's systems.

The goodwill impairment amount of $4,334,000 relates to the Signature cash generating unit.

The Group has increased finance costs compared with the prior year period in line with the increased borrowing. With the announced refinancing to a new National Australia Bank senior facility these are expected to drop materially (>$6,500,000 pa) moving forward.

Depreciation and amortisation expense increased against the prior year due to the upwards revaluation finalisation of ADT customer contract intangible asset values subsequent to 31 December 2023 at 30 June 2024 as part of the finalisation adjustment for acquiring ADT. This resulted in an increased amortisation $6,626,000 for the current period compared with $2,632,000 for the prior year period.

The net cash from operating activities amounted to $1,917,000 (31 December 2023: $1,375,000). Adjusting for the non-recurring cash costs, and the timing impacts of cash cycles from the acquisitions made in 1H25 (impact -$3,600,000), underlying cashflow improved to $7,500,000 from $5,200,000 1H24.

Net cash from financing activities amounted to $21,117,000 (31 December 2023: $53,126,000), mainly generated from equity raising. This was offset by net cash used in investing activities that amounted to $22,429,000 (31 December 2023: $50,903,000). Net cash of $17,185,000 was paid for the acquisitions of ACG, AAG and DVL and $5,115,000 for investment in capital expenditure.

The directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

Significant changes in the state of affairs

On 1 July 2024, the Company acquired all the shares in ACG Integration Pty Ltd ('ACG') for the consideration of $14,173,000. ACG is a national security services provider that has a highly skilled and focused team of technicians and provides a wide range of security products and services. The cash payment was funded by the capital placement as announced on the ASX on 4 June 2024.

On 1 July 2024, the Company acquired all the shares in Everjazz Pty Limited ('AAG') for the consideration of $1,500,000. AAG is a security services provider principally based in Western Australia, that has a highly skilled and focused team of technicians and provide a wide range of security products and services. The cash payment was funded by the capital placement as announced on the ASX on 4 June 2024.

On 7 November 2024, the Company completed a capital placement to new and existing institutional investors. A total of $20,000,000 (before transaction costs) was raised for the issue of 41,666,667 shares in the Company.

On 29 November 2024, the Company acquired all the shares in Dataline Visual Link Pty Ltd ('DVL') for the consideration of $5,000,000 in cash and $2,000,000 in deferred IMG shares. The acquisition will strategically expand the Group's operating footprint in WA, strengthening the national platform for the business in commercial and enterprise. The cash payment was funded by the capital placement as announced on the ASX on 7 November 2024.

On 5 December 2024, the Company completed the issues of shares to existing qualifying shareholders as per the Share Purchase Plan announced on the ASX on 14 November 2024. A total of $3,678,000 was raised for the issue of 7,663,506 shares in the Company.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Dennison Hambling

Managing Director

26 February 2025

IMG SUBSIDIARIES

Australia – 81% of Group EBITDA

ADT

Australia
Residential / SME / Commercial / ADT Care

signature
SECURITY GROUP

Australia
Residential / SME

Intelligent Monitoring Solutions

Australia
Wholesale Monitoring business

New Zealand – 19% of Group EBITDA

ADT

New Zealand
Residential / SME /Commercial / ADT Care

OVERVIEW OF ADT AUSTRALIA GROUP

ADT Australia Group has continued to strengthen its position as a leading provider of security solutions, delivering reliable and innovative services to customers across the country.

Our commitment to providing cutting-edge technology, exceptional customer service, and comprehensive monitoring solutions has allowed us to build long-term relationships and enhance the safety and security of businesses and homes.

Through continuous investment in our people, technology, and processes, ADT Australia remains focused on offering tailored solutions that meet the evolving needs of our customers, while upholding the highest standards of service excellence.

Our Expertise

Tailored and scalable 'security as a service' solutions for all

Advanced Technology Integration - Cutting-edge technology to improve security capabilities.

Full remote accessibility, including multiple sites

Video surveillance solutions with intelligent analytics and Internet of Things (IoT) devices

24/7 proactive monitoring, actionable insights and a fast response service

Access control with multiple layers of user and area controls

ADT

Alarm Assets Group

ACG INTEGRATION | SECURE BY DESIGN

DVL vision to excel

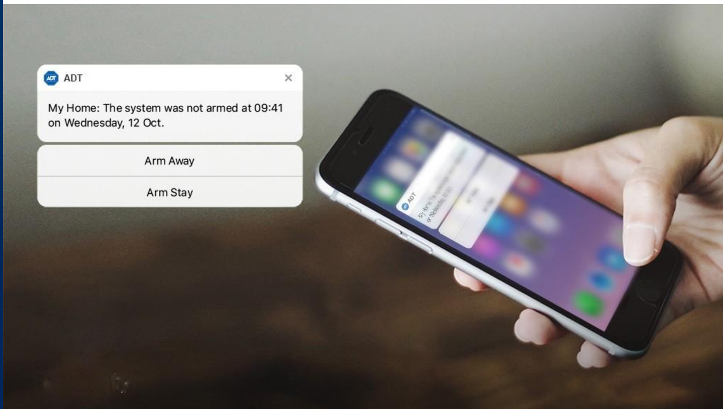
KOBE DATA & SECURITY

OVERVIEW OF ADT NEW ZEALAND

ADT New Zealand is a leading provider of security solutions with the capability to service the entire country. With office locations in most major cities and a dedicated network of approximately 160 employees, we are well-positioned to deliver reliable, innovative, and tailored security services to businesses and homes nationwide. Our strong local presence, combined with our commitment to customer satisfaction, ensures we can meet the diverse needs of our clients while maintaining the highest standards of service and expertise across New Zealand.

Our Expertise

- Custom approach
- A1 Grade 24/7 monitoring and emergency response centre
- **Advanced Technology Integration -** Cutting-edge technology to improve security capabilities.
- Video surveillance solutions with intelligent analytics and Internet of Things (IoT) devices
- Access control with multiple layers of user and area controls



OVERVIEW OF SIGNATURE SECURITY GROUP

Signature Security Group, the trading name for Mammoth Security Pty Ltd, is a revitalized brand with a proud legacy as one of Australia's largest and most respected security providers. Previously a leading name in the home and small to medium business sectors, Signature was known for its commitment to delivering reliable and high-quality security solutions. We revived the brand to continue building on its strong reputation and to create a modern, innovative security service business with deep expertise in security technology, system installation, and ongoing support.

Signature Security Group is backed by a nationwide network of highly skilled and licensed technicians who are fully trained and accredited to deliver exceptional service. With a team of certified professionals located across Australia, we have the capability to offer fast, efficient, and expert installation and maintenance services to our clients, no matter where they are.

Our technicians are continuously trained to stay ahead of the latest technological advancements in security, ensuring that we offer cutting-edge solutions and maintain the highest standards of service for every customer. Signature Security Group's strong national presence, combined with our technical expertise and dedication to customer satisfaction, makes us a trusted partner in the Australian security market.

Our Expertise

Custom approach

Trained and licensed security professionals

Smart home automation capabilities with actionable insights

Easy install option for faster and more accessible security

Advanced Technology Integration - Cutting-edge technology to improve security capabilities.

Video surveillance solutions with intelligent analytics and Internet of Things (IoT) devices

Access control with multiple layers of user and area controls

OVERVIEW OF INTELLIGENT MONITORING SOLUTIONS (IMS)

For over 26 years, Intelligent Monitoring Solutions has established itself as the most extensive, reliable, and progressive provider of electronic monitoring services across Australia. Our services cater to homes, businesses, and government agencies, offering unmatched expertise and monitoring technology solutions.

Key Strengths:

- **Comprehensive Service Offering**: We support a variety of technology platforms that can be seamlessly integrated to meet diverse client needs.
- **Scalable Capacity**: Our infrastructure is designed to stay ahead of client growth and demand, ensuring consistent, high-quality service.
- **Professional Team**: We adhere to stringent recruitment and training standards, ensuring that our customers are serviced by the most qualified and experienced staff.

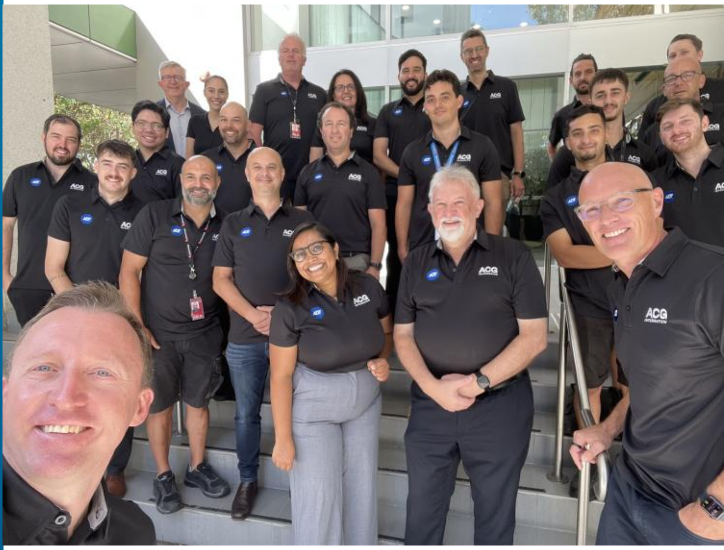
OUR PEOPLE

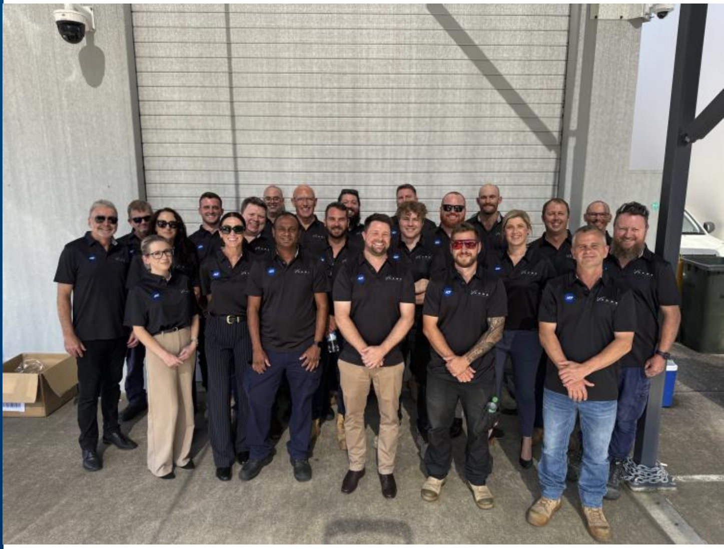
570 full-time employees across Australia and New Zealand under our subsidiaries

Approximately 43% female and 57% male employees

Our team thrives on a diverse and inclusive culture, with individuals from various backgrounds contributing to our success. We prioritize employee development through on the job coaching and enabling access to projects outside job scope that equips team members with the skills they need to succeed and grow within the company. This investment in learning and development has resulted in a high employee tenure, averaging 10 years, demonstrating the loyalty and satisfaction of our workforce.

We are particularly proud of the many examples of internal career progression, where employees have advanced from entry-level roles to leadership positions. This culture of promoting from within not only helps retain talent but also ensures that our leaders are deeply connected to the company's values and operations. Looking ahead, we remain focused on developing highly skilled employees through tailored programs that support their growth and readiness for greater responsibilities.





GROUP VISION & VALUES

We will become the leader in Professional Security and Security-related services for Businesses, Homes, Families, and Individuals in Australasia.

We will do this by providing the best professional service at the best value, with the latest technology available anywhere.

TRANSPARENCY

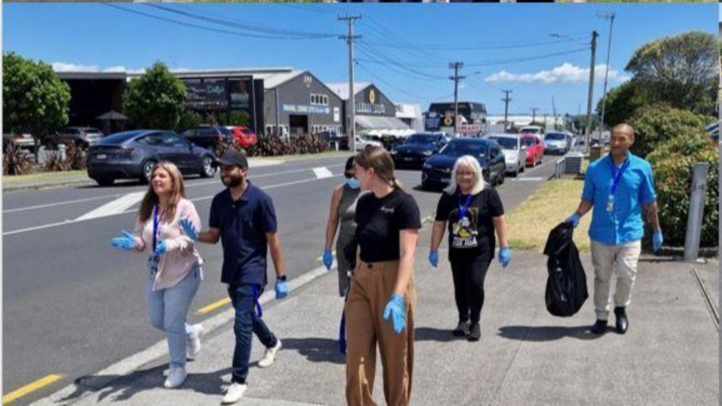
We have the courage to be honest and share information, taking accountability for our actions.

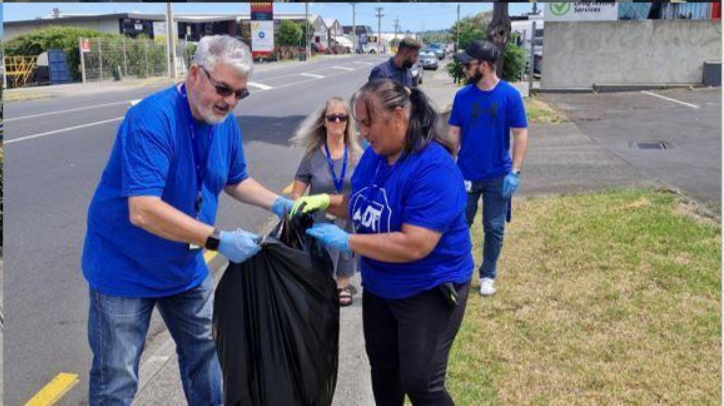
INCLUSIVENESS

We respect and trust one another, regardless of our differences.

EXCELLENCE

We strive to be leaders with a commitment to continuous improvement & celebrating our successes.





Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF INTELLIGENT MONITORING GROUP LIMITED

As lead auditor for the review of Intelligent Monitoring Group Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Intelligent Monitoring Group Limited and the entities it controlled during the period.

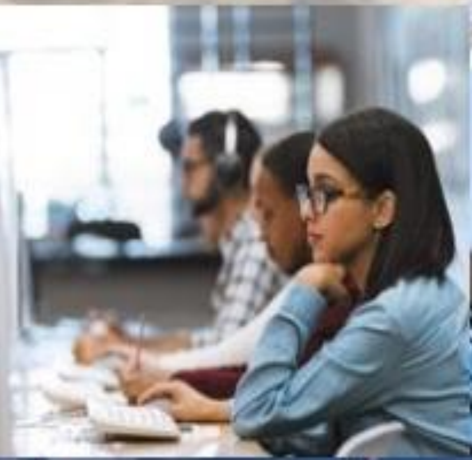
Andrew Tickle
Director

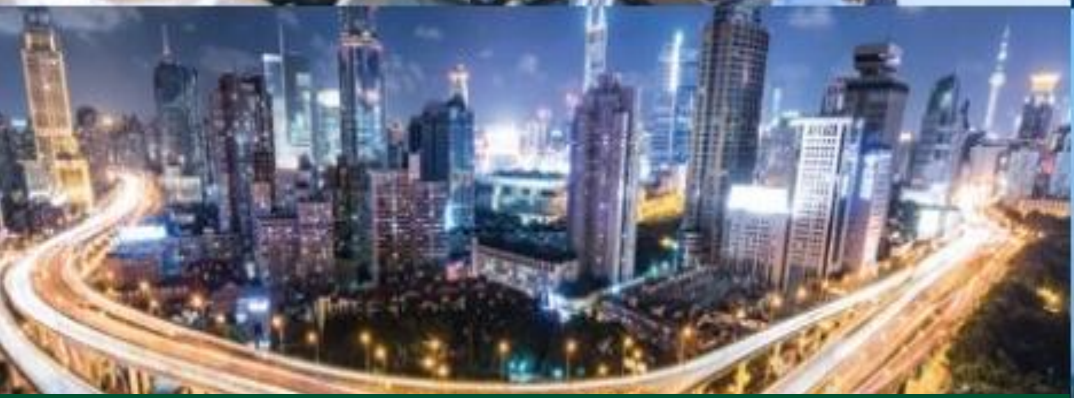
BDO Audit Pty Ltd

Adelaide, 26 February 2025

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of A.C.N. 050 110 275 Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and A.C.N. 050 110 275 Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.






FINANCIAL STATEMENTS


Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	Consolidated 31 Dec 2024 $'000	Consolidated 31 Dec 2023 $'000
Revenue			
Revenue from contracts with customers	4	80,842	55,702
Cost of sales - operations		(50,025)	(28,839)
Cost of sales - depreciation and amortisation	5	(5,273)	(648)
Total cost of sales		(55,298)	(29,487)
Gross profit		25,544	26,215
Other income		671	90
Interest revenue calculated using the effective interest method		266	10
Expenses			
Administration		(12,033)	(10,083)
Compliance and regulatory costs		(675)	(1,006)
Marketing and business development expenses		(1,310)	(1,424)
Depreciation and amortisation	5	(4,923)	(3,607)
Business acquisition, integration and restructuring costs		(1,961)	(3,583)
Impairment of receivables		(1,303)	(687)
Impairment of assets	5	(4,334)	(363)
Share-based payments expense	16	(280)	(1,073)
Finance costs	5	(9,207)	(7,378)
Loss before income tax benefit from continuing operations		(9,545)	(2,889)
Income tax benefit		463	-
Loss after income tax benefit from continuing operations		(9,082)	(2,889)
Loss after income tax expense from discontinued operations		-	(1,418)
Loss after income tax benefit for the half-year		(9,082)	(4,307)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		18	416
Other comprehensive income for the half-year, net of tax		18	416
Total comprehensive income for the half-year		(9,064)	(3,891)
Loss for the half-year is attributable to:			
Non-controlling interest		(17)	-
Owners of Intelligent Monitoring Group Limited		(9,065)	(4,307)
		(9,082)	(4,307)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

Total comprehensive income for the half-year is attributable to:			
Continuing operations		(17)	-
Discontinued operations		-	-
Non-controlling interest		(17)	-
Continuing operations		(9,047)	(2,473)
Discontinued operations		-	(1,418)
Owners of Intelligent Monitoring Group Limited		(9,047)	(3,891)
		(9,064)	(3,891)

		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Intelligent Monitoring Group Limited			
Basic earnings per share	15	(2.89)	(1.76)
Diluted earnings per share	15	(2.89)	(1.76)
Earnings per share for loss from discontinued operations attributable to the owners of Intelligent Monitoring Group Limited			
Basic earnings per share	15	-	(0.87)
Diluted earnings per share	15	-	(0.87)
Earnings per share for loss attributable to the owners of Intelligent Monitoring Group Limited			
Basic earnings per share	15	(2.88)	(2.63)
Diluted earnings per share	15	(2.88)	(2.63)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of financial position
As at 31 December 2024

	Note	Consolidated 31 Dec 2024 $'000	Consolidated 30 Jun 2024 $'000
Assets			
Current assets			
Cash and cash equivalents		26,151	25,546
Trade and other receivables	6	22,203	19,453
Contract assets		1,415	144
Inventories		6,426	5,169
Other		6,201	7,555
Total current assets		62,396	57,867
Non-current assets			
Trade and other receivables	6	2,800	2,800
Property, plant and equipment	7	19,532	16,002
Right-of-use assets	8	9,202	8,976
Intangibles	9	83,739	68,728
Total non-current assets		115,273	96,506
Total assets		177,669	154,373
Liabilities			
Current liabilities			
Trade and other payables	10	20,991	20,176
Contract liabilities		4,739	2,882
Borrowings	11	36,948	21,430
Lease liabilities		2,918	2,326
Income tax payable		2,034	1,791
Provisions		7,191	6,292
Total current liabilities		74,821	54,897
Non-current liabilities			
Borrowings	11	46,380	57,749
Lease liabilities		6,585	7,474
Deferred tax liability		2,166	2,966
Provisions		4,133	3,802
Total non-current liabilities		59,264	71,991
Total liabilities		134,085	126,888
Net assets		43,584	27,485
Equity			
Issued capital	12	136,661	111,602
Reserves		5,850	6,095
Accumulated losses		(99,038)	(90,340)
Equity attributable to the owners of Intelligent Monitoring Group Limited		43,473	27,357
Non-controlling interest		111	128
Total equity		43,584	27,485

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity
For the half-year ended 31 December 2024

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2023	84,859	762	(87,327)	-	(1,706)
Loss after income tax expense for the half-year	-	-	(4,307)	-	(4,307)
Other comprehensive income for the half-year, net of tax	-	416	-	-	416
Total comprehensive income for the half-year	-	416	(4,307)	-	(3,891)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	7,742	-	-	-	7,742
Share-based payments	-	5,384	-	-	5,384
Balance at 31 December 2023	92,601	6,562	(91,634)		7,529

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2024	111,602	6,095	(90,340)	128	27,485
Loss after income tax benefit for the half-year	-	-	(9,065)	(17)	(9,082)
Other comprehensive income for the half-year, net of tax	-	18	-	-	18
Total comprehensive income for the half-year	-	18	(9,065)	(17)	(9,064)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 12)	24,884	-	-	-	24,884
Share-based payments	-	279	-	-	279
Performance rights exercised	175	(175)	-	-	-
Expired performance rights	-	(367)	367	-	-
Balance at 31 December 2024	136,661	5,850	(99,038)	111	43,584

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows
For the half-year ended 31 December 2024

	Note	Consolidated 31 Dec 2024 $'000	31 Dec 2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		93,123	65,289
Payments to suppliers and employees (inclusive of GST)		(85,427)	(60,569)
Net cash from current operating activities		7,696	4,720
Interest received		266	10
Interest and other finance costs paid		(4,872)	(2,415)
Repayment of payment plans *		(1,173)	(940)
Net cash from operating activities		1,917	1,375
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	14	(17,185)	(38,926)
Payments for property, plant and equipment		(5,115)	(10,672)
Payments for intangibles		(58)	(89)
Payments for security deposits		(71)	(1,228)
Proceeds from disposal of property, plant and equipment		-	12
Net cash used in investing activities		(22,429)	(50,903)
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)		22,663	7,742
Proceeds from borrowings		628	80,350
Repayment of borrowings		(358)	(29,230)
Repayment of lease liabilities		(1,816)	(1,336)
Borrowing transaction costs		-	(4,400)
Net cash from financing activities		21,117	53,126
Net increase in cash and cash equivalents		605	3,598
Cash and cash equivalents at the beginning of the financial half-year		25,546	5,269
Cash and cash equivalents at the end of the financial half-year		26,151	8,867

* Repayment of the historic ATO debt is not a current operating activity and has been disclosed separately for 31 December 2024 and 31 December 2023.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Notes to the consolidated financial statements

Note 1. General information

The financial statements cover Intelligent Monitoring Group Limited ('Company' or 'parent entity') as a Group ('The Group' or 'Group') consisting of Intelligent Monitoring Group Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Intelligent Monitoring Group Limited's functional and presentation currency.

Intelligent Monitoring Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 2, 1 Tully Road
East Perth WA 6004

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors 26 February 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2024 and are not expected to have any significant impact for the full financial year ending 30 June 2025.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standard is most relevant to the Group:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non- Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2024. Early adoption is permitted where AASB 2020-1 is also early adopted.

Note 2. Material accounting policy information (continued)

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

Going concern

For the 6 months ended 31 December 2024, the Group recorded a loss after tax of $9,082,000 (31 December 2023: $4,307,000) and recorded net cash inflows from operating activities of $1,917,000 (31 December 2023: $1,375,000). As at 31 December 2024, the Group had a working capital deficit of $12,425,000 (31 December 2023: working capital surplus of $6,297,000).

The Board and Management believe there are sufficient funds to meet the Group's working capital requirements as at the date of the financial statements.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- the Directors have assessed the cash flow requirements for the 12-month period from the date of approval of the financial statements and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements.
- the Group has a financing arrangement in place with TOR/Longreach on 31 December 2024 of $80,000,000. This facility is due to mature on 31 July 2026 with two amortisation payments due within the next 12 months totalling $55,000,000 but is expected to be replaced with a new debt package in March 2025
- on 4 February 2025 the Group announced that it had secured borrowings of up to $122,500,000 with National Australia Bank, based on the signing of a Credit Approved Terms Sheet. A fully executed contract between the Group and NAB will be finalised subsequent to the issue of the Financial Statements. The funds will be utilised to settle the borrowings from TOR/LCI and provide substantial working capital to grow the Group's Commercial capability. The Directors have met and expect to meet all of the compliance covenants of the current financing facility.
- On 13 January 2025, the existing ATO Payment Plans were paid in full to the Australian Taxation Office.
- A $20,000,000 Share Placement and Share Purchase Plan of $3,678,000 were completed in November and December 2024 respectively, and demonstrates the ability of the Group to raise funds as required.
- the Directors expect the Group to trade with a positive EBITDA and generate sufficient positive operating cash flow given that the payment plans have been paid out and to facilitate the payment of the current loan interest and capital repayments.

Accordingly, the Directors are satisfied that the going concern basis of preparation for the financial statements is appropriate.

The ability of the Group to continue as a going concern and to fund its operational activities is dependent on the above assumptions.

Should the Group not achieve the outcomes outlined above, there is a material uncertainty that may cast significant doubt upon whether the Group can continue as a going concern, and therefore whether it would realise its assets and discharge its liabilities in the ordinary course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Comparatives

Certain comparatives have been realigned where necessary, to enhance comparability with current year presentation. There was no impact on the net profit or loss result, net assets or equity.

Note 3. Operating segments

Identification of reportable operating segments
The Group operates predominantly in the security services industry, providing security alarm monitoring and installations as well as security guarding services across Australia and New Zealand.

The Group has identified its operating segments based on the internal reports that are provided to the Board on a monthly basis that are used in determining the allocation of resources across the Group. Management has identified the operating segments of the Group based on the three distinctive types of services provided by the Group – security alarm and Video monitoring ('Monitoring'), security guarding and personnel services ('Protective services') and Alarm and Video installation and maintenance services ('Service').

The Board reviews gross profit for each operating segment. The information reported to the Board is on a monthly basis.

Unless stated otherwise, all amounts reported to the Board, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Intersegment transactions
An internally determined transfer price is set for all inter-segment sales. This price is based on what would be realised in the event that the sale or services was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Intersegment receivables, payables and loans
Where an asset is used across multiple segments, the asset is allocated to the segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items
Any items noted below as 'unallocated' are not allocated to operating segments as they are not considered part of the core operations of any segment in particular.

Note 3. Operating segments (continued)

Operating segment information

Consolidated - 31 Dec 2024	Monitoring $'000	Protective services $'000	Services $'000	Total $'000
Revenue				
Sales to external customers	42,208	3,385	35,249	80,842
Total revenue	42,208	3,385	35,249	80,842
Segment result	19,858	636	5,050	25,544
Other income including interest received				937
Administration expenses				(12,033)
Compliance and regulatory costs				(675)
Marketing and business development expenses				(1,310)
Depreciation and amortisation				(4,923)
Business acquisition, integration and restructuring costs				(1,961)
Impairment of receivables				(1,303)
Impairment of assets				(4,334)
Share-based payments				(280)
Finance costs				(9,207)
Loss before income tax benefit				(9,545)
Income tax benefit				463
Loss after income tax benefit				(9,082)
Assets				
Segment assets	74,808	265	27,885	102,958
Unallocated assets				74,711
Total assets				177,669
Liabilities				
Segment liabilities	6,975	145	3,743	10,863
Unallocated liabilities				123,222
Total liabilities				134,085

Note 3. Operating segments (continued)

Consolidated - 31 Dec 2023	Monitoring $'000	Protective services $'000	Services $'000	Total $'000
Revenue				
Sales to external customers	38,523	957	16,222	55,702
Total revenue	38,523	957	16,222	55,702
Segment result	20,444	80	5,691	26,215
Other income including interest received				100
Administration expenses				(10,161)
Compliance and regulatory costs				(1,006)
Marketing and business development expenses				(1,424)
Depreciation and amortisation				(3,607)
Business acquisition and integration				(3,505)
Impairment of receivables				(687)
Impairment of assets				(363)
Share-based payments				(1,073)
Finance costs				(7,378)
Loss before income tax expense				(2,889)
Income tax expense				-
Loss after income tax expense				(2,889)
Consolidated - 30 Jun 2024				
Assets				
Segment assets	92,544	407	11,938	104,889
Unallocated assets				49,484
Total assets				154,373
Liabilities				
Segment liabilities	5,263	248	4,403	9,914
Unallocated liabilities				116,974
Total liabilities				126,888

Geographical information

	Sales to external customers		Geographical non-current assets	
	31 Dec 2024 $'000	31 Dec 2023 $'000	31 Dec 2024 $'000	30 Jun 2024 $'000
Australia	61,041	39,524	103,473	82,840
New Zealand	19,801	16,178	16,134	13,666
	80,842	55,702	119,607	96,506

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Revenue

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 31 Dec 2024 $'000	Consolidated 31 Dec 2023 $'000
Major product lines		
Ongoing services	60,695	39,098
One-off services	19,721	15,251
Equipment sales	426	1,353
	80,842	55,702
Geographical regions		
Australia	61,041	39,524
New Zealand	19,801	16,178
	80,842	55,702
Timing of revenue recognition		
Goods and services transferred at a point in time	14,054	17,176
Services transferred over time	66,788	38,526
	80,842	55,702

Note 5. Expenses

	Consolidated 31 Dec 2024 $'000	Consolidated 31 Dec 2023 $'000
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Plant and equipment	189	276
Motor vehicles	35	-
Monitoring infrastructure	65	73
Subscriber assets	1,935	-
Buildings right-of-use assets	926	1,107
Total depreciation	3,150	1,456
Amortisation		
Development assets	158	166
Intellectual property	262	1
Customer contracts	6,626	2,632
Total amortisation	7,046	2,799
Total depreciation and amortisation	10,196	4,255
Impairment of assets		
Goodwill	4,334	363
Finance costs		
Interest and finance charges paid/payable on borrowings	8,404	5,658
Interest and finance charges paid/payable on lease liabilities	654	489
Other finance costs	149	1,231
Finance costs expensed	9,207	7,378

Note 6. Trade and other receivables

	Consolidated 31 Dec 2024 $'000	Consolidated 30 Jun 2024 $'000
Current assets		
Trade receivables	22,178	19,066
Less: Allowance for expected credit losses	(2,940)	(2,857)
	19,238	16,209
Other receivables	2,965	3,244
	22,203	19,453
Non-current assets		
Loan receivable from Rascal Security Pty Ltd	2,800	2,800

Note 7. Property, plant and equipment

	Consolidated 31 Dec 2024 $'000	Consolidated 30 Jun 2024 $'000
Non-current assets		
Plant and equipment - at cost	2,680	2,165
Less: Accumulated depreciation	(1,266)	(906)
	1,414	1,259
Motor vehicles - at cost	1,329	174
Less: Accumulated depreciation	(880)	(41)
	449	133
Monitoring infrastructure - at cost	813	813
Less: Accumulated depreciation	(570)	(504)
	243	309
Capital work-in-progress - at cost	1,411	888
Subscriber assets - at cost	20,858	16,330
Less: Accumulated depreciation	(4,843)	(2,917)
	16,015	13,413
	19,532	16,002

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Plant and equipment $'000	Motor vehicles $'000	Monitoring infrastructure $'000	Capital work-in-progress $'000	Subscriber assets $'000	Total $'000
Balance at 1 July 2024	1,259	133	309	888	13,413	16,002
Additions	524	-	-	525	4,066	5,115
Additions through business combinations (note 14)	12	352	-	-	-	364
Finalisation of Adeva acquisition (note 14)	11	-	-	-	-	11
Foreign exchange differences	(5)	(1)	(1)	(2)	273	264
Transfers in/(out)	(198)	-	-	-	198	-
Depreciation expense	(189)	(35)	(65)	-	(1,935)	(2,224)
Balance at 31 December 2024	1,414	449	243	1,411	16,015	19,532

Note 8. Right-of-use assets

	Consolidated 31 Dec 2024 $'000	Consolidated 30 Jun 2024 $'000
Non-current assets		
Buildings - right-of-use	13,705	12,387
Less: Accumulated depreciation	(4,503)	(3,411)
	9,202	8,976

Note 8. Right-of-use assets (continued)

The Group leases buildings for its offices under agreements of between 1 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group leases office equipment under agreements of less than 2 years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Buildings $'000
Balance at 1 July 2024	8,976
Additions	952
Additions through business combinations (note 14)	191
Finalisation of Adeva acquisition (note 14)	22
Exchange differences	(13)
Depreciation expense	(926)
Balance at 31 December 2024	9,202

Note 9. Intangibles

	Consolidated 31 Dec 2024 $'000	Consolidated 30 Jun 2024 $'000
Non-current assets		
Goodwill - at cost	64,987	44,086
Less: Accumulated impairment	(33,257)	(28,923)
	31,730	15,163
Development assets - at cost	7,273	7,256
Less: Accumulated amortisation	(4,814)	(4,656)
Less: Impairment	(1,708)	(1,708)
	751	892
Intellectual property - at cost	9,219	8,788
Less: Accumulated amortisation	(600)	(338)
	8,619	8,450
Customer contracts - at cost	91,790	86,975
Less: Accumulated amortisation	(49,151)	(42,752)
	42,639	44,223
	83,739	68,728

Note 9. Intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill $'000	Development assets $'000	Brands and intellectual property $'000	Customer contracts $'000	Total $'000
Balance at 1 July 2024	15,163	892	8,450	44,223	68,728
Additions	-	17	-	41	58
Additions through business combinations (note 14)	18,820	-	431	2,986	22,237
Finalisation of Adeva acquisition (note 14)	2,081	-	-	(1,879)	202
Foreign exchange differences	-	-	-	(92)	(92)
Impairment of assets	(4,334)	-	-	-	(4,334)
Transfers in from current assets	-	-	-	3,986	3,986
Amortisation expense	-	(158)	(262)	(6,626)	(7,046)
Balance at 31 December 2024	31,730	751	8,619	42,639	83,739

An impairment indicator was identified with the Signature cash-generating unit ('CGU'), being the underlying operating conditions of the Signature business during the 6 month period up until reporting date. As a result, impairment testing was undertaken on this CGU.

Impairment testing
The recoverable amount of the Signature CGU of $6,359,000 at 31 December 2024 was calculated based on a value in use calculation using a discounted cash flow model.

The significant inputs and assumptions used in performing the assessment that require judgement include cash flow forecasts, discount rate and terminal growth rate. The following is a summary of the model and its inputs and assumptions are:

- Future cash flows are projected for a period of 5 years.
- Average annual cash flow growth rate over the forecasted period was 5% for revenue and 3.5% for expenditure. Growth in cash flows reflect the fact that revenues are expected to increase at a much higher rate than expected as economies of scale are achieved.
- The forecast financial information is based on both past experience and future expectations of the CGU performance.
- Terminal growth rate of 0.71% and a post-discount rate of 16.65% were applied. The terminal growth rate is determined based on the long-term anticipated growth rate of the business.

As the recoverable amount determined using the value in use valuation methodology was less than the carrying amount of the Signature CGU assets prior to impairment of $10,693,000, an impairment charge of $4,334,000 has been recognised in the current period, allocated entirely to goodwill associated with the Signature CGU.

Note 10. Trade and other payables

	Consolidated	
	31 Dec 2024 $'000	30 Jun 2024 $'000
Current liabilities		
Trade payables	8,786	6,910
Accrued expenses	5,798	7,399
Payable to ATO	3,089	3,238
Other payables	3,318	2,629
	20,991	20,176

Note 11. Borrowings

	Consolidated	
	31 Dec 2024 $'000	30 Jun 2024 $'000
Current liabilities		
Other short-term borrowings	503	22
Tor Investment Management debt facility	35,000	20,000
Accrued interest - Tor Investment Management	1,445	1,408
	36,948	21,430
Non-current liabilities		
Tor Investment Management debt facility	45,000	60,000
Capitalised interest	5,977	3,799
Capitalised borrowing costs	(2,322)	(3,056)
Capitalised warrant costs	(2,275)	(2,994)
	46,380	57,749

Borrowings - Tor Investment Management

In the prior period, the ARES SSG Capital Management loan settlement payment of $29,501,000 was funded by a $80,000,000 3 year debt facility with Tor Investment Management, and the remainder of the new debt facility was used to fund the acquisition of Tyco Australia Group Pty Ltd (refer note 14 'Business combinations' for more details).

The terms of the $80,000,000 debt facility with Tor Investment Management are:

- Cash interest rate of 10% per annum, payable quarterly;
- Payment in kind (PIK) interest 5% per annum;
- 3 year term until July 2026;
- No capital repayments for 18 months;
- Upfront fee paid of $2,400,000, included in capitalised borrowing costs; and
- Cash sweep above $20,000,000 cash during first six months, $15,000,000 during the next six months and $10,000,000 after 12 months.

The Group has fully utilised its borrowings facilities at reporting date. As at 31 December 2024, the Group has met its financial covenant requirements under the Loan Note Subscription Agreement.

Note 12. Issued capital

	Consolidated			
	31 Dec 2024 Shares	30 Jun 2024 Shares	31 Dec 2024 $'000	30 Jun 2024 $'000
Ordinary shares - fully paid	355,088,266	301,809,817	136,661	111,602

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2024	301,809,817		111,602
Shares issued	14 November 2024	41,666,667	$0.480	20,000
Shares issued	29 November 2024	3,448,276	$0.580	2,000
Shares issued	5 December 2024	7,663,506	$0.480	3,678
Options exercised	6 December 2024	500,000	$0.000	175
Transaction costs		-		(794)
Balance	31 December 2024	355,088,266		136,661

Ordinary shares

Ordinary shares entitle the holder to participate in dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 13. Related party transactions

Parent entity

Intelligent Monitoring Group Limited is the parent entity.

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	31 Dec 2024 $	31 Dec 2023 $
Payment for other expenses:		
Black Crane Advisors Limited is a company controlled by Mr Peter Kennan which provided advisory services to Intelligent Monitoring Limited		
- Advisory services in relation to ADT acquisition	-	1,275,000

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 14. Business combinations

ACG Integration Pty Ltd ('ACG')

On 1 July 2024, the Company acquired all the shares in ACG Integration Pty Ltd ('ACG') for the consideration of $14,173,000. ACG is a national security services provider that has a highly skilled and focused team of technicians and provides a wide range of security products and services. The cash payment was funded by the capital placement as announced on the ASX on 4 June 2024.

The acquired business contributed revenues of $11,125,000 and profit after tax of $3,489,000 to the Group for the period from 1 July 2024 to 31 December 2024.

The values in relation to the acquisition of ACG are provisional and are subject to adjustment once all information to determine the fair value of identifiable net assets at acquisition date has been received.

Everjazz Pty Limited ('Alarm Assets Group' or 'AAG')

On 1 July 2024, the Company acquired all the shares in Everjazz Pty Limited ('AAG') for the consideration of $1,500,000. AAG is a security services provider principally based in Western Australia, that has a highly skilled and focused team of technicians and provide a wide range of security products and services. The cash payment was funded by the capital placement as announced on the ASX on 4 June 2024.

The acquired business contributed revenues of $4,020,000 and profit after tax of $662,000 to the Group for the period from 1 July 2024 to 31 December 2024.

The values in relation to the acquisition of AAG are provisional and are subject to adjustment once all information to determine the fair value of identifiable net assets at acquisition date has been received.

Dataline Visual Link Pty Ltd ('DVL')

On 29 November 2024, the Company acquired all the shares in Dataline Visual Link Pty Ltd ('DVL') for the consideration of $8,466,000, comprising $6,466,000 cash and $2,000,000 in Company shares. DVL is a Western Australian based provider of high-quality and leading-edge electronic security solutions, including CCTV equipment, security and access control equipment, specialist detection and surveillance equipment, as well as monitoring and maintenance services. The cash payment was funded by the capital placement as announced on the ASX on 7 November 2024.

The acquired business contributed revenues of $1,784,000 and profit after tax of $646,000 to the Group for the period from 30 November 2024 to 31 December 2024.

The values in relation to the acquisition of DVL are provisional and are subject to adjustment once all information to determine the fair value of identifiable net assets at acquisition date has been received.

Note 14. Business combinations (continued)

The values in relation to the acquisition of DVL are provisional and are subject to adjustment once all information to determine the fair value of identifiable net assets at acquisition date has been received.

Details of the acquisition are as follows:

	ACG Fair value $'000	AAG Fair value $'000	DVL Fair value $'000	Total $'000
Current assets:				
Cash and cash equivalents	2,240	441	1,133	3,814
Trade and other receivables	2,402	3,267	2,437	8,106
Contract assets	-	-	1,057	1,057
Inventories	238	-	27	265
Other current assets	40	1	339	380
Non-current assets:				
Plant and equipment	-	-	12	12
Motor vehicles	183	-	169	352
Right-of-use assets	47	73	71	191
Intellectual property	335	-	96	431
Customer contracts	2,986	-	-	2,986
Current liabilities				
Trade and other payables	(1,887)	(2,521)	(1,938)	(6,346)
Contract liabilities	-	(33)	(1,297)	(1,330)
Lease liabilities	(34)	(24)	(76)	(134)
Provision for income tax	(1,007)	-	-	(1,007)
Borrowings	-	-	(219)	(219)
Employee benefits	(516)	-	(297)	(813)
Provisions	(39)	(1,222)	(104)	(1,365)
Non-current liabilities:				
Deferred tax liability	(996)	-	-	(996)
Lease liabilities	(15)	(50)	-	(65)
Net assets/(liabilities) acquired	3,977	(68)	1,410	5,319
Goodwill	10,196	1,568	7,056	18,820
Acquisition-date fair value of the total consideration transferred	14,173	1,500	8,466	24,139
Representing:				
Cash paid or payable to vendor	14,173	1,500	6,466	22,139
Intelligent Monitoring Group Limited shares issued to vendor	-	-	2,000	2,000
	14,173	1,500	8,466	24,139
Cash used to acquire business, net of cash acquired:				
Acquisition-date fair value of the total consideration transferred	14,173	1,500	8,466	24,139
Less: cash and cash equivalents	(2,240)	(441)	(1,133)	(3,814)
Less: payments to be made in future periods	(1,140)	-	-	(1,140)
Less: shares issued by Company as part of consideration	-	-	(2,000)	(2,000)
Net cash used	10,793	1,059	5,333	17,185

Note 14. Business combinations (continued)

Adeva Home Solutions Pty Ltd ('Adeva') - Prior year acquisition

In the previous financial year, on 1 May 2024, Mammoth Security Pty Ltd ("Mammoth Securities") acquired all the shares in Adeva Home Solutions Pty Ltd ('Adeva') for the consideration of $2,535,000. Adeva is a national security provider with a highly focused team of technicians that offers a wide range of intelligent products and services, including access control barriers, CCTV recording, innovative alarm systems, business intercoms and integrated solutions.

The values reported at 30 June 2024 in relation to the acquisition of Adeva were provisional at that time. The values have subsequently been finalised as follows:

	Provisional fair value $'000	Amended value $'000	Final fair value $'000
Current assets:			
Cash and cash equivalents	231	-	231
Trade and other receivables	862	-	862
Other	65	-	65
Inventories	455	-	455
Non-current assets:			
Plant and Equipment	10	11	21
Motor vehicles	134	-	134
Right-of-use assets	-	22	22
Customer contracts	2,129	(1,879)	250
Other non-current assets	1,647	1	1,648
Current liabilities			
Trade and other payables	(2,321)	(1)	(2,322)
Lease liabilities	-	(25)	(25)
Provision for income tax	(234)	-	(234)
Employee benefits	-	(183)	(183)
Provision	(182)	156	(26)
Other borrowings	(261)	-	(261)
Non-current liabilities:			
Deferred tax liability	-	(78)	(78)
Lease liabilities	-	(2)	(2)
Provisions	-	(103)	(103)
Net assets/(liabilities) acquired	2,535	(2,081)	454
Goodwill	-	2,081	2,081
Acquisition-date fair value of the total consideration transferred	2,535	-	2,535
Representing:			
Cash paid or payable to vendor	535	-	535
Mammoth Security Pty Ltd shares issued to vendor	2,000	-	2,000
	2,535	-	2,535
Cash used to acquire business, net of cash acquired:			
Acquisition-date fair value of the total consideration transferred	2,535	-	2,535
Less: cash and cash equivalents	(231)	-	(231)
Less: shares issued by Company as part of consideration	(2,000)	-	(2,000)
Net cash used	304	-	304

Note 15. Earnings per share

	Consolidated 31 Dec 2024 $'000	Consolidated 31 Dec 2023 $'000
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Intelligent Monitoring Group Limited	(9,082)	(2,889)

	Cents	Cents
Basic earnings per share	(2.89)	(1.76)
Diluted earnings per share	(2.89)	(1.76)

	Consolidated 31 Dec 2024 $'000	Consolidated 31 Dec 2023 $'000
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of Intelligent Monitoring Group Limited	-	(1,418)

	Cents	Cents
Basic earnings per share	-	(0.87)
Diluted earnings per share	-	(0.87)

	Consolidated 31 Dec 2024 $'000	Consolidated 31 Dec 2023 $'000
Earnings per share for loss		
Loss after income tax	(9,082)	(4,307)
Non-controlling interest	17	-
Loss after income tax attributable to the owners of Intelligent Monitoring Group Limited	(9,065)	(4,307)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	314,493,011	163,802,199
Weighted average number of ordinary shares used in calculating diluted earnings per share	314,493,011	163,802,199

10,500,000 (2023: 9,700,000) performance rights over ordinary shares and 18,742,991 warrants over ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive for the half-year ended 31 December 2024. These performance rights and warrants could potentially dilute basic earnings per share in the future.

There were no pre and post-consolidation options on issue as at 31 December 2024 that could potentially dilute basic earnings per share in the future.

Note 16. Share-based payments

Performance rights

During the period, the Company issued 1 tranche of performance rights totalling 2,650,000 to its employee Executive Director, Dennison Hambling, following approval from shareholders at the Company's AGM held on 29 October 2024. These performance rights were valued at $1,881,500 and will be expensed over the vesting period.

The rights were valued using a binomial option pricing model. The model is implemented by defining the upper and lower values of the stock over discrete periods of time. This may be undertaken by reference to a variety of assumptions about the stock price movements.

Key vesting conditions of the rights are as follows:

Tranche 1 - 2,650,000 performance rights subject to a service vesting condition that Dennison Hambling remains employed by the Company for a period of 18 month from the grant date.

- During the period of 18 months from the grant date, the VWAP of shares, as quoted on ASX, is at least $0.50 based on a period of 20 consecutive ASX trading days

Set out below are summaries of performance rights granted under the plan:

	Number of performance rights 31 Dec 2024	Weighted average exercise price 31 Dec 2024	Number of performance rights 31 Dec 2023	Weighted average exercise price 31 Dec 2023
Outstanding at the beginning of the financial half-year	9,700,000	$0.000	3,700,000	$0.000
Granted	2,650,000	$0.000	6,000,000	$0.000
Exercised	(500,000)	$0.000	-	$0.000
Expired	(1,350,000)	$0.000	-	$0.000
Outstanding at the end of the financial half-year	10,500,000	$0.000	9,700,000	$0.000
Exercisable at the end of the financial half-year	-	$0.000	-	$0.000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial half-year was
0.5 years (2023: 0.7 years).

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
29/10/2024	29/04/2026	$0.710	$0.000	60.00%	-	4.00%	$0.710

Note 16. Share-based payments (continued)

Warrants

In October 2023 the Company issued 18,742,991 warrants to three institutional investors associated with the lenders under the debt facility. 8,785,777 warrants were issued to Tor Asia Credit Opportunity Master Fund III VCC; 6,442,903 warrants were issued to Tor Investment Management LP; and 3,514,311 warrants were issued to AMAL Trustees Pty Ltd atf Longreach Direct Lending Fund. The warrants have zero exercise price and expire on 1 August 2028. The warrants were valued at $4,310,888 and will be amortised over the life of the debt facility. These amortisation costs are included in finance costs as shown on the statement of profit or loss and other comprehensive income.

Each warrant is exercisable into one fully-paid ordinary share in the Company. Subject to the receipt of any regulatory approvals, the warrants will be automatically exercised on the expiry date.

Set out below are summaries of warrants granted under the plan:

	Number of warrants 31 Dec 2024	Weighted average exercise price 31 Dec 2024
Outstanding at the beginning of the financial half-year	18,742,991	$0.000
Outstanding at the end of the financial half-year	18,742,991	$0.000
Exercisable at the end of the financial half-year	-	$0.000

Note 17. Events after the reporting period

As announced on the ASX on 17 February 2025, the company entered in to an agreement to acquire all the shares in KOBE Pty Ltd ('KOBE') for the consideration of $8,900,000. The company will pay an initial tranche of $6,980,000 cash for the Acquisition plus a second deferred tranche currently estimated at $1,920,000, subject to customary adjustments for working capital, cash, and debt amounts on completion. The second payment is by way of an earn out based on KOBE's actual EBITDA for the financial year ending 30 June 2026. The acquisition will be funded from the proceeds of the successful capital raising completed in November 2024 at which time it was announced that potential acquisitions were being evaluated. KOBE was one such acquisition target KOBE is a leading supplier of advanced security systems for government, mining, industrial, retail and other commercial customers, principally in Queensland, and was established in 1999.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Dennison Hambling

Managing Director

26 February 2025

Tel: +61 8 7324 6000
Fax: +61 8 7324 6111
www.bdo.com.au

BDO Centre
Level 7, 420 King William Street
Adelaide SA 5000
GPO Box 2018 Adelaide SA 5001
Australia

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF INTELLIGENT MONITORING GROUP LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Intelligent Monitoring Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and

ii. Complying with Accounting Standard AASB *134 Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, 26 February 2025

Rod North
Bourse Communications Pty Ltd
Investor Relations Service
Mobile: 0408 670 706
Email: rod@boursecommunications.com.au

Dennison Hambling
Email: dhambling@theimg.com.au

INTELLIGENT MONITORING GROUP