



4 April 2023

Earnings Accretive Acquisition of Victorian monitored lines from Voluntary Administrator

ASX: IMB

Highlights

- Intelligent Monitoring Group Limited ("IMG") has acquired the customers of a Victorian security company in Voluntary Administration.
- IMG will pay \$415,000 utilizing existing cash resources to buy ~1,100 customers (mix of direct and wholesale) and guarding work for approximately 20 guarding customers in Victoria.
- Subject to customer attrition post close, this could add ~\$1,400,000pa revenue to IMG and a minimum of \$300,000pa to EBITDA once bedded into IMG's existing operations.
- These customers will be managed by our existing customer team in Victoria, out of the Mammoth Lab facility in Chapel Street, South Yarra.
- This acquisition follows the successful purchase and integration of lines from Monitored 24/7 in Jan 2023 and Advanced Inland Security in mid-2022.
- Supply of lines and businesses for acquisition continue to lift as security company owners look to retire.

Management Commentary

IMG is pleased to announce it has agreed to acquire the customer base of Bellrock, a long-standing respected security operator which entered Voluntary Administration in Dec 2022.

This is expected to add more than \$1,400,000 of annualized sales to IMG, subject to any customer attrition, and more than \$300,000 of annualized EBITDA when integrated. This acquisition will be integrated into IMG's existing infrastructure and IMG expects to have these customers migrated to its Patriot platform by mid-April 2023, in accordance with its agreement with the administrator.

For these clients the transition to Patriot will bring a better service and experience, and access to IMG's skilled and deep operator base (who in Feb actioned 100% of all Priority One events within 10 seconds).

The price is approximately \$370 per monitored customer (excluding any value for the guarding operations) which is the lowest price paid by IMG in its history and is significantly earnings accretive.

The purchase of these lines follows the successful acquisition of both Monitored 24/7 early this year, and Advanced Inland Security (AIS) in the middle of 2022. Both these acquisitions have been successfully integrated and delivered the accretive financial returns forecast. AIS grew its revenue +10% and its profit +54% in 1H23 under IMG's ownership versus the prior period.

INTELLIGENT MONITORING GROUP LIMITED

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ASX RELEASE



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Dennison Hambling MD commented:

"We are seeing more and more independent security companies looking to retire, or for succession options.

Whilst this is a unique and opportunistic acquisition we believe IMG is positioned as the only significant funded Australian backed business, with scale to provide a sustainable pathway for the over 2,000 Australian independent security providers, to exit.

Due to the numbers expected to retire in the next five years, IMG is prioritizing, in the first instance, providers with whom we have an existing working relationship and encourage anyone thinking about retirement to move to IMG to provide the most likely chance of a financial settlement and solution when the time is right".

-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 two-significant monitoring centres.

GROWTH STRATEGY

The Australian security industry remains highly fragmented, with no clear market leader.

Given its stable revenue streams and fixed infrastructure cost model, the industry remains conducive to selective consolidation at attractive returns.

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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