



1 May 2024

Acquisition of Adeva and Return of Signature Security.

Highlights

- Intelligent Monitoring Group Limited ("IMG") has entered into a binding sale and purchase agreement today to acquire 100% of Adeva Home Solutions Pty Ltd ("Adeva") subject to final IMG financier approval ("Acquisition").¹
- IMG will pay \$2.5m (comprising \$0.5m cash and \$2m in shares in IMG subsidiary Mammoth Security) to the Adeva founders (Adam Woolston and Evan Comb), plus a potential earn out. The earn out and shareholding in Mammoth Security is intended to align the Adeva founders to the future success of the business.
- The Acquisition is expected to add \$9m in Revenue and \$0.8m EBITDA to the IMG group in FY25, representing a purchase value of 2.8x pro forma FY24 Adeva EBITDA.
- IMG to return the historic and significant "Signature Security" brand, to be operated by Mammoth Security and Adeva.² The founders of Adeva will become General Managers of Signature Security.

Acquisition of Adeva

IMG's subsidiary Mammoth Security has entered into a binding sale and purchase agreement today to acquire 100% of the shares in Adeva from its founders.

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.

Mammoth Security will pay \$0.5m cash (subject to a customary working capital and net debt adjustment) and issue \$2m worth of shares in Mammoth Security (giving the Adeva founders a 12.6% stake in Mammoth Security) as consideration.

Completion of the Acquisition is conditional upon IMG receiving formal approval for the Acquisition from its financiers, as well as certain other customary conditions in IMG's favour. Subject to satisfaction of these conditions, IMG is targeting completion occurring on 31 May 2024.

The Adeva vendors will be entitled to an earn out amount equal to 12.6% of 3.5 times the EBITDA of the "Signature Security" group in excess of \$3.8m for the financial year ending 30 June 2027, subject to the Adeva founders remaining shareholders of Mammoth Security as at 30 June 2027.

Signature Security will be run as a largely stand-alone business within the IMG group. Dennison Hambling (IMG MD) and Peter Kennan (IMG Chair) will sit on the board, alongside the Adeva founders.

¹ Via IMG's subsidiary, Mammoth Security Pty Ltd ("Mammoth Security").

² Mammoth Security and Adeva combined will be referred to as the "Signature Security" group.

INTELLIGENT MONITORING GROUP LIMITED

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IMG subsidiary Intelligent Monitoring Solutions Pty Ltd ("IMS") will hold a call option³ over the Adeva founders' shares in Mammoth Security, exercisable at any time before 30 June 2027 at a valuation equal to Signature Security EBITDA multiplied by a call option multiple.⁴

Management Commentary

IMG is pleased to announce it has agreed to acquire Adeva Security and work with Adam Woolston and Evan Comb to bring the Signature Security business back to life in Australia.

At one time Signature was nearly the largest end-to-end security business for residential and small businesses in Australia (with nearly 100,000 customers) and its stickers and profile still remain at large across Australia today.

IMG intends to create a significant second full-service security business and brand by combining Adeva and its 40 national technicians with IMS's existing customer base, generating a platform for growth.

Signature will immediately become the second largest bureau (or wholesale) customer of IMS (IMG's monitoring business Patriot-based A1 graded security monitoring platform – operating 2x rooms in a backed-up fashion), behind Advanced Inland Group (which was recently sold back to local ownership having been owned by IMG for 16 months).

Dennison Hambling MD commented:

"Bringing the Signature Security brand back to life is an exciting moment for IMG and ADT (which acquired Signature for \$171m in 2011 and 11.6x 2010 EBIT)⁵ and its staff, many of whom came from the Signature Security acquisition originally.

Putting the existing Mammoth customers, with IMS's 2x Patriot control rooms (which will enable more value-added solutions – such as video guarding and verification) in the management hands of Adam and Evan and their technicians is a very exciting development, and is anticipated to create a further growth platform for IMG in the in-demand security services space".

[**Attached: Presentation - Acquisition of Adeva and Return of Signature Security**]

-ENDS-

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

³ The call option may be settled in cash, IMG shares or a combination of both (at IMG's election).

⁴ The call option multiple is the higher of (i) 3.5, and (ii) the prevailing IMG group EV/EBITDA multiple (based on IMG's most recent EBITDA forecast as announced to ASX, or if a takeover for IMG has been announced, the multiple implied by the takeover) discounted by 25%.

⁵ The Australian Financial Review, 'Tyco pays \$171m for Signature Security' (24 February 2011).

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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'**.

IMPORTANT INFORMATION

This announcement contains certain "forward-looking statements", including IMG's beliefs, assumptions and expectations. The words "expect", "anticipate", "estimate", "intend", "likely", "believe", "guidance", "should", "could", "may", "will", "predict", "plan", "propose", "goals", "aim", "target" and other similar expressions are intended to identify forward-looking statements. Any indications of, and guidance on, outlook, future operating performance, earnings and financial position and performance are also forward-looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that those predictions, forecasts, projections and other forward looking statements will not be achieved. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

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Acquisition of Adeva and Return of Signature Security

May 2024



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This investor presentation has been prepared by Intelligent Monitoring Group Limited (ACN 060 774 227) (**IMG**). It contains general information about IMG and its subsidiaries (**Group**) and the proposed acquisition by Mammoth Security Pty Ltd (**Mammoth Security**) of Adeva Home Solutions Pty Ltd (**Adeva**).

The information in this presentation should not be considered to be comprehensive or to comprise all of the material which a shareholder or potential investor in the Company may require in order to determine whether to deal in the Company's shares. The information in this presentation is of a general nature only and does not purport to be complete. It should be read in conjunction with the Company's periodic and continuous disclosure announcements which are available at <https://intelligentmonitoringgroup.com/investors/> and with the Australian Securities Exchange (**ASX**) announcements, which are available at www.asx.com.au.

Future performance

This presentation contains certain "forward-looking statements", including the Company's beliefs, assumptions and expectations. The words "expect", "anticipate", "estimate", "intend", "likely", "believe", "guidance", "should", "could", "may", "will", "predict", "plan", "propose", "goals", "aim", "target" and other similar expressions are intended to identify forward-looking statements. Any indications of, and guidance on, outlook, future operating performance, earnings and financial position and performance are also forward-looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that those predictions, forecasts, projections and other forward looking statements will not be achieved. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

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IMG ACQUISITION OF ADEVA

- ❖ IMG has agreed to acquire 100% of Adeva Home Solutions Pty Ltd (“**Adeva**” or “**Adeva Security**”) for \$2.5m (comprising \$0.5m cash and \$2m worth of shares in IMG’s subsidiary Mammoth Security Pty Ltd), plus a potential earn out (“**Acquisition**”).
- ❖ The Acquisition is expected to add \$9m in Revenue and \$0.8m EBITDA to the IMG group in FY25, representing a purchase value of 2.8x pro forma FY24 Adeva EBITDA.
- ❖ IMG to return the historic and significant “Signature Security” brand, to be operated by Mammoth Security and Adeva (together referred to as the “Signature Security” group).



- ❖ The founders of Adeva will become General Managers of Signature Security, reporting to Dennison Hambling (Managing Director of IMG Group).



KEY ACQUISITION TERMS

- ❖ Acquisition conditional on formal approval from IMG's financiers (as well as certain other customary conditions in IMG's favour).
- ❖ Subject to satisfaction of conditions, completion targeted for 31 May 2024.
- ❖ Adeva founders to hold 12.6% shareholding in Mammoth Security, with IMG having a call option over the shareholding exercisable on or before 30 June 2027 at a valuation equal to Signature Security group EBITDA multiplied by a call option multiple.¹
- ❖ The Adeva vendors will be entitled to an earn out amount equal to 12.6% of 3.5 times the EBITDA of the "Signature Security" group in excess of \$3.8m for the financial year ending 30 June 2027, subject to the Adeva founders remaining shareholders of Mammoth Security as at 30 June 2027.

¹ The call option multiple is the higher of (i) 3.5 times, and (ii) the prevailing IMG group EV/EBITDA multiple (based on IMG's most recent EBITDA forecast as announced to ASX, or if a takeover for IMG has been announced, the multiple implied by the takeover) discounted by 25%. The call option may be settled in cash, IMG shares or a combination of both (at IMG's election).

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Adeva Overview



ABOUT ADEVA SECURITY



Established in 2013 with a clear vision to deliver customized security solutions.



What started as a small sales team, has expanded across Australia and New Zealand and now has over 50 staff.



Adeva's growth underscores their commitment to innovation and adaptability in response to evolving security technologies.



Central to this success has been Adeva's highly focused team of technicians and designers.



Adeva has been (IMG subsidiary) ADT's largest subcontractor for security installation and service work.



KEY CAPABILITIES

- ✓ Wide range of intelligent products and services.
- ✓ Safeguards the premises and data of Australia's leading brands.
- ✓ Plays a key role in making it easier for large national and international organisations to maintain situational awareness across multiple sites.
- ✓ They work with global technology partners to optimise projects and installations.



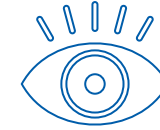
Commercial Security

Full remote control over business premises, including multiple sites



IP CCTV Video Surveillance

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



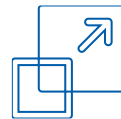
Security Monitoring

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



Access Control

Access control using individual login codes for restricted areas



Integrated Solutions

Tailored and scalable 'security as a service' model for all types of businesses



Retail Solutions

Customised security solution that can cater for any retail business need

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KEY CUSTOMERS



Department of Transport



SHERWIN WILLIAMS®

wattyl®

Surf Dive'n Ski*



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ADEVA – FOOTPRINT

Adeva has a national presence, with offices in 5 states in Australia and 1 region in New Zealand and 50+ full-time employees as well as a large subcontractor network, with a dedicated sub-contractor team elsewhere.

Adelaide

95 Womma Rd, Edinburgh Nth,
SA, 5113

Brisbane/Gold Coast

54/28 Burnside Road, Ormeau,
QLD, 4208

Melbourne

7-9 Bernard Street, Mount
Waverley, VIC, 3149

Perth

1/7 Caloundra Rd, Clarkson, WA, 6030

Sydney

7E/256 New Line Road, Dural, NSW,
2158



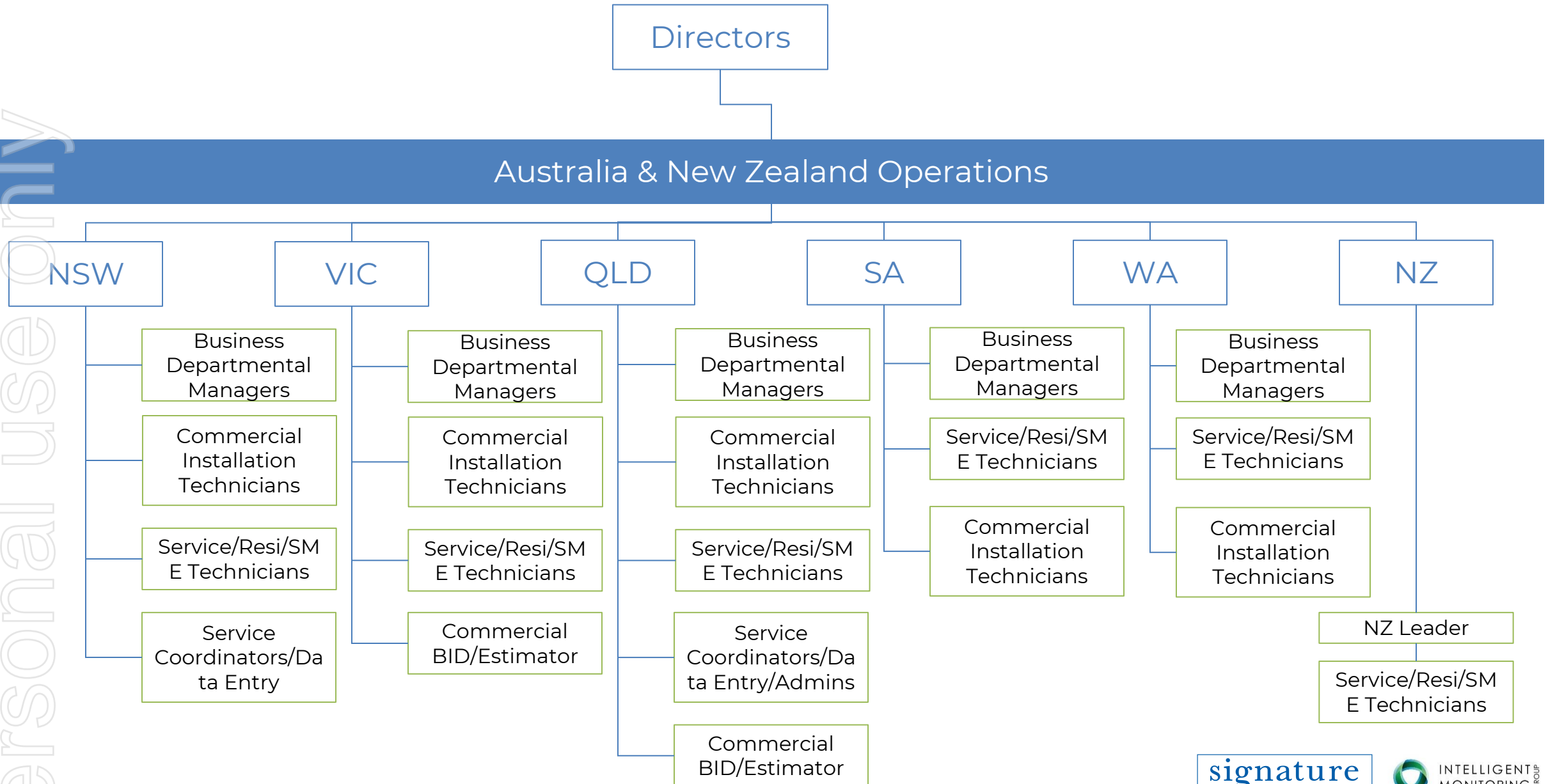
Auckland

60 Hugo Johnston Drive, Penrose,
New Zealand, 1061



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ADEVA'S GLOBAL TECHNOLOGY PARTNERS



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Signature History



BRINGING SIGNATURE SECURITY “BACK”

IMG to return the “Signature Security” brand to be operated by Mammoth Security and Adeva, creating a second full-service security business and brand.

Signature security business was acquired by ADT in 2011 and the brand retired

- ADT (then owned by Tyco, which was subsequently acquired by JCI), acquired **Signature Security** for \$171m.
- This was reported as being for 11.6x FY2010 EBIT (AFR article). Signature had reportedly 90,000 customers in Australasia. It was Australia’s third-largest monitored security provider at the time.
- Signature security brand was retired and merged into ADT **in June 2017**

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IMG Future



STRENGTHENS CURRENT IMS BUSINESS

Adeva and Mammoth merger will enable dedicated Service to existing Intelligent Monitoring Solutions (IMS) customers

Acquisition of Adeva creates the opportunity to bring back the Signature brand

- IMS's current 15,000 direct customers (via the Mammoth business) have been underserved through lack of direct security technicians.
- Adeva (which is currently a subcontractor to ADT, amongst other providers) has 40 technicians (across Australia) and will be combined with IMS's direct customer business, Mammoth, to form "Signature Security".
- Adeva is expected to add \$0.8m to EBITDA, with further synergies potentially available post-acquisition.

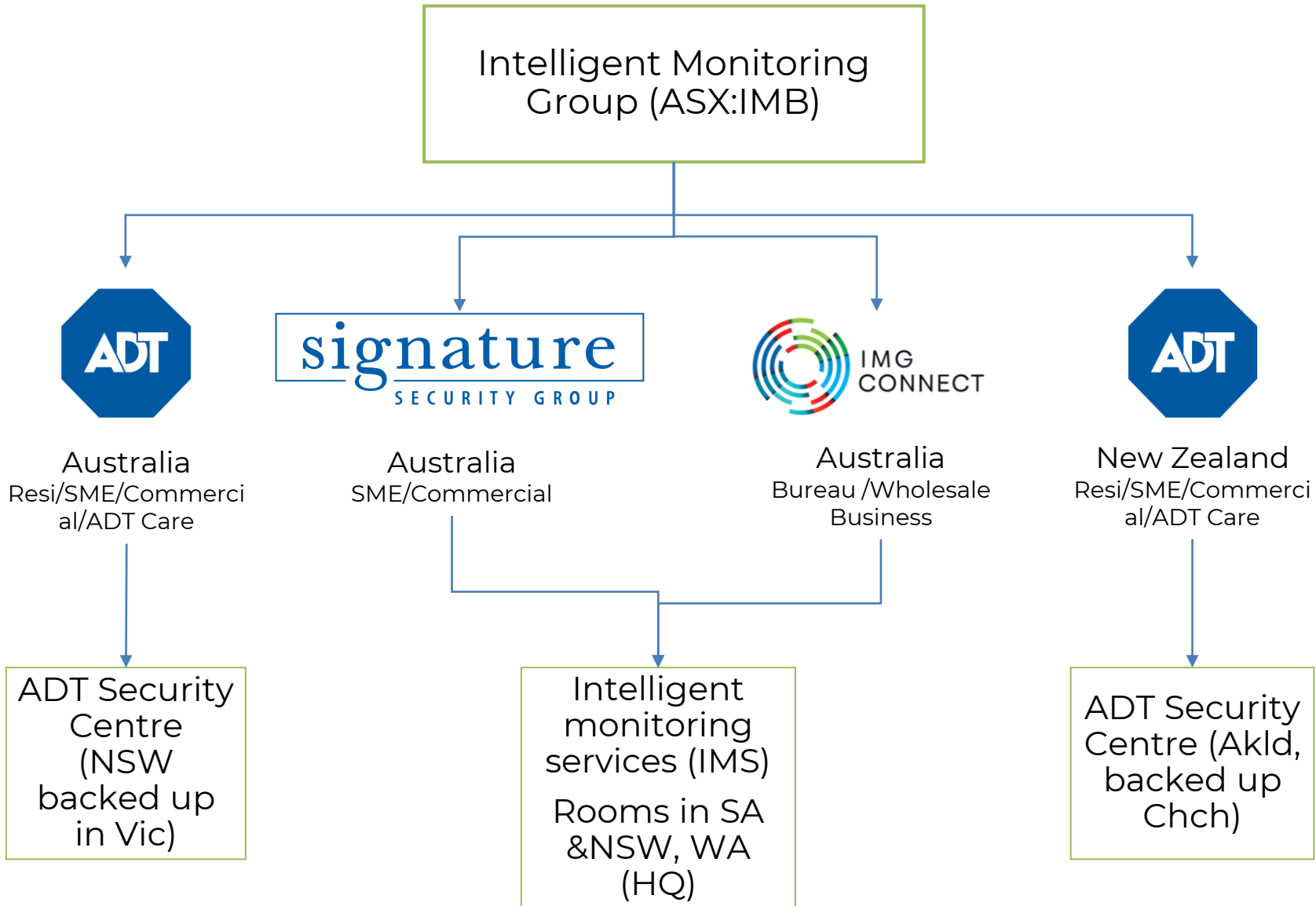


Outcome

Expected to create a significant second full-service security business and brand

- ✓ Operating a variety of security platforms, Signature will be ideally positioned to look after customers looking for a different service than offered by ADT (particularly wired, technical home and SME systems).
- ✓ Signature will become the largest "customer" of IMS. IMS will become an exclusively wholesale-only security service.
- ✓ Signature will be led by Adam Woolston and Evan Comb (who will own 12.6% of Signature Security: IMS 87.4%).

IMG BUSINESS POST ADEVA/SIGNATURE



Consumer presence

Operations

CONCLUSION: ACCRETIVE WITH GROWTH FOCUS

Creation of Signature is expected to be accretive and further enhance growth for IMG

- Adeva acquisition allows IMG to put a proper focus and resourcing into its 15,000 direct “Mammoth” branded customers, with no additional cost or loss of focus
- Accretive deal, which is expected to drive growth across the group
- Potential to unlock value from the “Signature” brand with low incremental costs.



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