



28 May 2024

Strategic Acquisitions & Equity Placement

Highlights

- Intelligent Monitoring Group Limited ("**IMG**" or the "**Company**") has entered into separate binding sale and purchase agreements to acquire all of the shares in Everjazz Pty Limited ("**Alarm Assets Group**" or "**AAG**") and ACG Integration Pty Ltd ("**ACG**") from two separate private vendors. ("**Acquisitions**").¹
- IMG will pay an aggregate of \$15.9 million in cash consideration for the Acquisitions, subject to customary adjustments for working capital, cash, and debt amounts on completion.
- The Acquisitions are expected to deliver an additional FY24 proforma EBITDA of \$5.7m, representing an EV/EBITDA acquisition multiple of 2.8x.
- The Acquisitions add more than 35 skilled technicians with national coverage to increase scale and unlock capacity for continued growth in IMG's commercial business, which has been supplier constrained. AAG and ACG have a blue-chip client base, including ASX 100 companies and large government clients.
- IMG will fund the Acquisitions through the placement of approximately 60.4 m new shares at \$0.32 to raise approximately 19.3m, which is expected to be highly EPS accretive.
- The Acquisitions position IMG well for a potential refinancing of existing debt and associated reduction in interest costs in CY25.
- Completion of the Acquisitions is subject to various conditions being satisfied and is targeted to occur by 30 June 2024.

Acquisitions

IMG's subsidiary ADT has entered into separate binding sale and purchase agreements today to acquire all of the shares in AAG and ACG, from two separate private vendors.

Alarm Assets Group is a security services provider principally based in Western Australia, while ACG is a national security services provider. Both AAG and ACG have a highly skilled and focused team of technicians and provide a wide range of security products and services.

ADT will pay an aggregate of \$15.9 million in cash consideration for the Acquisitions, subject to a customary working capital, cash, and debt adjustment.

Completion of each Acquisition is conditional upon IMG receiving formal approval for the relevant Acquisition from its financiers, as well as certain other customary conditions in ADT's favour. Subject to satisfaction of these conditions, IMG is targeting completion of the Acquisitions to occur prior to 30 June 2024.

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

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Placement

IMG has successfully completed a placement of approximately \$19.3 m to eligible institutional and sophisticated investors under its existing placement capacity under ASX listing rules 7.1 and 7.1A. Approximately 60.4 m new fully paid ordinary shares in IMG ("**New Shares**") will be issued under the Placement.

New Shares issued under the Placement will be issued at a price of \$0.32 per New Share, representing a:

- 7.2% discount to the last closing price of \$0.345 per share on 23 May 2024; and
- 0.4% discount to the 10-day volume weighted average price of \$0.322 per share up to and including 23 May 2024.

The net proceeds raised from the Placement will be used by IMG to fund the Acquisitions, and associated transaction costs and working capital requirements.

The New Shares are expected to settle on Monday, 3 June 2024 and allotment is expected to occur on Tuesday, 4 June 2024. The New Shares will rank equally with existing IMG shares from the date of issue.

Company comment

Managing Director Dennison Hambling said, "These acquisitions are highly beneficial and timely additions to the ADT business in Australia. Having already lifted ADT's commercial business from \$2m revenue in the year prior to IMG's acquisition of ADT to a run rate of \$12m p.a. by the end of June 2024, the addition of these quality businesses, customers, and people will help unlock ADT's commercial business further as it seeks to return to its historical levels of \$125m² revenue and beyond.

IMG now looks forward to bringing these businesses into its operations, along with the recently acquired Adeva business³ (trading as Signature Security) and a clean 1HFY25 from which we intend to undertake a refinancing of IMG's existing financing arrangements.

IMG is very thankful to its existing investors for their ongoing support in building what we envisage being the best security services business offering in Australasia. Following today's placement, IMG also warmly welcomes several new institutional investors onto the register."

Further information

The investor presentation provided to the ASX today provides further details of the Acquisitions and the Placement. Morgans Corporate is acting as the Lead Manager for the Placement, and Jones Day is acting as IMG's legal adviser.

-ENDS-

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

² Historic Unaudited FY2012 Management accounts \$74m Installation revenue & \$51m Service.

³ Refer to ASX announcement 'Acquisition of Adeva and Return of Signature Security', 1 May 2024.



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About Intelligent Monitoring Group Limited

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

The Company operates with the highest security accreditation from its four-significant monitoring centres, and trades under the ADT, Signature Security and IMG Connect brands.

Forward Looking Statements

This announcement 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 announcement 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.

Forward-looking statements, including projections, guidance on future operations, earnings and estimates (if any), are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This announcement contains statements that are subject to risk factors associated with the Company's industry as well as unknown risks and uncertainties (both general and specific), many of which are outside the control of the Company. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables, some of which are outside the Company's control, which could cause actual results or trends to differ materially, including but not limited to earnings, capital expenditure, cash flow and capital structure risks and general business risks. Given this, undue reliance should not be placed on any forward-looking statement.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including by the Company). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. Actual operations, results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Any forward-looking statements in this announcement speak only as of the date of this announcement. Subject to any continuing obligations under applicable law, the Company expressly disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this announcement to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this announcement will, under any circumstances, create an implication that there has been no change in the affairs of the Company since the date of this announcement.

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