



4 October 2023

Strategic NZ Acquisition & ADT Update

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Highlights

- Intelligent Monitoring Group Limited ("**IMG**" or the "**Group**") has entered into a binding agreement via its 100% subsidiary ADT Security Limited New Zealand to acquire the ~3,100 security customers of "**Securely**" the brand name of Electra Services Limited a 100% owned subsidiary of Electra Group. This acquisition is immediately earnings accretive and made under the Group's target 3x forecast cash profit multiple, used for capital deployment.
- IMG has completed its first 8 weeks of ownership of "**ADT**" (ADT Security Australia and NZ) and is pleased to disclose that it has traded modestly above its forecast earnings level in the first month of the significantly enlarged Group.
- IMG is delighted with the ADT integration progress to date and is on track to deliver the Group profitability forecast (\$31m annualised EBITDA) made at the time of the ADT acquisition.

Acquisition Overview

IMG is pleased to announce a further earnings accretive, "bolt-on" acquisition as it continues to build what is now Australasia's largest security (& fire) monitoring business.

Securely Acquisition

The acquisition of Securely's 3,100 security lines comes as parent Electra looks to exit its security operations in NZ and focus on its own core business. This acquisition was presented immediately after IMG's purchase of ADT and was strongly endorsed by local ADT NZ management. The NZ team (led by Alison Kingdon) is now operating as a standalone operation and is keen to get to work re-building ADT as New Zealand's leading security provider and this will help them put some early runs on the board.

IMG has acquired these lines at approximately \$NZ290 (incl GST) per customer, a new record low price for lines, which makes it a further accretive acquisition to IMG as these customers are transitioned to ADT's Onehunga control room by the end of December 2023.

ADT and Operations Update

IMG has been very pleased with the positive response by staff and customers to ADT's acquisition by IMG, returning ADT to local market ownership at a time when security and monitoring of assets and persons have never been more pertinent and in focus.

Since the acquisition closed on 1st August, the ADT team (led by Geoff Campbell Brown in Australia and Alison Kingdon in NZ) has been working hard on improving the

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economics of the product offer (having discontinued the prior policy of selling security systems for a significant cash loss upfront) and beginning to transition from the systems and processes of its former owners.

IMG is happy to disclose that during the month of August, IMG (incl ADT) traded above the budget set in the acquisition model. This includes a strong month for IMS (the IMG business pre-ADT) which traded above the target levels required for the \$6m EBITDA target disclosed at the time of the ADT acquisition.

As a result, after one month the team is confident, but vigilant, that it is on track to achieve the \$31m (annualised for 11 months of ADT ownership) EBITDA targeted at the time of the equity raise for the acquisition of ADT.

Managing Director Dennison Hambling commented:

"IMG is a highly focused and driven business, with a strong executive and operational team who collectively have a firm handle on becoming Australasia's pre-eminent security and monitoring partner for individuals, businesses, and government.

Whilst the industry has increasing tailwinds, we are focused on lifting our service levels, and providing value for all our customers, be they dealer or direct, in order to grow and broaden the Security offering to levels that equal and surpass what customers in other countries would experience and expect today.

We have an exciting 12 months in front of us and look forward to updating the market on progress at our AGM in October, to be held at 2pm on Thursday 26th October, Rydalmere, New South Wales."

-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) helps provide monitored security, fire and IOT solutions that ensure the safety and protection of over 180,000 Australasian businesses, 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.

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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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