



Acquisition of Adeva and Return of Signature Security

May 2024



INTELLIGENT
MONITORING GROUP

ASX:IMB



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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).

Adeva Overview



ABOUT ADEVA SECURITY



Established in 2013 with a clear vision to deliver customised 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.



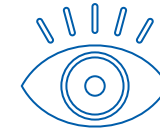
Commercial Security

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



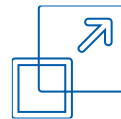
Security Monitoring

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

KEY CUSTOMERS



Department of Transport



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 sub-contractor 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



ORG CHART



ADEVA'S GLOBAL TECHNOLOGY PARTNERS



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**

IMG Future



STRENGTHENS CURRENT IMS BUSINESS

Adeva to be combined with Mammoth to service existing, stranded customers of Intelligent Monitoring Solutions (IMS)

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 sub-contractor 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.

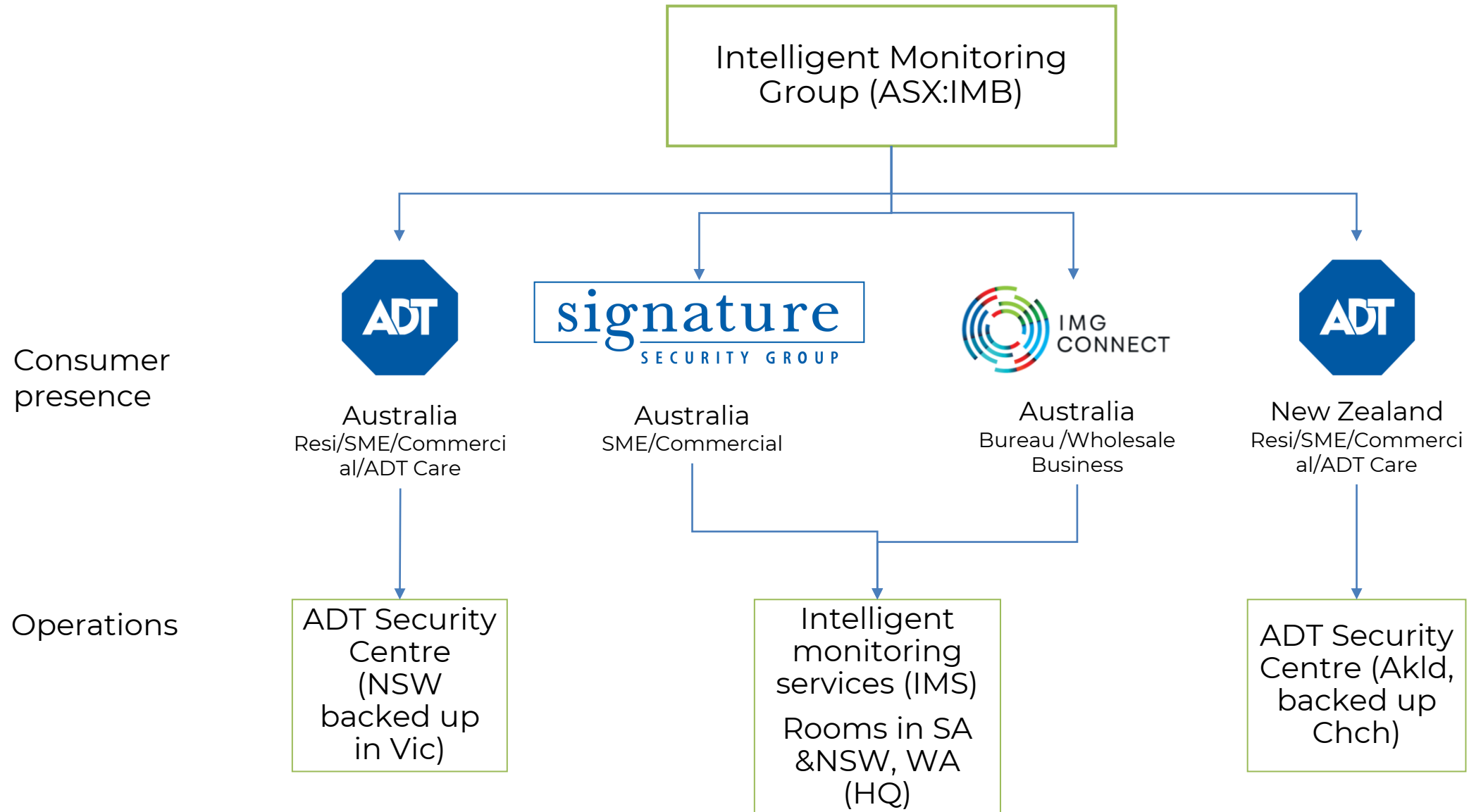


Outcome

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



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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