



INTELLIGENT
MONITORING GROUP

ASX: IMB

ASX RELEASE

7 November 2024

DVL Acquisition & Successful \$20m Equity Raise

Highlights

- Intelligent Monitoring Group Limited ("**IMG**" or the "**Company**") has entered into a binding sale and purchase agreement to acquire all of the shares in Dataline Visual Link Pty Ltd ("**DVL**"). ("**Acquisition**").¹
- IMG will pay \$7 million for the Acquisition, comprising \$5 million cash and \$2 million in deferred IMG shares, subject to customary adjustments for working capital, cash, and debt amounts on completion.
- The Acquisition is expected to be immediately EPS accretive and is anticipated to generate FY24 proforma EBITDA of \$1.9m, representing an EV/EBITDA acquisition multiple of 3.7x.
- The Acquisition, through IMG subsidiary, ADT Security Group Pty Ltd, will strategically expand IMG's operating footprint in WA, strengthening our national platform for the business in Commercial & Enterprise.
- IMG has successfully completed a placement to new and existing institutional investors of approximately 41.7m new shares at \$0.48 to raise approximately \$20m ("**Placement**"). Proceeds from the Placement will be used to fund the Acquisition, associated transaction costs, and to provide balance sheet funding flexibility to continue to pursue further acquisitions and growth initiatives.
- IMG is guiding FY25 underlying EBITDA to be above \$38m (before any contribution from the Acquisitions).
- In addition to the Placement, the Company will offer a Share Purchase Plan ("**SPP**") to eligible shareholders which is expected to raise up to a further \$3.0m.
- IMG is well positioned for a potential refinancing of existing debt and associated reduction in interest costs in FY25, by the end of the guaranteed interest period to the current lenders in Feb 2025.
- Completion of the Acquisition is subject to various conditions being satisfied and is targeted to occur by 30 November 2024.

Acquisition

IMG's subsidiary ADT has entered into a binding sale and purchase agreement today to acquire all of the shares in DVL.

DVL is a Perth based provider of high-quality and leading-edge electronic security solutions, including: CCTV equipment, security and access control equipment, specialist detection and surveillance equipment, as well as monitoring and maintenance services. DVL customises solutions to help businesses solve complex security and technological challenges, and are specialists in remote and sensitive environments.

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



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ADT will pay \$7 million for the Acquisition, comprising \$5 million in cash consideration and \$2 million deferred until 30 June 2025 in IMG shares, subject to customary working capital, cash, and debt adjustment.

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 ADT's favour. Subject to satisfaction of these conditions, IMG is targeting completion of the Acquisition to occur prior to 30 November 2024.

Additionally, IMG has commenced negotiations, or is in ongoing discussions, to acquire several targeted operations across Australia and New Zealand (collectively with DVL "**the Acquisitions**"). The Acquisitions, should they all complete, have the potential to contribute additional EBITDA on a run-rate basis.

Placement

IMG has successfully completed a placement of approximately \$20m to new and existing sophisticated investors under its existing placement capacity under ASX listing rule 7.1. Approximately 41.7m 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 \$0.48 per New Share, representing a:

- 4.0% discount to the last closing price of \$0.50 per share on 4 November 2024; and
- 17.4% discount to the 5-day volume weighted average price of \$0.58 per share up to and including 4 November 2024.

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

The New Shares are expected to settle on Wednesday 13 November 2024 and allotment is expected to occur on Thursday 14 November 2024. The New Shares will rank equally with existing IMG shares from the date of issue.

Morgans Corporate Limited and Moelis Australia acted as Joint Lead Managers to the Placement.

Concurrent with the Placement, Black Crane Asia Pacific Opportunities Fund ("**Black Crane**") sold approximately 15.6m existing fully paid ordinary shares (representing ~11.0% of Black Crane's existing holding) to existing and new investors via a sell-down ("**Black Crane Sell-down**") to facilitate greater free-float and liquidity in IMG.

Following the Placement, Black Crane will continue to hold approximately 36.7% of IMG shares on issue.

Black Crane has committed not to sell additional shares in IMG within the next six months.

Share Purchase Plan

In addition to the Placement, the Company will offer an SPP to eligible shareholders to raise up to \$3m. Eligible shareholders as of the record date of 7:00pm (AEST) on Wednesday 6 November 2024 with a registered address in Australia and New Zealand will be invited to participate in the SPP at the offer price of \$0.48 per share (the same issue price as the Placement).



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An offer document containing the terms and conditions of the SPP will be lodged with ASX and sent to eligible shareholders on 15 November 2024. It will include a link to a personalised application form, and shareholders should read the offer document in full before submitting an application under the SPP.

Company comment

Managing Director Dennison Hambling said, "This acquisition is a further important piece in helping IMG, through ADT, (re)build a complete network of security technicians across Australia and New Zealand to support our enterprise and commercial customers.

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 further help unlock ADT's commercial business as it seeks to return to its historical levels of \$125m annual revenue and beyond.

Together with the successful acquisitions of ACG & AAG in July, DVL will help unlock further customer work that is under discussion and help IMG continue to build what is a strong organic growth profile.

IMG is guiding for underlying EBITDA to be above \$38m for FY25 (before any contribution from the Acquisitions). Adjusting for the +\$7.9m P&L impact of the 3G transition in FY24, the FY25 guidance represents an underlying EBITDA growth rate of ~17%. DVL is expected to contribute additional EBITDA of \$1.9m on a pro-forma basis.

Timetable

Event	Date
Trading halt	Tuesday, 5 November 2024
Record Date for SPP	7.00pm (AEDT) Wednesday, 6 November 2024
Resume normal trading and announce Acquisition and results of Placement	Thursday, 7 November 2024
Settlement of new shares issued under the Placement	Wednesday, 13 November 2024
Allotment and trading of new shares issued under the Placement	Thursday, 14 November 2024
SPP offer opens and SPP offer booklet is dispatched	Friday, 15 November 2024

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SPP offer closes	5.00pm (AEDT) Friday, 29 November 2024
Announcement of results of SPP	Wednesday, 4 December 2024
Allotment of New Shares issued under the SPP	Thursday, 5 December 2024
New Shares issued under SPP commence normal trading	Friday, 6 December 2024

Note: The dates in the timetable above are Sydney, Australia time. This timetable is indicative only and subject to change. The Company reserves the right to amend the dates at its discretion and without notice, subject to ASX Listing Rules and the Corporations Act 2001 (Cth).

Further information

The investor presentation lodged with the ASX today provides further details of the Acquisition and the Placement. Jones Day is acting as IMG's legal adviser in relation to the Acquisition and Placement.

-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 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 Intelligent Monitoring Solutions 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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