

ASX RELEASE – IVE GROUP LIMITED (ASX:IGL)

18 October, 2021

IVE to further expand retail display and 3PL offer through the strategic acquisitions of Active Display Group (ADG) and AFI Branding Solutions (AFI)

IVE Group Limited (IVE) today announces that it has signed a binding agreement to acquire 100% of retail display and 3PL business Active Display Group (ADG), and Melbourne based AFI Branding Solutions (AFI).

The total purchase consideration for both ADG and AFI is \$6.5m, \$5.2m payable on completion, with \$1.3m of the total payable as deferred consideration based on the achievement of agreed revenue targets over a 24 month period.

The acquisitions are expected to contribute annual revenues of circa \$45m, additional EBITDA of \$6.5m and NPAT of \$4m (2.8 cents per share), post the full integration of both ADG and AFI into IVE's existing operations. The integration of both businesses will commence in November 2021 and will be complete by June 30, 2022.

The agreements are subject to the satisfaction of customary conditions and are scheduled to complete on October 31, 2021.

The acquisitions will be funded through IVE's existing cash reserves.

IVE CEO Matt Aitken said "building further on the strong growth over the last 5 years of our existing retail display operations in both NSW and Victoria, these acquisitions further strengthen our offering as the leader in the design and production of temporary, semi-permanent and permanent retail display solutions to leading Australian and global brands.

ADG's 3PL division is also a seamless fit for IVE's already extensive logistics and fulfilment operations across NSW and Victoria.

Both acquisitions continue the ongoing growth in diversifying our revenue streams, and reaffirm the opportunities that present to identify earnings accretive acquisitions as recently foreshadowed at the time of our full year results in August of this year".



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This announcement has been approved by the IVE Group Board.

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Please visit our website: <https://investors.ivegroup.com.au/Investor-Centre/>

About Active Display Group

With over 30 years of experience, ADG is Australia's most diverse and awarded creator of point of sale display, print, visual merchandising, retail fit-out and signage. Offering an extensive range of in-house services, products and facilities, ADG will design, manufacture and implement any retail marketing campaign from seasonal promotions through to permanent store-fixturing programs. ADG's 3PL division is a seamless fit for IVE's already extensive logistics and fulfilment operations across NSW and Victoria.

About AFI Branding

AFI is Australia's largest fabric signage printer and over years of innovation and leadership, has been at the forefront in creating custom branded displays for a range of industries including retail, major events and exhibitions throughout Australia. Founded in 1992, AFI has a full-service offering from industrial design and fabrication, digital printing, sewing and despatch at its dedicated production facility in Melbourne. Printing more than 15,000m² of fabric per month, AFI Branding is widely celebrated as being the first in its industry to implement a fabric takeback scheme in 2019, which has already seen more than 200 tonnes of fabric diverted from Australian landfill. AFI continues to work with industry partners to lead the charge on establishing and maintaining a circular economy across Australian industries.