



27 May 2022

Dispatch of Retail Entitlement Offer Information Booklet

Intelligent Monitoring Group Limited (ASX: IMB) (Company) advises that it will today complete dispatch of the Retail Entitlement Offer Information Booklet and personalised Entitlement and Acceptance Forms to shareholders eligible to participate in the retail component of the Company's accelerated non-renounceable entitlement offer announced on 20 May 2022 (**Retail Entitlement Offer**).

Eligible retail shareholders can also access a copy of the Retail Entitlement Offer Information Booklet at: <https://intelligentmonitoringgroup.com/investors/>.

A letter to ineligible retail shareholders notifying them of the Retail Entitlement Offer and their ineligibility to participate will also be dispatched today.

A copy of the Retail Entitlement Offer Information Booklet and the letter to ineligible retail shareholders is attached.

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

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About Intelligent Monitoring Group Limited

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

The Company operates with the highest security accreditation from its two-significant monitoring centres.

GROWTH STRATEGY

The Australian security industry remains highly fragmented, with no clear market leader.

Given its stable revenue streams and fixed infrastructure cost model, the industry remains conducive to selective consolidation at attractive returns.

TECHNOLOGY A KEY DRIVER FOR CHANGE

Technology change (IOT & Ai) has created substantial opportunities to profitably extend the Company's existing skills into new complementary market areas and customer opportunities.

The use of Smart, High Resolution cameras, with Monitoring capability will create substantial opportunities for growth in many industries over the coming decade. **'Cameras as alarms'**.

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Intelligent Monitoring Group Limited

Retail Entitlement Offer Information Booklet

A pro rata accelerated non-renounceable entitlement offer of 1 New Share for every 1 Existing Share at an issue price of \$0.15 per New Share to raise up to approximately \$10 million, partially underwritten up to approximately \$8.2 million.

Last date for acceptance and payment is 5:00 pm (AEST) on 15 June 2022 (unless extended)

If you are an Eligible Retail Shareholder, this document is important and requires your immediate attention. It should be read in its entirety. This document is not a prospectus under the *Corporations Act 2001* (Cth) and has not been lodged with the Australian Securities & Investments Commission. If you have any questions, you should contact your stockbroker, solicitor, accountant or other professional adviser.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OF AMERICA

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IMPORTANT NOTICES

This Information Booklet is dated 27 May 2022.

The Entitlement Offer is being made without a prospectus under section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*). This Information Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet is important and should be read in its entirety before deciding to participate in the Retail Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

Intelligent Monitoring Group Limited (**IMB** or the **Company**) may make additional announcements after the date of this Information Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Retail Entitlement Offer.

No party other than IMB has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet or for any action you take in reliance on this Information Booklet.

The Joint Lead Managers and Underwriters have not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Information Booklet and there is no statement in this Information Booklet which is based on any statement made by them or by any of their affiliates, officers, employees or advisers. To the maximum extent permitted by law, the Joint Lead Managers and Underwriters, their related bodies corporate and affiliates and each of their respective, officers, employees and advisers expressly disclaim all liabilities in respect of, and make no representations or warranties regarding, and take no responsibility for, any part of this Information Booklet other than references to their names and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Information Booklet.

By paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Information Booklet.

Foreign offers

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make that offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Retail Shareholders and may not be distributed in the United States of America and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States of America.

This Information Booklet is not to be distributed in, and no offer of New Shares is to be made in countries other than Australia and New Zealand. The distribution of this Information Booklet (including an electronic copy) in other jurisdictions may be restricted by law and, therefore, persons who come into possession of this Information Booklet should seek advice on and observe these

restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Each Application will be subject to all requisite authorities and clearances being obtained for IMB to lawfully receive any or all of the Application Monies.

Definitions, currency and time

Defined terms used in this Information Booklet are contained in section 5. All references to currency are to Australian dollars and all references to time are to Australian Eastern Standard Time (**AEST**) unless otherwise indicated.

Taxation consequences for Applicants

There will be tax implications associated with participating in the Retail Entitlement Offer and receiving New Shares. Section 4 of this Information Booklet provides a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders who are Australian tax residents holding Shares on capital account. The guide does not take into account the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. IMB recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

Privacy

By submitting an Entitlement and Acceptance Form, you will be providing personal information to IMB (directly or through the Share Registry). IMB collects, holds and will use that information to assess your Application. IMB collects your personal information to process and administer your shareholding in IMB and to provide related services to you. IMB may disclose your personal information for purposes related to your shareholding in IMB, including to the Share Registry, IMB's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies. You can obtain access to personal information that IMB holds about you. To make a request for access to your personal information, please contact the Share Registry.

Governing law

This Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the Queensland courts and courts competent to hear appeals from those courts.

No representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Retail Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by IMB or any of its officers. Except as required by law, and only to the extent so required, neither IMB nor any other person warrants or guarantees the future performance of IMB or any return on any investment made pursuant to this Information Booklet.

Past performance

Investors should note that IMB's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) IMB's future performance including IMB's future financial position or share price performance.

Forward looking statements

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of IMB and certain plans and objectives of the management of IMB. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements.

Neither IMB, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, those forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of IMB. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Information Booklet in light of those disclosures.

Risks

Refer to the 'Key Risks' section of the investor presentation included in section 2 of this Information Booklet for a summary of general and specific risk factors that may affect IMB.

Trading of New Shares

IMB and the Joint Lead Managers and Underwriters will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by IMB or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or to which they do not hold or are not entitled.

If you are in any doubt as to these matters, you should first consult with your stockbroker, solicitor, accountant or other professional adviser.

Interpretation

In this Information Booklet, references to:

- (a) 'you' are references to Eligible Retail Shareholders and references to 'your Entitlement', 'your Entitlement and Acceptance Form' or similar expressions are references to the Entitlement or Entitlement and Acceptance Form of Eligible Retail Shareholders;
- (b) terms which are defined in the Corporations Act have the same meaning when used in this Information Booklet, unless the context requires otherwise; and
- (c) unless otherwise specified, 'section' is a reference to a section of this Information Booklet.

LETTER FROM THE CHAIRMAN

27 May 2022

Dear Shareholder

On 20 May 2022, Intelligent Monitoring Group Limited (ASX:IMB) (**IMB** or **Company**) announced its plan to undertake a 1 for 1 accelerated non-renounceable entitlement offer of New Shares to raise up to approximately \$10 million (**Entitlement Offer**).

The Entitlement Offer is partially underwritten by Morgans Corporate Limited and Bell Potter Securities Limited (**Joint Lead Managers and Underwriters**), up to \$8.2 million. Black Crane Asia Pacific Opportunities Fund (**Black Crane**), an entity controlled by the Company's non-executive Chairman, Mr Peter Kennan, has committed up to \$7 million to the Entitlement Offer, by taking up approximately \$4.7 million in New Shares as part of its entitlement under the Entitlement Offer and sub-underwriting the Entitlement Offer for the balance of its commitment. Of the \$1.2 million of underwriting provided by the Joint Lead Managers and Underwriters above Black Crane's commitment, all of the sub-underwriting commitments of that underwritten amount (comprising \$600,000 of the total \$1.2 million) have been provided by parties that are not related to the Company.

The proceeds of the Entitlement Offer will be used for the following purposes:

- approximately \$2 million will be used to fund the acquisition of Mammoth Technology Group;
- approximately \$5 million will be used to fund the acquisition of Australian Inland Security; and
- approximately \$3 million will be used for general working capital purposes (including costs of the Entitlement Offer).

The Entitlement Offer comprises an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**). The Institutional Entitlement Offer and Retail Entitlement Offer are both conducted at the Issue Price.

As announced on 24 May 2022, the Institutional Entitlement Offer completed on 24 May 2022, raising gross proceeds of \$5.0 million.

Retail Entitlement Offer

On behalf of the Board, I am pleased to invite you to participate in the Retail Entitlement Offer.

The Retail Entitlement Offer, to which this retail entitlement offer information booklet (**Information Booklet**) relates, is expected to raise gross proceeds of approximately \$5.0 million.

Under the Retail Entitlement Offer, eligible retail shareholders will have the opportunity to subscribe for 1 New Share for every 1 fully paid ordinary share in IMB (**Existing Shares**) held as at 7:00 pm (AEST) on 24 May 2022 (**Record Date**) at the Issue Price.

The issue price of \$0.15 per New Share represents a discount of:

- 9.2% to the theoretical ex-rights issue price¹ (**TERP**) of \$0.165;

¹ The theoretical ex-rights price of \$0.165 is calculated using IMB's closing price on 18 May 2022 assuming proceeds from the Entitlement Offer are \$10.0 million. TERP is the theoretical price at which shares should trade immediately after the ex-date for the Entitlement Offer assuming 100% take-up of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which shares trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.

- 21.8% to the five-day volume weighted average price of shares on 19 May (the last trading day prior to announcement of the Entitlement Offer) of \$0.19;
- 16.7% to the last traded price of shares on 19 May (the last trading day prior to announcement of the Entitlement Offer) of \$0.18.

If you take up your full Entitlement, you may also apply for additional New Shares in excess of your Entitlement, at the same issue price of \$0.15 per New Share (**Top Up Facility**). Any shortfall under the Institutional Entitlement Offer and Retail Entitlement Offer will be made available for Eligible Retail Shareholders who have taken up their full entitlement to take up under the Top Up Facility. The allocation of additional New Shares under the Top Up Facility will be subject to the availability of New Shares under the Institutional Entitlement Offer and Retail Entitlement Offer. IMB retains the flexibility to scale back applications for additional New Shares at its discretion, including where any oversubscription is disproportionate to the Eligible Retail Shareholders' current holding. IMB will only consider exercising its discretion to scale back oversubscriptions where an Eligible Retail Shareholder has applied for more New Shares under the Top Up Facility than their existing Shareholding, or where the Eligible Retail Shareholder has disposed of their Shares during the offer period and applies for New Shares under the Top Up Facility for more than double its Entitlement. Black Crane will not be eligible to participate in the Top Up Facility.

Any shortfall following the Institutional Entitlement Offer, Retail Entitlement Offer and Top Up Facility will be subscribed for by the Joint Lead Managers and Underwriters or its sub-underwriters (including Black Crane) up to a total of \$8.2 million. The Joint Lead Managers and Underwriters will allocate any shortfall to the non-related sub-underwriters in priority to Black Crane, in order to minimise the control effect of the Entitlement Offer.

New Shares will be issued on a fully paid basis and will rank equally with Existing Shares on issue.

The number of New Shares you are entitled to subscribe for under the Retail Entitlement Offer (i.e. your **Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed in this Information Booklet.

Other information

The Directors encourage you to read this Information Booklet carefully (in particular, the "Risks" section set out in the investor presentation included in section 2, which contains a number of key risks associated with an investment in IMB). You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

The Retail Entitlement Offer closes at 5:00 pm (AEST) on 15 June 2022.

If you wish to participate in the Retail Entitlement Offer you must submit your application to the Share Registry by that time.

For further information regarding the Retail Entitlement Offer, please email contact@intelligentmonitoringgroup.com.au during the offer period.

On behalf of the board of Directors of IMB, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Peter Kennan
Non-Executive Chairman

SUMMARY OF THE ENTITLEMENT OFFER

Entitlement Offer	
Ratio	1 New Share for every 1 Existing Share held by an Eligible Shareholder
Issue Price	\$0.15 per New Share
New Shares to be issued under the Institutional Entitlement Offer	33,252,083 (subject to rounding of fractional entitlements)
New Shares to be issued under the Retail Entitlement Offer	33,252,084 (subject to rounding of fractional entitlements)
Total number of New Shares to be issued under the Entitlement Offer	Approximately 66,504,167 New Shares (subject to rounding of fractional entitlements)
Amount to be raised under the Entitlement Offer before costs	Approximately \$10 million (subject to rounding of fractional entitlements)

Key dates for the Retail Entitlement Offer

Activity	Date
Announcement of Entitlement Offer	20 May 2022
Record Date for Retail Entitlement Offer	7:00 pm (AEST) on 24 May 2022
Information Booklet and Entitlement and Acceptance Form despatched	27 May 2022
Retail Entitlement Offer opens	27 May 2022
Closing Date	5:00 pm (AEST) on 15 June 2022
Settlement of the Retail Entitlement Offer	22 June 2022
Issue of New Shares under Retail Entitlement Offer	22 June 2022
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	23 June 2022
Despatch of holding statements for New Shares	29 June 2022

This timetable is indicative only and subject to change. The Directors may, with the consent of the Joint Lead Managers and Underwriters, vary these dates subject to the Corporations Act and the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Retail Entitlement Offer any time before the allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

If you require further information regarding the Retail Entitlement Offer, or if you would like a replacement Entitlement and Acceptance Form, please email contact@intelligentmonitoringgroup.com.au.

1. DESCRIPTION OF THE ENTITLEMENT OFFER

1.1 Overview

The Entitlement Offer is a fully underwritten pro rata accelerated non-renounceable entitlement offer of approximately 66,504,167 New Shares at \$0.15 per New Share to raise approximately \$10 million (before direct offer costs including fees paid to advisers and to providers of specific services to cover share registry, printing and postage costs).

The Entitlement Offer has the following components:

- (a) **Institutional Entitlement Offer** – an initial offer to Eligible Institutional Shareholders. Institutional Entitlements were not traded on ASX and could not be transferred. The shortfall from the Institutional Entitlement Offer will be made available under the Top Up Facility; and
- (b) **Retail Entitlement Offer** – an offer to Eligible Retail Shareholders. Retail Entitlements will not be traded on ASX and cannot be transferred. Eligible Retail Shareholders who take up their full Entitlement may also participate in the Top Up Facility by applying for additional New Shares in excess of their Entitlement at the Issue Price.

1.2 Retail Entitlement Offer

The Retail Entitlement Offer constitutes an offer only to persons who:

- (a) are registered as a Shareholder as at the Record Date, being 7:00 pm (AEST) on 24 May 2022;
- (b) have a registered address on IMB's share register in Australia or New Zealand;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States);
- (d) were not invited to participate (other than as a nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- (e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer,

(Eligible Retail Shareholders).

Eligible Retail Shareholders are entitled to acquire 1 New Share for every 1 Existing Shares held by them on the Record Date.

The Retail Entitlement Offer opens on 27 May 2022 and will close at **5:00 pm (AEST) on 15 June 2022.**

This Information Booklet relates to the Retail Entitlement Offer and is relevant only to Eligible Retail Shareholders. A personalised Entitlement and Acceptance Form setting out your Entitlement accompanies this Information Booklet. If you are an Eligible Retail Shareholder, your choices with respect to your Retail Entitlement are outlined in section 3.1.

By returning a completed personalised Entitlement and Acceptance Form with payment or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Retail Shareholder. Nominees, trustees or custodians are, therefore, advised to seek independent professional advice as to how to proceed.

Eligible Retail Shareholders should be aware that an investment in IMB involves risks. The key risks identified by IMB are summarised in the 'Key Risks' section of the investor presentation included in section 2.

Any fractional Entitlement will be rounded up to the nearest whole number of New Shares. IMB reserves the right to round the Entitlement of any relevant holdings down so as to negate the effect of any intentional shareholding splitting or division which in IMB's reasonable opinion have been conducted in an attempt to gain an advantage by reference to the rounding provided for in the calculation of Entitlements.

No New Shares will be issued including under the Top Up Facility if to do so would, to the knowledge of IMB, result in a breach of the Listing Rules or the restrictions on obtaining or increasing relevant interests of greater than 20% of IMB's issued voting shares under Chapter 6 of the Corporations Act, or would otherwise be contrary to the Listing Rules or Corporations Act.

1.3 **Ineligible Retail Shareholders**

Shareholders who are not Eligible Retail Shareholders, Eligible Institutional Shareholders or Ineligible Institutional Shareholders are **Ineligible Retail Shareholders**. IMB reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

The Retail Entitlement Offer is not being extended to Ineligible Retail Shareholders because of the small number of those Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in foreign jurisdictions. IMB may (in its absolute discretion) extend the Retail Entitlement Offer to Shareholders that have registered addresses outside Australia and New Zealand (except the United States of America) in accordance with applicable law.

New Shares to which Ineligible Retail Shareholders and Ineligible Institutional Shareholders would have been entitled, had they been eligible, will be issued to the Joint Lead Managers and Underwriters on the terms set out in the Underwriting Agreement.

1.4 **Underwriting**

The Joint Lead Managers and Underwriters have agreed to underwrite \$8.2 million of the Entitlement Offer, comprising \$5 million of the Institutional Entitlement Offer and \$3.2 million of the Retail Entitlement Offer, and any Shortfall Shares will be issued to the Joint Lead Managers and Underwriters, on the terms set out in the Underwriting Agreement. Of the \$1.2 million of underwriting provided by the Joint Lead Managers and Underwriters above Black Crane's commitment, all of the sub-underwriting commitments of that underwritten amount (comprising \$600,000 of the total \$1.2 million) have been provided by parties that are not related to the Company.

The Joint Lead Managers and Underwriters will receive:

- a management fee of 2% (plus GST) of the proceeds of the Entitlement Offer; and
- an underwriting/selling fee of 4% (plus GST) on the amount of the Entitlement Offer that is underwritten, excluding any proceeds received from Black Crane.

The Joint Lead Managers and Underwriters are also entitled to reimbursement of certain costs, charges and expenses incurred in connection with and incidental to the Entitlement Offer.

As is customary with these types of arrangements:

- (a) IMB has agreed, subject to certain exclusions, to indemnify the Joint Lead Managers and Underwriters, its affiliates and related bodies corporate, and each of their

respective officers, employees and agents against all loss, damage or liability of any kind related directly or indirectly to the Entitlement Offer;

- (b) IMB and the Joint Lead Managers and Underwriters have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer; and
- (c) the Joint Lead Managers and Underwriters may, in certain circumstances, terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events. Full details of the events which may give rise to a right for the Joint Lead Managers and Underwriters to terminate the Underwriting Agreement are set out in the ASX announcement lodged by the Company on 24 May 2022.

Neither the Joint Lead Managers and Underwriters nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Information Booklet and they do not take any responsibility for this Information Booklet or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Joint Lead Managers and Underwriters and their respective related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Retail Entitlement Offer and this Information Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Joint Lead Managers and Underwriters nor any of their respective related bodies corporate and affiliates nor any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Retail Entitlement Offer nor do they make any representations or warranties to you concerning the Retail Entitlement Offer, or any such information, and you represent, warrant and agree that you have not relied on any statements made by the Joint Lead Managers and Underwriters or any of their respective related bodies corporate and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares or the Retail Entitlement Offer generally.

The Joint Lead Managers and Underwriters will be acting for and providing services to IMB in this process and will not be acting for or providing services to Shareholders or any other investors. The Joint Lead Managers and Underwriters may also hold interests in Shares or earn brokerage, fees or other benefits from IMB.

The engagement of the Joint Lead Managers and Underwriters by IMB is not intended to create any agency, fiduciary or other relationship between the Joint Lead Managers and Underwriters and the Shareholders or any other investor.

1.5 Potential impact on control

Black Crane Asia Pacific Opportunities Fund (**Black Crane**), an entity controlled by the Company's non-executive Chairman, Mr Peter Kennan, currently has a relevant interest in approximately 50.32% of the Company's shares. Black Crane has entered into a commitment and sub-underwriting agreement with the Joint Lead Managers and Underwriters (**Black Crane Agreement**) under which Black Crane has committed to investing \$7 million in the Entitlement Offer by:

- (a) subscribing for part of its Entitlement under the Entitlement Offer, representing 31,458,155 Shares with a total value of approximately \$4,718,723.25; and
- (b) sub-underwriting the Entitlement Offer for the balance of the commitment, being 15,203,511 Shares with a total value of approximately \$2,280,526.65.

An advisory fee and sub-underwriting fee of \$350,000 (5% of Black Crane's commitment) is payable by the Company to Black Crane Advisors Limited, an entity controlled by Mr Kennan. This fee was negotiated between the Company's independent directors and Mr Kennan, in

circumstances where the commitment was given by Black Crane prior to the Company determining the offer structure, size of the raising, issue price and level of support from other investors.

If Black Crane is required to take up its full sub-underwriting allocation, its relevant interest in the Company's shares may increase to a maximum of 66.13% on completion of the Entitlement Offer. This maximum voting power assumes the following:

- (a) other than the \$1.2 million of underwriting above Black Crane's commitment provided by the Joint Lead Managers and Underwriters, no shareholders other than Black Crane participate in the Entitlement Offer;
- (b) no shareholders subscribe for, and are allocated, New Shares under the Top-Up Facility; and
- (c) Black Crane takes up its full sub-underwriting allocation.

The Joint Lead Managers and Underwriters will allocate any shortfall to the non-related sub-underwriters in priority to Black Crane, in order to minimise the control effect of the Entitlement Offer.

The table illustrates the potential effect of the Entitlement Offer on Black Crane's voting power in several scenarios, depending on the level of participation by other shareholders in the Entitlement Offer.

Level of committed demand	Level of participation by other shareholders in Entitlement Offer	Shares held by Black Crane at completion of the Entitlement Offer	Voting power of Black Crane on completion of the Entitlement Offer
\$1.2 million (or 8,000,000 shares)	0%	80,129,821	66.13%
\$1.2 million (or 8,000,000 shares)	15%	80,129,821	63.38%
\$1.2 million (or 8,000,000 shares)	30%	80,129,821	60.85%
\$1.2 million (or 8,000,000 shares)	50%	74,444,315	55.97%
\$1.2 million (or 8,000,000 shares)	75%	65,682,812	49.38%
\$1.2 million (or 8,000,000 shares)	90%	64,921,309	48.81%
\$1.2 million (or 8,000,000 shares)	100%	64,921,309	48.81%

Other than in respect of fees (which are disclosed above), the Black Crane Agreement will be on standard terms and consistent with the sub-underwriting agreements for other general sub-underwriters.

There are no significant events that could lead to a termination of the Black Crane Agreement, other than termination of the Underwriting Agreement.

So far as the Company is aware, there are no shareholders (other than Black Crane) who hold more than 5% of the Existing Shares.

1.6 Intentions of Black Crane

Given the potential increase in the voting power in the Company of Black Crane, there is also a requirement to provide details of Black Crane's current intentions for the Company.

Black Crane has informed the Company that since it is presently supportive of the Company's current direction, it does not currently intend to make any major changes to the direction, activities or objectives of the Company.

Black Crane has indicated that its intentions mentioned in this section are based on the facts and information regarding the Company and the general business environment which are known to it as at the date of this Information Booklet. Any future decisions will be reached by Black Crane based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, Black Crane's intentions could change.

Black Crane has informed the Company that on the facts and circumstances presently known to it, it is supportive of the Company's proposed use of funds raised under the Entitlement Offer. Black Crane has indicated that it is presently willing to consider any proposals the Company's Board and management may put forward as to how Black Crane could support and assist the Company towards reaching its objectives.

The intentions and statements of future conduct set out above must also be read as being subject to the legal obligations of the Directors at the time, including Peter Kennan and any nominees of Black Crane if relevant in the future, to act in good faith in the best interest of the Company and for proper purposes and to have regard to the interests of Shareholders.

The implementation of Black Crane's current intentions as set out above will be subject to the law (including the Corporations Act) and the Company's Constitution. In particular, the requirements of the Corporations Act in relation to conflicts of interest and "related party" transactions will apply as Black Crane is a related party of the Company.

1.7 Potential dilution of Shareholders who do not take up Entitlements

You should note that if you do not participate in the Entitlement Offer, your holdings may be diluted by approximately 50% following the Entitlement Offer. The following are examples of how any dilution may impact you if you do not participate in the Entitlement Offer.

Shareholding as at the Record Date	Percentage shareholding as at the Record Date	Entitlement	Percentage shareholding following completion of Entitlement Offer
9,975,660	15%	9,975,660	7.50%
6,650,440	10%	6,650,440	5.00%
3,325,220	5%	3,325,220	2.50%
665,044	1%	665,044	0.50%

1.8 Ranking of New Shares

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares. The rights and liabilities attaching to the New Shares are set out in IMB's constitution, a copy of which can be obtained by contacting IMB.

1.9 Allotment

IMB has applied for quotation of the New Shares on ASX in accordance with the Listing Rules. Allotment of the New Shares under the Retail Entitlement Offer will take place as soon as

practicable after the close of the Institutional Entitlement Offer and Retail Entitlement Offer (as applicable).

Application Monies will be held by IMB on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them before trading the New Shares. The sale by an Applicant of New Shares before receiving their holding statement is at the Applicant's own risk.

1.10 Further information

Eligible Retail Shareholders can obtain a copy of this Information Booklet from the IMB website at <https://www.intelligentmonitoringgroup.com/> or by emailing contact@intelligentmonitoringgroup.com.au during the offer period.

Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet will not include an Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be requested by email contact@intelligentmonitoringgroup.com.au.

1.11 Offer under section 708AA of the Corporations Act

The Entitlement Offer is being made pursuant to provisions of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) which allow entitlement offers to be made without a prospectus. This Information Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the information on IMB and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of your Entitlement or to do nothing in respect of your Entitlement. In particular, please refer to this Information Booklet and other announcements by IMB made available at www.asx.com.au (including announcements which may be made by IMB after publication of this Information Booklet).

1.12 Foreign Shareholders

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer in any place which, or to any person to whom, it would be unlawful to make such an offer. The Retail Entitlement Offer is being made without a disclosure document under section 708AA of the Corporations Act (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*) and no action has been taken to register this Information Booklet in Australia or any other jurisdiction.

(a) Nominee

Pursuant to section 615 of the Corporations Act and for the purposes of Listing Rule 7.7, the Company has appointed Morgans Financial Limited (**Nominee**) as the Company's foreign holder nominee. Pursuant to the arrangement with the Nominee, the Nominee will subscribe for the New Shares which Ineligible Retail Shareholders and Ineligible Institutional Shareholders (together, the **Ineligible Foreign Shareholders**) would be entitled to if they were eligible to participate in the Entitlement Offer (**Nominee Shares**). The Nominee will then sell the Nominee Shares and remit the net proceeds from the sale of the Nominee Shares (if any) to the Ineligible Foreign Shareholders in proportion to their respective shareholdings. The Nominee will have the absolute and sole discretion to determine the timing and price at which the Nominee Shares must be sold and the manner of any such sale.

Any interest earned on the proceeds of the sale of the Nominee Shares will firstly be applied against expenses of the sale, including brokerage, and any balance will form part of the proceeds payable to the Ineligible Foreign Shareholder (if any).

The Company will forward the proceeds of the sale of the Nominee Shares (if any) as soon as reasonably practicable to the Ineligible Foreign Shareholders in proportion to their respective shareholdings (after deducting the subscription price, brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the Nominee must sell the Nominee Shares, Ineligible Foreign Shareholders may nevertheless receive no net proceeds if the subscription price plus costs of the sale is greater than the sale proceeds.. Neither the Company nor the Nominee take any responsibility for the outcome of the sale of the Nominee Shares.

(b) New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of IMB with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

(c) United States of America

This Information Booklet is not an offer to sell, nor a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act or the securities law of any state or other jurisdiction of the United States of America and may not be offered or sold, directly or indirectly, in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

2. INVESTOR PRESENTATION



Melbourne designed and built,
monitored smart cameras, replacing
traditional alarm systems for an
All Australian Security Solution.



INTELLIGENT
MONITORING GROUP

ASX: IMB

Capital Raising Presentation

May 20, 2022

Disclaimer

This investor presentation has been prepared by Intelligent Monitoring Group Limited (ACN 060 774 227) (the **Company**). It contains general information about the Company and its subsidiaries (**Group**) and the Group's business as at the date of this presentation, and the proposed offer of New Shares under an accelerated non-renounceable entitlement offer to all eligible shareholders of the Company (**Entitlement Offer** or **Offer**).

The Offer is managed by Morgans Corporate Limited and Bell Potter Securities Limited (together, the **Joint Lead Managers**). The Company and the Joint Lead Managers reserve the right to withdraw the Offer or vary the Offer.

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Executive Summary

1

Mammoth Technology Group

- Mammoth is an Australian designer and manufacturer of IOT (Internet of things) connected security products, providing innovative security solutions to retail and wholesale customers and businesses under the brands Monkey Vision, Simple by Monkey Vision, Mammoth Security & Intellivision Ai+
- Founded by Rob Hilton, an experienced marketer and entrepreneur
- Products include 4G, Wi-Fi and industrial grade HD cameras, connected home solutions (i.e. CCTV, alarm sensors, doorbell system, lighting control), facial recognition, staff and visitor management systems
- Key customers include Bunnings, Pact Group, Glenvill Homes, RSEA and more

2

Transaction Overview

- Intelligent Monitoring Group Limited (**IMG** or the **Company**) (ASX Code: IMB) has entered into an agreement to acquire all of the shares in Mammoth Technology Group (**Mammoth**) for \$4m upfront comprising \$2 million in cash and \$2 million in shares in the Company at an issue price of \$0.25 per share
- Mammoth founder and CEO Rob Hilton is also eligible for \$2 million in performance rights (which will be subject to vesting conditions), subject to shareholder approval

3

Strategic Rationale

- Represents an expansion of IMG and Mammoth's existing strategic partnership which has demonstrated synergistic cross-selling opportunities
- Enables the combined IMG business to offer its customers integrated security solutions including own branded security products, installations, and monitoring
- Opportunity to challenge and disrupt a fragmented and conservative industry with innovative, high quality, next generation products
- Significant opportunity to leverage consumers desire to buy Australian built security products and services

4

Management update

- Mammoth founder and CEO Rob Hilton will join the board of IMG as an Executive Director.
- In conjunction with this transaction, IMG Executive Director Dennison Hambling will be moving into the role of Managing Director

5

Financial position

- Strong financial position to pursue identified growth opportunities and full implementation, integration of the Patriot operating system, with associated cost reductions commencing from Q1FY23

6

Equity Raising

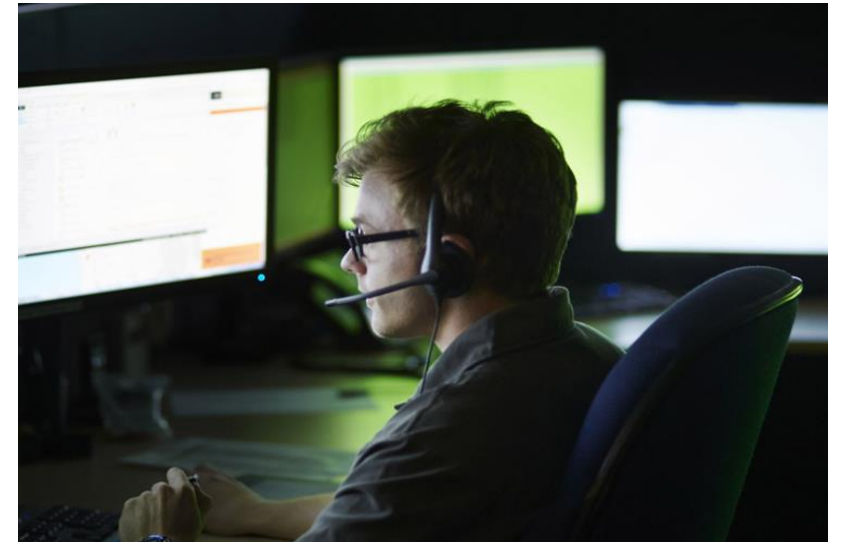
- The Company is conducting an accelerated non-renounceable entitlement offer to raise approximately \$10.0 million ("Entitlement Offer" or "Offer") at an issue price of \$0.15 per share.
- IMG substantial shareholder Black Crane Capital has committed to take up to \$7.0m of the Offer through agreeing to take up its entitlement in full and provide sub-underwriting for the Offer to the extent required.
- Funds raised under the Offer will be used to fund the cash component of the acquisition of Mammoth and the previously announced acquisition of AIS, reduce the Company's existing leverage and provide additional financial flexibility, together with transaction costs and working capital.

Intelligent Monitoring Group

IMG Overview

Australia's largest independent security monitoring provider with >70,000 connections

- Intelligent Monitoring Group ("IMG") provides **monitored security and IOT solutions** that ensure the safety and protection of Australian businesses, homes and individuals **24 hours a day, 365 days a year**
- 95% of IMG's revenue is subscription based with a **diversified and "sticky" customer base** across government, commercial, residential and personal emergency response
- The Australian security industry remains **highly fragmented**, with no clear market leader, paving the way for IMG to selectively consolidate smaller players at attractive returns
- **Technology change (IOT & Ai)** has created **substantial opportunities** to profitably extend the Company's existing skills into new complementary market areas and customer opportunities, such as high resolution cameras
- The use of smart, high resolution cameras, with monitoring capability will create substantial opportunities for many industries over the coming decade as **cameras are used as alarms**



About Intelligent Monitoring Group



>70,000

Australia's largest independent security monitoring provider with connections, focused on wholesale distribution



700+

Working alongside resellers across Australia



95%

Revenue is subscription based with diversified "sticky" customer base across government, commercial, residential and personal emergency response with an average customer tenure of 7 years



40%+

Gross margin in FY2021 with strong cashflow generation, high margin and scalable cost base providing strong operating leverage



\$5.9m

Proforma FY2022 EBITDA following acquisition of Australian Inland Security and full implementation of Patriot



Tech & innovation presenting further opportunities to be more effective and provide economic solutions for security of assets and people

Business Overview

Provider of Wholesale and Direct Security Monitoring Services

- IMG provides Security Monitoring Services through the following categories:

1) Wholesale Monitoring

- Customer pays third party service provider (reseller) responsible for ongoing sales, installation and maintenance ('white label' offering)

2) Direct Monitoring

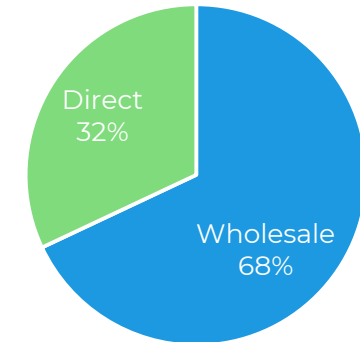
- Servicing (or invoicing) customer directly with a monitoring service
- Customers are typically former customers of IMG's wholesalers who have been "converted" to direct IMG customers over time

- IMG services three core end-use clients:

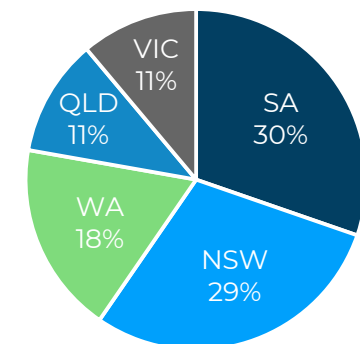
- **Commercial:** Corporate and small business
- **Residential:** Domestic home security
- **Individuals:** Personal emergency response systems (PERS)

- Connections are currently monitored at two Grade A1 monitoring control centres across NSW and SA

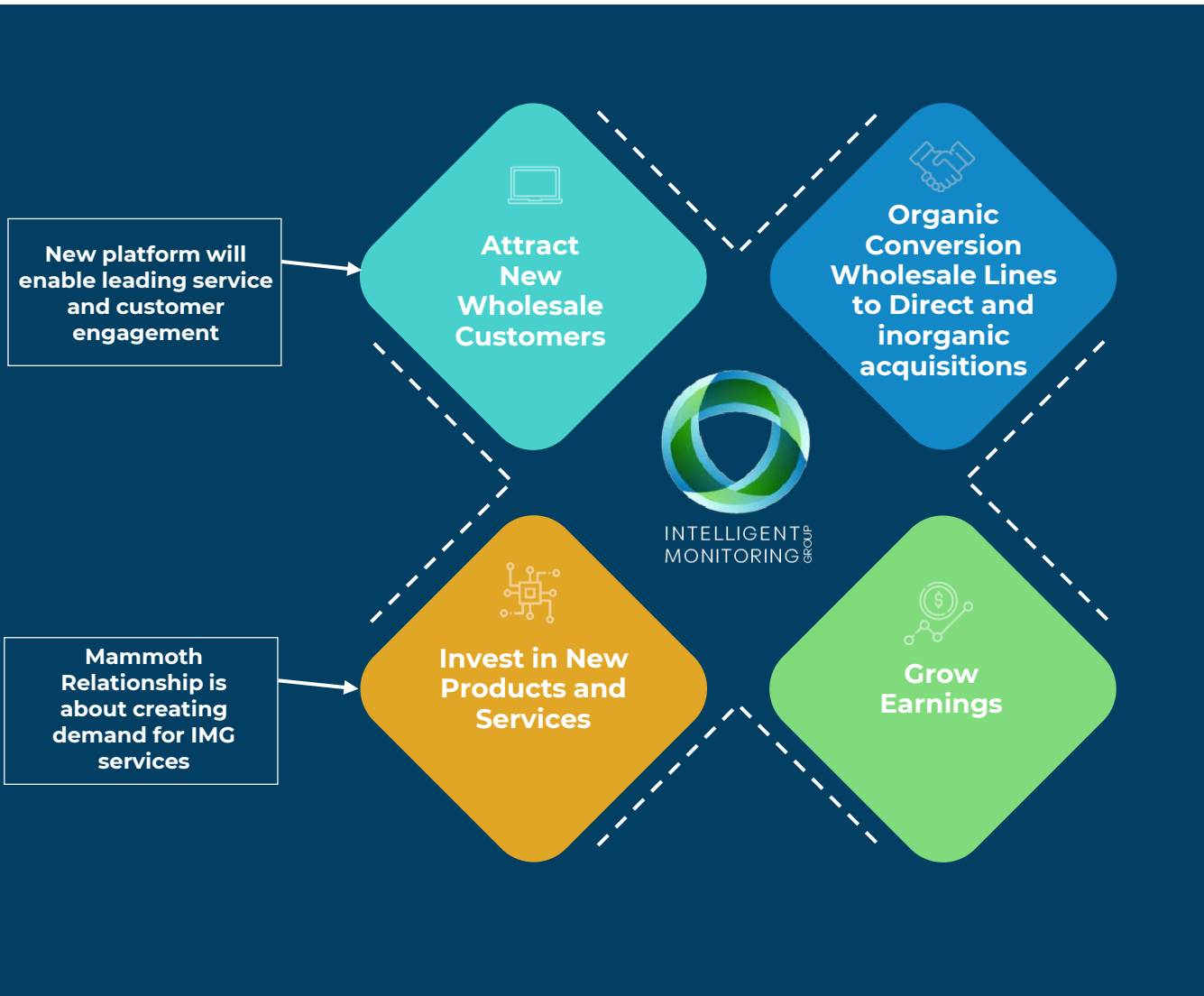
Connection Type



Connection Location



Growth Model



Attractive Incremental Economics

- Incremental Gross Margin of approx. 80%
- Additional operating staffing required for every +5,000 lines/devices
- Target EBITDA Margin >30% by 2025

2025 Goal

Target 150,000 Customers

- 50,000 Wholesale lines
- 50,000 Direct lines
- 50,000 Devices

150,000 Total Customers

FY22 Key Milestones

IMG has made significant progress in FY22 as it continues to pursue growth opportunities

Approved a significant investment to enhance IMG's core monitoring platform

- Provides IMG with the ability to leverage AI within its operations and further enhance its monitoring capabilities
- Platform enhancements are expected to realise a range of efficiencies which are anticipated will be material to FY23 profit

Repositioned to capitalise on identified growth opportunities

- Capital and debt restructure completed in 2021 repositioning IMG to capitalise on identified organic and inorganic growth opportunities

Continued M&A activity

- Binding commitment to acquire 100% of a NSW regionally based Integrated Security Business, Advanced Inland Security Group, for \$5m
- Binding agreement to acquire 100% of Mammoth Technology Group, to offer its considerable range of security and IOT related products across IMG's 700-reseller client base

Continued organic growth strategy

- Through significant recent customer wins

Mammoth Technology Group

Introduction to Mammoth Technology Group

Established in 2018

Mammoth is an Australian designer and manufacturer of IOT (Internet of things) connected security products, providing innovative security solutions to retail and wholesale customers.

Its products include as 4G, Wi-Fi and industrial grade HD cameras, connected home solutions (i.e. CCTV, alarm sensors, doorbell system, lighting control), facial recognition, staff and visitor management systems

Why

- Born out of a personal real-life problem encountered in 2018
- A great business opportunity existed to disrupt the market
- Clear gap in the Camera Security Technology Market
- Existing camera products were all built on the same model with little or no innovation or smarts
- Existing industrial grade security products in the market have no consumer brand focus
- A 'Go To' reputable Aussie market brand did not exist with customer loyalty

What

- The need to start from the ground-up, on a mission to create a brand for everyday Australians
- Using the best components available, design and build an industrial grade range of cameras
- After many overseas trips visiting manufacturing plants, months of research, engineering, product testing and prototyping - **Monkey Vision** was launched in November 2019
- **Key customers** include Bunnings, Middy's, Pact Group, Glenvill Homes and in discussions with other major retailers

An Australian Customer Network and Partnerships

Some of our Customers and Partners



CFMEU



GLENVILL



MULTIPLEX

Customer Example - AGUSHI

Strong branding presence built on the work site



Pro Series Industrial Grade Product Range

4G, WiFi & POE Cameras Sold To Direct Customers & Security Installers



- Vertically integrated supply chain
- Plug & Play intuitive App
- Australian Designed, Supported & Built (some models)
- Unique eco-system allows multiple camera types and locations to be connected together on a single App
- Over 2,000 cameras installed over the past 3 years
- Cameras installed across Building sites, Factories, Retailers, Offices, Homes & Farms
- New 'Built in Australia' range is first to market, providing an alternative to China manufactured products
- IMG's 700 + security installers will be an additional sales channel
- Connecting cameras to the control room will provide additional monitored revenue streams for IMG



AUSSIE BUILT



SPIDER PTZ
WIFI/PoE



Consumer Self Install (DIY) Battery Powered WiFi Product Range

Huge Category Growth Potential

Simple.
BY *Monkey Vision*



¹Source: securityinfowatch.com

- The fastest growing camera segment is DIY, expected to grow by 80% to 2024¹
- Competitive pricing & packed with best in class features
- Australian designed & supported
- Focused on licensed opportunities to grow category (*example image ONLY)
- Currently in discussions with major retailers
- Sponsoring Miss Universe 2022 (250 contestants promoting and supplying content via social media)

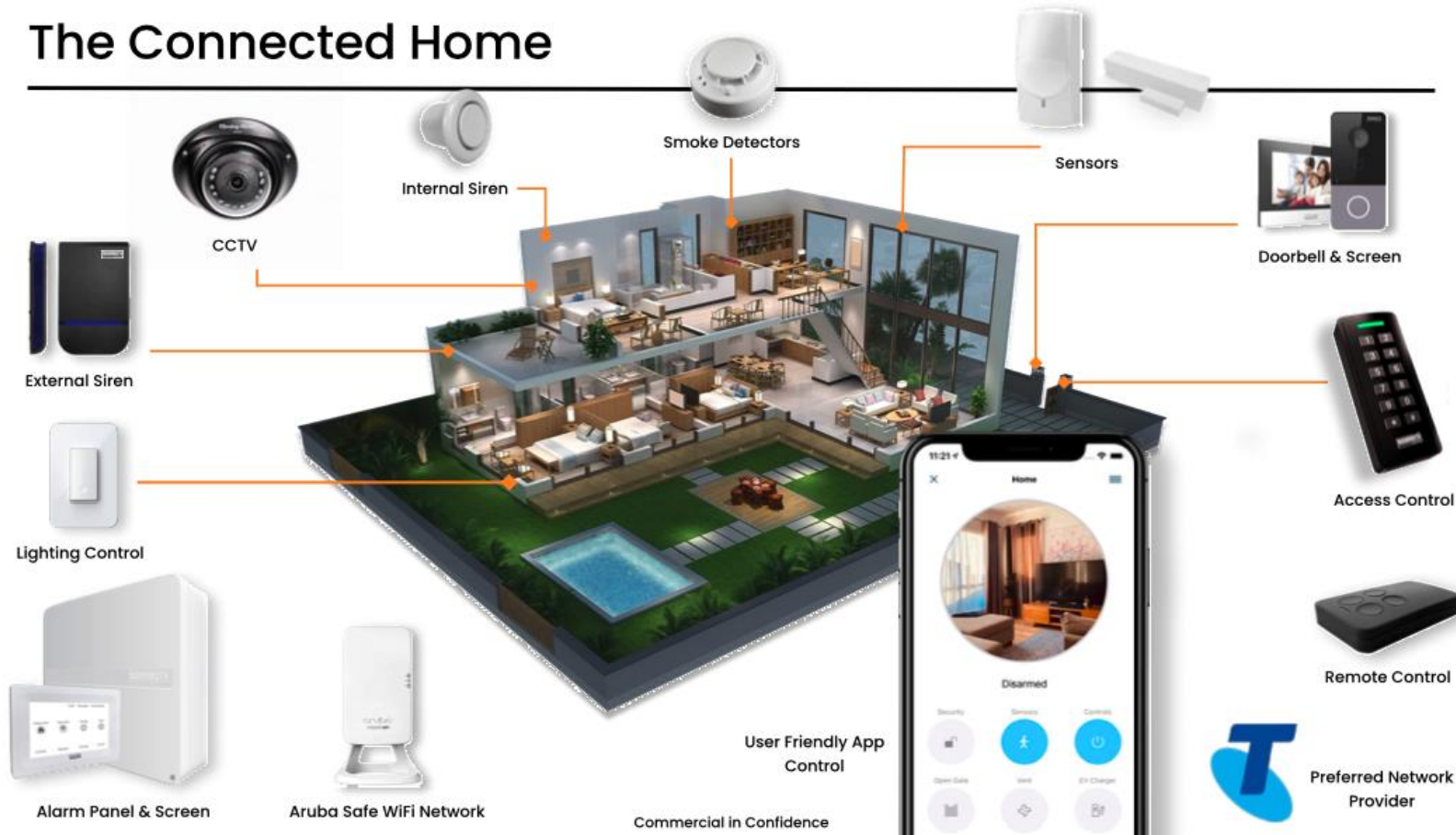


*TRANSFORMERS CONCEPT ONLY

Customer Solutions & Installation for Smart Living

The connected home – Australian factory built alarm systems

The Connected Home



ACCORDING TO MASTER BUILDERS AUSTRALIA'S (MBA) LATEST FORECAST. "176,000 NEW HOMES ARE FORECASTED TO BE BUILT IN AUSTRALIA IN 2023"

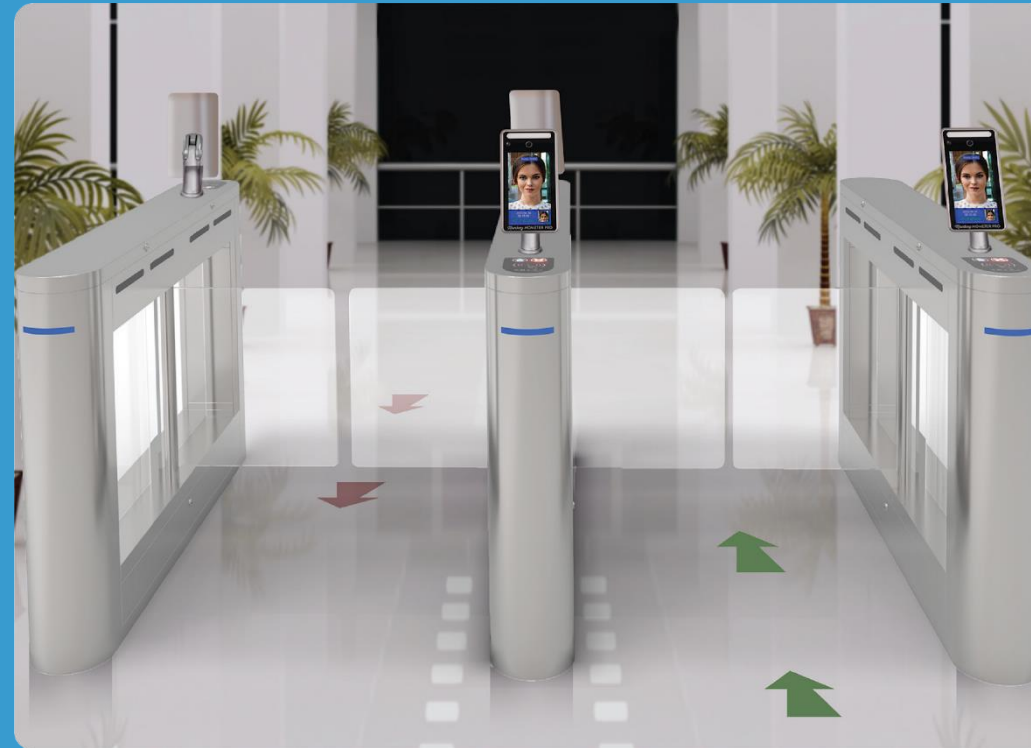


- We have curated an experience where the customer walks into their new home with a fully integrated, ready to go smart-property system
- A luxury hotel check in experience backed by impeccable, long-term local support
- We've simplified security and smart-property with commercial grade Australian tech, creating an unrivalled customer experience for their new home
- We understand the points of frustration, and have streamlined everything for the customer and builder to provide the best long-term experience for the new home buyer
- This concept will be installed into 24 Glenvill Town Homes in late 2022, with the aim of rolling out across other volume builders

Safety, Security & Governance

Facial Recognition, Staff & Visitor Management Systems For A New Covid World

- Australian designed & supported software with Australian voice commands
- Approximately 275 Monkey Mometer systems have been installed across major builders, factories & offices
- IMG's 700 + security installers will be an additional sales channel
- Connecting IOT devices to the control room - providing the services required for unmanned receptions



MONKEY MOMETER

GATEKEEPER PRO

THE CONCIERGE



Acquisition and Combined Business

Summary of Mammoth acquisition

- **IMG** has entered into an agreement to acquire all of the shares in Mammoth Technology Group (**Mammoth**) for \$4m in upfront consideration
- Upfront consideration is comprised of \$2 million in cash and \$2 million in IMG shares (being 8,000,000 IMG shares at an issue price of \$0.25 per IMG share)
- Mammoth CEO Rob Hilton will be employed by IMG as an Executive Director
- Subject to shareholder approval, Rob will also be issued \$2 million in performance rights, which will vest provided that he remains employed with IMG for 3 years, and the IMG share price reaches \$0.40 per share.

IMG and Mammoth Technology Acquisition Rationale

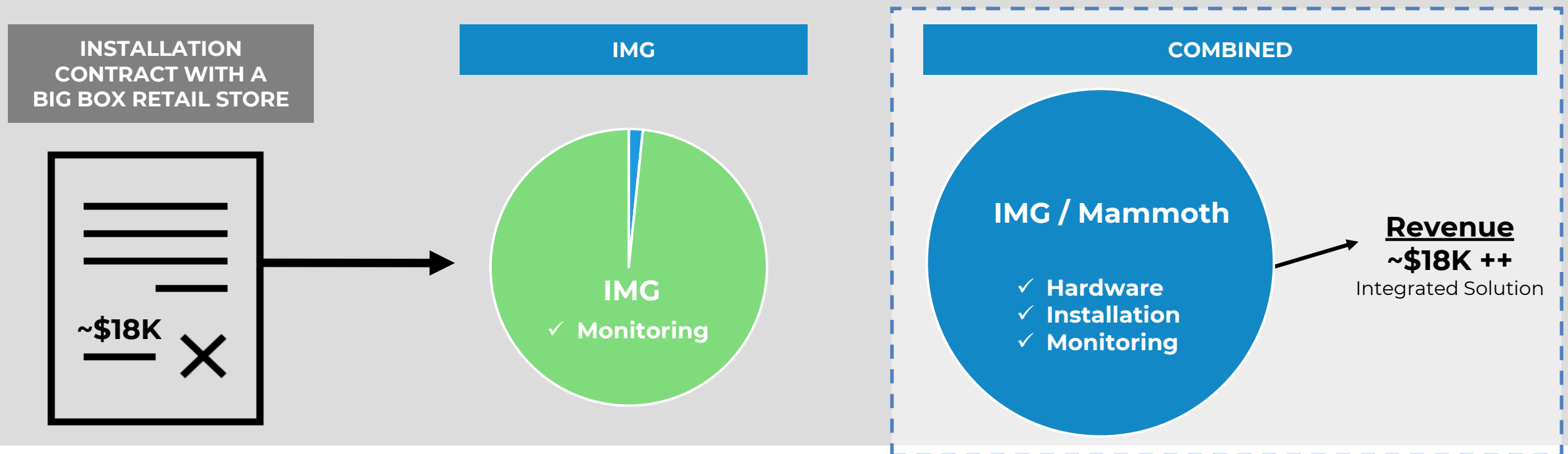


Case Study Example


Big Box Retail Store – Direct Business

CCTV, Alarm & Access Control

1. Mammoth and IMG have worked collaboratively to win a contract with a big box retail store customer who has **over 200 stores** across Australia
2. Demonstrates the ability to jointly sell products to generate complementary revenues for both IMG and Mammoth
3. On a combined basis, this provides both parties with access to a larger segment of the industry
4. IMG's national coverage of security installers proved that we could service a large national account, providing a win win for IMG's wholesale customers & Mammoth



Integrated Mammoth / IMG solution

						
Integrated Solution	✓	✓	✓	✗	✗	✗
CCTV Manufacturer	✓	✗	✗	✗	✗	✗
Installation	✓	✓	✓	✓	✓	✓
24/7 Monitoring	✓	✓	✓	✗	✓	✓
Australian Built Product	✓	✗	✗	✗	✗	✗

Source: Company Analysis

Market Opportunities For Combined Business



Significant product & customer growth over 2+ years of operating



Lower cost to entry and infiltration of security cameras



Easy access of product



70,000+ customers that already have monitored security



700+ security partners

MAMMOTH SALES STRATEGIES

B2B

Direct targeting through cold calls and warm leads specifically in Construction, Retail, Distribution, Manufacturing, Healthcare, and Farming

B2C

Direct consumer-based marketing via Social Media platforms as well as special interest groups
Sponsorships, promotions & partnerships

RETAIL

Online partnerships with Bunnings
On shelf presence in 2022 in Bunnings, Middy's & RSEA

TRADE

Direct to security companies and installers

SALES SYNERGIES WITH IMG

DIRECT CUSTOMERS

Present compelling offers to existing IMG customers to add video verification and AI to their monitoring

SECURITY INSTALLERS

Engage IMG's core resellers as Mammoth and Monkey Vision as Certified Installers and Resellers

CHANNEL PARTNERS

Connecting with IMG Partners to value-add their products and services

INDIRECT CUSTOMERS

Market to IMG's Customers to add value to IMG's existing monitoring offering

Refreshed Board and Executive Team

Committed & Aligned Executive Management Team & Board



Dennison Hambling
Managing Director

- Joined Jan 2020, Executive Director August 2021
- Significant experience in direct investment and rebuilding companies
- Former Head of Public & Private Equity 360 Capital Group
- Current Non Executive Director of Cardioscan – a global healthcare monitoring platform



Peter Kennan
Non-Executive Chairman

- Joined Jan 2020, Chairman Effective July 2021
- Founder of Black Crane and has significant experience in investing and assisting turnaround companies
- Current Non Executive Director MMA Offshore Limited (ASX: MRM)



Dimitri Bacopanos
Non-Executive Director

- Joined 2016
- Significant experience in mergers and acquisitions
- Former Executive Director of Transaction Advisory Services at EY



Rob Hilton
Executive Director

- Joining effective May 24, 2022
- Founder and CEO – Mammoth Technology Group
- Founder – The Promotions Factory (est, 1988) now TPF Group
- 34 years of experience in sales and marketing
- Has built promotional strategies and executed global award winning campaigns for the biggest brands in Australia

Financial Overview

Strong margins and addition of value



P&L Summary			
		FY22 Guidance	Proforma FY22
Revenue	\$m	23.1	32.1
EBITDA	\$m	3.4	5.9
NPATA	\$m	1.1	3.0
<i>EBITDA margin</i>	%	15%	18%
Work up to Proforma FY22			
			Proforma FY22
EBITDA FY22	\$m		3.4
Australian Inland Security	\$m		1.6
Patriot implementation	\$m		1.25
EBITDA	\$m		6.25
Mammoth Technology Group	\$m		-0.3
Proforma IMB EBITDA			5.9

- Intelligent Monitoring is guiding to \$3.4m of reported EBITDA in FY22.
- Benefits from previous acquisitions and strategic initiatives have been deferred approximately 3-6 months, for the following reasons:
 - Full implementation and integration of the Patriot operating system, with associated cost reductions are taking longer than anticipated, commencing from Q1FY23, not FY22 as previously indicated
 - Acquisition of Australian Inland Security (AIS) to be completed on 1 July 2022 with implementation of synergies anticipated to take 3 – 6 months to achieve
- Proforma FY22 EBITDA target of \$5.9m
 - \$6.25m existing business offset by current Mammoth operating EBITDA loss of \$0.3m
- Potential for further cost out benefits into FY23
- The Company is in ongoing acquisition discussions at value accreditive multiples presenting opportunity to further leverage existing infrastructure and head count base in security monitoring

Pro-forma Balance Sheet

Stable financial position to pursue identified growth opportunities

Balance Sheet		Dec-21	June-22 Pro-Forma
Cash and equivalents	\$m	6.3	8.1
Other assets	\$m	30.1	38.6
Total Assets	\$m	36.4	46.7
Debt	\$m	28.6	27.3
Other liabilities	\$m	11.4	11.2
Total Liabilities	\$m	40	38.5
Total Equity	\$m	(3.6)	8.2

- Strong \$8.1m cash balance to capitalise on value accretive acquisitions
- Ongoing discussions to refinance debt on beneficial interest rates
- Assuming capital raising of \$10m less transaction costs, Australian Inland Security and Mammoth Technology Group acquisitions

Capital Structure

Capital Structure		April-22	Pro-Forma FY22
Share price	<i>\$/share</i>	0.20	0.15
Market Capitalisation	<i>\$m</i>	13.3	21.2
Cash	<i>\$m</i>	5.6	8.1
Debt	<i>\$m</i>	27.3	27.3
Net Debt	<i>\$m</i>	21.7	19.2
Enterprise Value	<i>\$m</i>	35.0	40.4
P/E	<i>x</i>	12.1	7.0
Gearing (Gross Debt/EBITDA)	<i>x</i>	8.1	4.6
Gearing (Net Debt/EBITDA)	<i>x</i>	6.4	3.2

← \$10.0 million equity raise via rights issue
@ \$0.15 per share

Equity Raising

Equity Raising Overview

Equity Raising of approximately \$10 million via an Accelerated Non-Renounceable Entitlement Offer

<h3>Offer Size and Structure</h3>	<ul style="list-style-type: none"> Approximately \$10 million via an accelerated non-renounceable entitlement offer of 1 Share for every 1 Share held by those Eligible Shareholders registered at the Record Date at an issue price of A\$0.15 (“Entitlement Offer” or “Offer”) 																				
<h3>Offer Price</h3>	<ul style="list-style-type: none"> All Shares offered under the Offer will be issued at a price of A\$0.15 per New Share, which represents a 16.7% discount to the last traded price of A\$0.18 per share on 19 May 2022 																				
<h3>Source and Use of Proceeds</h3>	<table border="1" data-bbox="631 559 1370 816"> <thead> <tr> <th>Source of funds</th> <th>A\$m</th> </tr> </thead> <tbody> <tr> <td>Entitlement Offer proceeds</td> <td>10.0</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>\$10.0</td> </tr> </tbody> </table> <table border="1" data-bbox="1431 559 2170 816"> <thead> <tr> <th>Use of funds</th> <th>A\$m</th> </tr> </thead> <tbody> <tr> <td>Acquisition of Australian Inland Security</td> <td>5.0</td> </tr> <tr> <td>Acquisition of Mammoth</td> <td>2.0</td> </tr> <tr> <td>Working capital</td> <td>3.0</td> </tr> <tr> <td>Total</td> <td>\$10.0</td> </tr> </tbody> </table>	Source of funds	A\$m	Entitlement Offer proceeds	10.0					Total	\$10.0	Use of funds	A\$m	Acquisition of Australian Inland Security	5.0	Acquisition of Mammoth	2.0	Working capital	3.0	Total	\$10.0
Source of funds	A\$m																				
Entitlement Offer proceeds	10.0																				
Total	\$10.0																				
Use of funds	A\$m																				
Acquisition of Australian Inland Security	5.0																				
Acquisition of Mammoth	2.0																				
Working capital	3.0																				
Total	\$10.0																				
<h3>Entitlement Offer Details</h3>	<ul style="list-style-type: none"> The Entitlement Offer comprises an accelerated offer to Eligible Institutional Shareholders (“Institutional Entitlement Offer”) and an offer to Eligible Retail Shareholders (“Retail Entitlement Offer”) The Entitlement Offer provides all Shareholders the opportunity to subscribe for 1 New Share for every existing share held as at 7pm Australian Eastern Standard Time (AEST) Tuesday, 24 May 2022 (“Record Date”) In addition to taking up your Entitlement in full, you may apply for additional Shares (Additional Shares) under a ‘top up’ facility whereby the Company is offering Additional Shares to those Eligible Retail Shareholders who take up their Entitlements in full, subject to scale back (“Retail Shortfall Offer”) The Entitlement Offer is non-renounceable. Bell Potter Securities Limited and Morgans Corporate Limited are Joint Lead Managers to the Entitlement Offer. 																				
<h3>Ranking</h3>	<ul style="list-style-type: none"> Each New Share issued under the Offer will rank equally with existing fully paid ordinary shares on issue. The Company will, upon issue of the New Shares under the Offer, seek quotation of the New Shares on the ASX 																				
<h3>Investor Commitment</h3>	<ul style="list-style-type: none"> IMG substantial shareholder Black Crane Capital has committed to take up to \$7.0m of the Offer through agreeing to take up its entitlement in full and provide sub-underwriting for the Offer to the extent required. 																				

Equity Raising Timetable

Event	Date
IMG enters trading halt	Pre-trading on Friday, 20 May 2022
Announcement of Entitlement Offer, lodge Appendix 3B with ASX, lodge rights issue cleansing notice with ASX	Friday, 20 May 2022
Company conducts Institutional Entitlement Offer	Friday, 20 May 2022 – Tuesday 24 May 2022
Announcement of results of Institutional Entitlement Offer, Trading resumes on an ex-rights basis	Tuesday, 24 May 2022
Record Date for the Retail Entitlement Offer	7pm AEST on Tuesday, 24 May 2022
Retail offer booklet dispatched to Retail Shareholders, Company announces dispatch has completed, opening date for Retail Entitlement Offer	Friday, 27 May 2022
Settlement of Institutional Entitlement Offer shares, Lodgement of Appendix 2A	Monday, 30 May 2022
Issue and quotation of Institutional Entitlement Offer shares	Tuesday, 31 May 2022
Last day to extend Retail Entitlement Offer closing date	Thursday, 9 June 2022
Closing Date of Retail Entitlement Offer	5pm AEST on Wednesday, 15 June 2022
Bookbuild for any Retail Entitlement Offer shortfall open (if applicable)	Friday, 17 June 2022
Announcement of results of Retail Entitlement Offer shortfall bookbuild	Monday, 20 June 2022
Settlement of Retail Entitlement Offer, Issue of Retail Entitlement Offer shares, lodgement of Appendix 2A with ASX	Wednesday, 22 June 2022
Quotation of Retail Entitlement Offer Shares	Thursday, 23 June 2022

Questions?



Dennison Hambling

Managing Director
Intelligent Monitoring Group
(ASX:IMB)



Rob Hilton

Executive Director (Incoming)
Intelligent Monitoring Group
(ASX:IMB)

Founder and CEO
Mammoth Technology Group Pty Ltd



Appendix A - Key Risks

This section discloses some of the key risks attaching to an investment in Intelligent Monitoring Group Limited (**IMB or Company**). Before investing or increasing your investment in IMB, you should consider whether this investment is suitable for you having regard to publicly available information and your personal circumstances and following consultation with your professional advisors. The risks in this section are not, and should not be considered to be or relied on as, an exhaustive list of the risks relevant to an investment in IMB. The risks are general in nature and regard has not been had to the investment objectives, financial situation, tax position or particular needs of any investor.

Company specific

Control Risk

Black Crane currently has a relevant interest in approximately 50.23% of the Shares in the Company. Black Crane has committed to investing \$7 million in the Offer through agreeing to take up its entitlement in full and provide sub-underwriting for the Offer to the extent required. Assuming Black Crane takes up its full entitlement, no other Shareholders accept their entitlements, and Black Crane sub-underwrites the Entitlement Offer up to its commitment, Black Crane's voting power in the Company may increase to as high as 70.80%. Black Crane's significant interest in the capital of the Company means that it is in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders. Black Crane currently holds, and post completion of the Equity Raising may continue to hold, a relevant interest in more than 50% of the Company's shares which means that it has the potential to pass or block ordinary resolutions from being passed by the Company and block special resolutions from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Ordinary resolutions are required in relation to the approval of certain shareholder matters, including the appointment and removal of directors. Special resolutions are required in relation to approval of certain shareholders matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class. Furthermore, a significant sale of shares, or a perception that a sell-down may occur, by Black Crane could adversely affect the price of the Company's shares.

Acquisition Risk

IMB has undertaken pre-acquisition due diligence on business and assets of Mammoth Innovation Pty Ltd (Mammoth) and Advanced Inland Security Group (AIS). There is a risk that these due diligence investigations did not identify all material issues, or that issues apparent from the information provided were not adequately appreciated or addressed. There is also a risk that information provided was not complete, accurate or reliable. IMB has entered into acquisition agreements with the shareholders of Mammoth and AIS. There is a risk that IMB may incur costs or suffer losses if either party breaches the agreements. IMB's ability to seek compensation or indemnification from the shareholders of Mammoth and AIS for claims under the agreements may be limited in the agreement or by the financial ability of those shareholders to satisfy the claims. Further, any delays in satisfying the conditions to completion of the acquisition or waiving any of those requirements, may have an adverse impact on the operational performance of the business post-acquisition or IMB's ability to integrate the businesses of Mammoth and AIS.

Appendix A - Key Risks

Company specific	
<p>Integration Risk</p>	<p>There are risks involved in integrating the businesses of Mammoth and AIS into the existing Company group. These risks may relate to imposing IMB's standardised reporting, systems and procedures onto the acquired business and the use of centralised technology, communication and other potential shared services. Unexpected difficulties in integrating the businesses may result in higher than expected integration or operating costs, potential disruptions to the acquired business, loss of users and lower than expected cost and revenue synergies from the acquisitions</p>
<p>Additional Requirements for Capital</p>	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Equity Raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<p>Default Risk Under Debt Arrangements</p>	<p>The Company has and may continue to enter into debt facilities and agreements such as the debt arrangements with Ares under which it will have obligations to make payments to the investors on the relevant due dates and repay amounts advanced to Company on the relevant due dates. As at 31 March 2021, \$27.01 million remains owing to Ares, with a payment of \$750,000 due on 30 September 2022. The term for full repayment will be 30 September 2022.</p> <p>The Company expects to be able to make the interim payments using the proceeds from future debt or equity raisings, cash flows from operations or proceeds from the sale of assets.</p> <p>However, as set out in the Going Concern Risk there is a risk that the Company may be unable to procure or raise sufficient cash resources from its operations, future debt or equity raisings to make the final payments under the Company's debt arrangements.</p> <p>Under the agreement with Ares the Company also must comply with financial covenants, as set out in the Company's announcement to ASX dated 24 September 2021. Should the Company default on its obligations under any of its debt arrangements (including the obligation to meet financial covenants) an event of default will occur.</p> <p>In these circumstances, if the Company is unable to raise sufficient funds or otherwise cure the default, the full debt may become immediately repayable and the debt holders may enforce the security granted and sell some or all of the Company's assets.</p>

Appendix A - Key Risks

Company specific

Going Concern risk

The Company's 2021 annual report released to ASX on 31 August 2021 (**Financial Report**) includes a note on the financial condition of the Company and the possible existence of a material uncertainty about the Company's ability to continue as a going concern. A similar note is also included in the Company's FY22 half-yearly report released to ASX on 28 February 2022 (**Half-Yearly Report**). Notwithstanding the 'going concern' qualification included in the Financial Report and Half-Yearly Report, the Directors believe that upon the successful completion of the Equity Raising, the Company will have sufficient funds to adequately meet the Company's short term working capital requirements.

Climate Risk

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:
the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

Coronavirus (COVID-19)

The outbreak of the coronavirus disease (COVID-19) is continuing to impact global economic markets. The nature and extent of the effects of the outbreak on general economic and industry conditions, and the performance of the Company, remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company. The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain. In compliance with its continuous disclosure obligations, the Company will continue to update the market in regard to the impact of COVID-19 on its revenue channels and any adverse impact on the Company.

Appendix A - Key Risks

Industry specific	
Customer and Customer Retention Risk	<p>As with most businesses, the Company runs risk from a loss of clients. As is common in the industry, the Company typically enjoys long customer relationships, and it has a diverse spread of customers. However, as with other industries, technology advancements or the Company not performing to customers' expectations may lead to an increase in the difficulty of retaining customers. Loss of or significant decrease in business from customers could harm the Company's revenues and the Company's business.</p> <p>Further, although the Company has agreements in place with such customers, these agreements require the Company and/or the customers to meet certain obligations. Whilst the Company monitors its obligations under agreements there is no guarantee that customers will adequately or fully comply with their respective contractual rights and obligations including the obligations to pay for services provided.</p>
Innovation Risk	<p>The Company's ability to retain, increase, and engage its users and address their evolving needs and to increase revenues will depend heavily on management's ability to successfully create, launch and grow demand for new products, both independently and in conjunction with strategic partners.</p> <p>Remaining innovative and developing new and unique product offerings require investment and configuration requires monetary and internal resource investment which may erode the Company's competitive position and adversely affect the growth and profitability of the Company</p>
Competition Risk	<p>The Company's ability to retain, increase, and engage its users and address their evolving needs and to increase revenues will depend heavily on management's ability to successfully create, launch and grow demand for new products, both independently and in conjunction with strategic partners.</p> <p>Remaining innovative and developing new and unique product offerings require investment and configuration requires monetary and internal resource investment which may erode the Company's competitive position and adversely affect the growth and profitability of the Company</p>
Regulatory Risk	<p>The introduction of new policies or legislation or amendments to existing policies or legislation and the failure by governments to act promptly to introduce new or amend existing policies or legislation that governs the Company's operations or contractual obligations could impact adversely on the operations and, ultimately, the financial performance of the Company.</p> <p>In conjunction with its strategic partners, the Company monitors the policies and regulations that apply to Company's operations and regularly engages and consults with government agencies.</p>

Appendix A - Key Risks

Industry	
<p>Privacy and Cyber Security Risk</p>	<p>The Company collects, transmits and stores commercial and financial information. Advances in computer capabilities, increasingly sophisticated tools and methods used by hackers and cyber terrorists, new discoveries in the field of cryptography or other developments may result in the Company's failure or inability to adequately protect its commercially sensitive information.</p> <p>An external cyberattack may have a detrimental effect on the Company. The Company will be unable to service clients for the period of the outage which could ultimately result in a loss of clients and consequently revenue. Confidential company and client information may be compromised. Any data breach will need to be reported to the relevant authorities and may cause substantial reputational and financial damage to the Company.</p> <p>The Company has established measures and systems to minimise the likelihood of security breaches and these systems are regularly monitored for development or improvement.</p>
<p>Customer Disputes</p>	<p>The Company can from time to time find itself in a dispute with a customer. Given the significant diversity of the customer base, the impact of any one dispute may be immaterial. However should a systematic failure occur in the monitoring operations, there is no guarantee that this would not impact the availability of the services to many customers and therefore result in multiple disputes that could have an effect on the financial performance and profitability of the Company. The Company monitors the systems carefully to minimise the risk of such disruptions and widespread customer disputes and complaints.</p>
<p>Reliance on Key Personnel and Staff Risks</p>	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company is dependent on securing and retaining skilled staff to operate. This includes skilled security personal to staff the security operating centres, and executive personnel. There can be no guarantee that the Company will always be able to find, train and retain appropriate staff in a manner that does not impact the operations and therefore financial performance of the Group.</p>
<p>Acquisition Risk</p>	<p>As part of the new strategic direction, the Company is exploring merger and acquisition opportunities with a view to strengthening its existing businesses. Any entry into, or commitment to, such relationship or opportunity will bring additional risks, including contractual, employment and intellectual property risks.</p> <p>The Company would also be likely to incur transactional costs in evaluating and negotiating such relationships which will need to be incurred regardless of whether the proposed transactions complete or bring benefit to the Company.</p> <p>If consideration payable for such acquisitions is in the form of equity, or requires equity financing, shareholder interests in the Company will likely be diluted. If debt financing is available and used it may involve restrictions on financing and operating activities of the Company.</p> <p>There is no guarantee that any acquisition would ultimately be beneficial to the Company's financial performance.</p>

Appendix A - Key Risks

Industry	
Licence Risks	<p>The Company uses its best endeavours to ensure compliance with the relevant state security legislation and also maintains a Grading of A1 – Australian Standard 2201.2. A failure by the Company to maintain its licenses at this, or any, standard going forward, may have a material adverse effect on the Company's financial performance.</p>
Licence Agreement Risks	<p>The Company is a party to a number of licence agreements with respect to the operation of its business. Whilst the Company monitors its compliance with such licence agreements, there is no guarantee that the Company or third parties will adequately or fully comply with their respective contractual rights and obligations.</p> <p>Depending on the relevant licence agreement and any future breaches of the obligations, the termination of a licence agreement may have an impact on the financial performance of the Company if a replacement licence agreement cannot be entered or at least equally favourable terms.</p>
Intellectual Property Protection Risks	<p>The Company seeks to differentiate its service through providing a unique and valuable service. In addition, it seeks to use the latest and most effective products and software to do so. There can be no guarantee that the Company is able to protect any or all of its intellectual property developed in the provision of its service in the future.</p> <p>In addition the Company may be required to incur significant expenses in monitoring and protecting its intellectual property rights or defending against claims it has infringed on a third party's patent or other intellectual property rights. It may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of its rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and cause a distraction to management.</p>

Appendix A - Key Risks

General	
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.
Market Conditions	<p>Share market conditions may affect the value of the Company's shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> • general economic outlook; • introduction of tax reform or other new legislation; • interest rates and inflation rates; • changes in investor sentiment toward particular market sectors; • the demand for, and supply of, capital; and • outbreaks of disease, terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Litigation Risk	In the ordinary course of business, the Company may be involved in complaints, disputes or litigation by customers, suppliers, employees, government agencies or other third parties, including disputes or litigation arising from intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Such matters may have an adverse effect on the Company's reputation, divert its financial and management resources from more beneficial uses, and have a material adverse effect on the Company's future financial performance or position. The Company is not currently engaged in any litigation.
Dividends	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company
Taxation	<p>The acquisition and disposal of Shares may have tax consequences, which will differ depending on the individual financial affairs of each investor. All existing and prospective investors in the Company are urged to obtain independent financial and/or taxation advice about the consequences of dealing in Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares.</p>
Speculative Investment	The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. Prospective investors should consider that an investment in the Company is highly speculative. There is no guarantee that the Shares offered under the Equity Raising will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Appendix B- International Offer Restrictions

United States of America

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. This document may not be distributed or released in the United States. The securities in the proposed offering have not been and will not be registered under the US Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, New Shares under the Offer may not be offered, or sold, directly or indirectly, in the United States, except in a transaction exempt from, or subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

New Zealand

This document has not, nor has any other document in connection with the New Shares under the Offer, been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The New Shares under the Offer may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) in Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong). The New Shares may not be offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (i) to “professional investors” within the meaning of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and any rules made under that ordinance or (ii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that ordinance.

No advertisement, invitation or document relating to the New Shares may be issued or may be in the possession (and no advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession) of any person for the purpose of issue, whether in Hong Kong or elsewhere, that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) and any rules made under that ordinance. No person allotted New Shares may dispose, transfer or on sell, or offer to dispose, transfer or on sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such New Shares.

This document and the information within are strictly confidential to the person to whom it is addressed and must not be distributed, published, reproduced or disclosed (in whole or in part) by the recipient to any other person or used for any purpose in Hong Kong.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

3. HOW TO APPLY

3.1 Shareholder's choices

If you are an Eligible Retail Shareholder, you may take any one, or a combination, of the following actions:

- (a) take up all or part of your Entitlement (refer to section 3.2). If you take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility; or
- (b) do nothing and allow your Entitlement to lapse (refer to section 3.3).

If you are an Eligible Retail Shareholder, the number of New Shares to which you are entitled under the Retail Entitlement Offer is shown on the accompanying Entitlement and Acceptance Form. If you have more than one eligible registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and will have a separate Entitlement for each holding.

Ineligible Retail Shareholders will not receive and may not take up any Entitlement.

The Closing Date for acceptance of the Retail Entitlement Offer is 5:00 pm (AEST) on 15 June 2022 (however, that date may be varied by IMB, in accordance with the Listing Rules and the Underwriting Agreement). IMB reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

Please consult with your stockbroker, solicitor, accountant or other professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer. You should also refer to the 'Key Risks' section of the investor presentation included in section 2 of this Information Booklet for a summary of general and specific risk factors that may affect IMB.

3.2 Taking up all or part of your Entitlement and participating in the Top Up Facility

If you wish to take up all or part of your Entitlement, you should follow the instructions set out on the Entitlement and Acceptance Form.

Any shortfall under the Institutional Entitlement Offer and Retail Entitlement Offer may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for additional New Shares under the Top Up Facility.

If you take up all of your Entitlement, you may also apply for additional New Shares under the Top Up Facility. There is no guarantee that you will be allocated any additional New Shares under the Top Up Facility. IMB retains the flexibility to scale back applications for additional New Shares at its discretion, including where any oversubscription is disproportionate to the Eligible Retail Shareholders' current holding. IMB will only consider exercising its discretion to scale back oversubscriptions where an Eligible Retail Shareholder has applied for more New Shares under the Top Up Facility than their existing Shareholding, or where the Eligible Retail Shareholder has disposed of their Shares during the offer period and applies for New Shares under the Top Up Facility for more than double its Entitlement. Black Crane will not be eligible to participate in the Top Up Facility.

If you only take up part of your Entitlement, the part not taken up will lapse. You will not be entitled to apply for additional New Shares under the Top Up Facility and the New Shares not subscribed for may be acquired by Eligible Retail Shareholders under the Top Up Facility or by the Joint Lead Managers and Underwriters or sub-underwriters (up to the level of their underwriting).

If you apply for additional New Shares under the Top Up Facility and if your application is successful (in whole or in part), your additional New Shares will be issued to you at the same

time that other New Shares are issued under the Retail Entitlement Offer. If you apply for additional New Shares, there is no guarantee that you will be allocated any additional New Shares.

Amounts received by IMB in excess of the Issue Price multiplied by the number of New Shares on your Entitlement and Acceptance Form may be treated as an Application to apply for as many additional New Shares under the Top Up Facility as your Application Monies will pay for in full.

There is no guarantee that Eligible Retail Shareholders will receive the number of New Shares applied for under the Top Up Facility, or any New Shares applied for under the Top Up Facility. New Shares will only be allocated to Eligible Retail Shareholders under the Top Up Facility if available and then only if and to the extent that IMB so determines, in its absolute discretion, including by having regard to whether any oversubscription is disproportionate to the Eligible Retail Shareholders' current holding.

Ineligible Retail Shareholders, Eligible Institutional Shareholders and Ineligible Institutional Shareholders may not participate in the Top Up Facility.

Any Entitlements not taken up under the Top Up Facility will be subscribed for by the Joint Lead Managers and Underwriters. You may take up your Entitlement by payment of the Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY®, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than 5:00 pm (AEST) on 15 June 2022.

Refund amounts (greater than \$2), if any, will be paid in Australian dollars and without any interest. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to <https://investorcentre.linkmarketservices.com.au/Login/Login> and following the instructions.

If you wish to take up part of your Entitlement, payment must be made by following the instructions set out on the personalised Entitlement and Acceptance Form. If IMB receives an amount that is less than the Issue Price multiplied by your Entitlement, your payment may be treated as an Application for as many New Shares as your Application Monies will pay for in full.

No New Shares will be issued including under the Top Up Facility if to do so would, to the knowledge of IMB, result in a breach of the Listing Rules or the restrictions on obtaining or increasing relevant interests of greater than 20% of IMB's issued voting shares under Chapter 6 of the Corporations Act, or would otherwise be contrary to the Listing Rules or Corporations Act.

3.3 Do nothing and allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and all or that part of your Entitlement will lapse.

If you do not accept all or part of your Entitlement in accordance with the instructions set out above, those New Shares for which you would have otherwise been entitled under the Retail Entitlement Offer (including New Shares that relate to the portion of your Entitlement that has not been accepted) may be issued to the Joint Lead Managers and Underwriters or any sub-underwriters (up to the level of their underwriting).

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement and you will not receive any value for your Entitlement. Your interest in IMB will also be diluted.

To the extent any Shortfall Shares are not issued to the Joint Lead Managers and Underwriters in accordance with the terms and conditions of the Underwriting Agreement, the Directors reserve the right to place any Shortfall Shares at their discretion, but in any event not later than three months after the Closing Date.

3.4 Payment

The consideration for the New Shares is payable in full on application by a payment of \$0.15 per New Share. You may arrange for payment of the Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form. It is your responsibility to ensure your BPAY® payment is received by the Share Registry by no later than 5:00 pm (AEST) on 15 June 2022. Your financial institution may implement earlier cut-off times with regard to electronic payment, and you should take that into consideration.

IMB will treat you as applying for as many New Shares as your payment of Application Monies will pay for in full up to your Entitlement. If your payment will pay for more than your full Entitlement, IMB will treat you as applying for your full Entitlement and in respect of any excess amount, applying for as many additional New Shares under the Top Up Facility as it will pay for in full.

Eligible Retail Shareholders must not forward cheques or cash by mail. Receipts for payment will not be issued.

3.5 No minimum subscription

There is no minimum subscription amount for the Retail Entitlement Offer.

3.6 Entitlement and Acceptance Form is binding

A payment made through BPAY®, constitutes a binding offer to acquire New Shares on the terms of this Information Booklet and, once paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid Application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is at their sole discretion and final.

By making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) acknowledge that you have read this Information Booklet and the accompanying Entitlement and Acceptance Form in their entirety;
- (b) agree to be bound by the terms of the Retail Entitlement Offer, this Information Booklet and IMB's constitution;
- (c) authorise IMB to register you as the holder(s) of the New Shares allotted to you;
- (d) declare that all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
- (e) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (f) acknowledge that, once IMB or the Share Registry receives the Entitlement and Acceptance Form or your payment by BPAY®, you may not withdraw it except as allowed by law;

- (g) apply for the number of New Shares specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies, at the Issue Price per New Share;
- (h) authorise IMB, the Joint Lead Managers and Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (i) acknowledge and agree that:
 - (1) determination of eligibility of investors for the purposes of the institutional or retail components of the Entitlement Offer was determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of IMB and the Joint Lead Managers and Underwriters; and
 - (2) IMB and the Joint Lead Managers and Underwriters and each of their respective related bodies corporate and affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent by law;
- (j) declare that you were the registered holder(s) at the Record Date of the Existing Shares indicated on the Entitlement and Acceptance Form;
- (k) acknowledge that the information contained in this Information Booklet is not investment advice or a recommendation that New Shares are suitable for you, given your investment objectives, financial situation or particular needs;
- (l) acknowledge that the Information Booklet is not a prospectus and does not contain all of the information that you may require in order to assess an investment in IMB and is given in the context of IMB's past and ongoing continuous disclosure announcements to ASX;
- (m) acknowledge that you have read and understood the statements of risks in the 'Key Risks' section of the investor presentation included in section 2 of this Information Booklet and that an investment in IMB is subject to risks;
- (n) acknowledge that neither IMB, the Joint Lead Managers and Underwriters, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of IMB, nor do they guarantee the repayment of capital;
- (o) agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of the Existing Shares on the Record Date;
- (p) authorise IMB to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- (q) represent and warrant (for the benefit of IMB, the Joint Lead Managers and Underwriters and their respective related bodies corporate and affiliates) that you did not receive an invitation to the Institutional Entitlement Offer, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- (r) represent and warrant that the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;

- (s) are not in the United States of America and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States of America (to the extent such person holds Shares in IMB for the account or benefit of such person in the United States) and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
- (t) acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia;
- (u) have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States of America or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States of America;
- (v) understand and acknowledge that neither the Entitlement nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States. Notwithstanding the foregoing, the Entitlement may not be purchased, taken up or exercised by persons in the United States or by persons who are acting for the account or benefit of a person in the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States; and
- (w) if you are acting as nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Information Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

3.7 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Retail Entitlement. No stamp duty is payable for subscribing for New Shares under the Retail Entitlement Offer or for additional New Shares under the Top Up Facility.

3.8 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been accepted.

3.9 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Information Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand or any other country to the extent IMB may determine it is lawful and practical to make the Retail Entitlement Offer.

IMB is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Retail Entitlement. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Retail Entitlement Offer by the beneficiary complies with applicable foreign laws. IMB is not able to advise on foreign laws.

4. AUSTRALIAN TAX CONSIDERATIONS

4.1 Introduction

This section is a general summary of the Australian income tax, goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders.

The taxation implications of the Retail Entitlement Offer will vary depending on your particular circumstances. Accordingly, you should seek and rely upon the professional advice of your own taxation or financial adviser before concluding on the particular taxation treatment that will apply to you.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Shares on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes; or
- hold your Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading); or
- are subject to the “taxation of financial arrangements” rules (commonly referred to as the **TOFA rules**) in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to your holding of Shares, Entitlements or New Shares; or
- acquired the Shares in respect of which the Entitlements are issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme; or
- acquired Entitlements otherwise than because you are an Eligible Retail Shareholder (e.g. where the Entitlements are acquired on ASX).

If you are such a Shareholder, you should seek your own independent professional tax advice applicable to your particular circumstances.

The comments are necessarily general in nature and are reflective of the comments in the Commissioner of Taxation’s public ruling Taxation Ruling 2017/4 (Income Tax: taxation of rights and retail premiums under renounceable rights offers where shares are held on capital account). The comments are based on Australian taxation law and administrative practice as at the time of issue of this Information Booklet.

The comments do not take into account any financial objectives, tax positions or investment needs of any particular Shareholder. As the taxation implications of the Retail Entitlement Offer will depend upon an Eligible Retail Shareholder’s particular circumstances, all Eligible Retail Shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them.

Eligible Retail Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Retail Entitlement Offer that are not covered by taxation advice in relation to the taxation implications of the Retail Entitlement Offer in any jurisdictions that are relevant to them.

Neither IMB nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Retail Entitlement Offer.

4.2 **Income tax consequences of Entitlements**

(a) **Issue of Entitlements**

The issue of Entitlements to Australian resident Eligible Retail Shareholders should not, of itself, give rise to any amount of assessable income or capital gain for Eligible Retail Shareholders.

(b) **Exercise of Entitlements**

The exercise of Entitlements or application under the Top-Up Facility should not, of itself, result in any amount being included in an Eligible Retail Shareholder's assessable income and should not give rise to any capital gain under the capital gains tax (**CGT**) provisions.

Eligible Retail Shareholders that exercise their Entitlements or participate in the Top-Up Facility will receive New Shares. The amount paid to exercise Entitlements or to participate in the Top-Up Facility (i.e. the Issue Price) and any non-deductible incidental costs will form the cost base of the New Shares acquired through exercise for CGT purposes.

(c) **Income tax consequences of New Shares**

Dividends paid on the New Shares should be frankable for imputation purposes. Generally, provided that an Eligible Retail Shareholder is a 'qualified person' and the Commissioner of Taxation does not make a determination under the dividend streaming rules to deny the benefit of the franking credits to the Eligible Retail Shareholder, the Eligible Retail Shareholder should:

- include the amount of the dividend as well as an amount equal to the franking credits attached to the dividend in their assessable income in the income year in which they receive the dividend; and
- qualify for a tax offset equal to the franking credits attached to the dividend, which can be applied against their income tax liability for the relevant income year.

An Eligible Retail Shareholder should be a 'qualified person' if the 'holding period rule' and the 'related payments rule' are satisfied. Generally:

- to satisfy the 'holding period rule', an Eligible Retail Shareholder must have held their New Shares 'at risk' for a continuous period of at least 45 days (excluding the day of disposal) within a period beginning on the day after the day on which they acquired and ending on the 45th day after they become ex-dividend. To be held 'at risk', an Eligible Retail Shareholder must retain 30% or more of the risks and benefits associated with holding their New Shares. Where an Eligible Retail Shareholder undertakes risk management strategies in relation to their New Shares (e.g. by the use of limited recourse loans, options or other derivatives), the Eligible Retail Shareholder's ability to satisfy the 'at risk' requirement of the 'holding period rule' may be affected; and
- under the 'related payments rule', an Eligible Retail Shareholder who is obliged to make a 'related payment' (essentially a payment passing on the benefit of the dividend to another person), in respect of a dividend must hold the New Shares 'at risk' for at least 45 days (not including the days of acquisition and disposal) within each period beginning 45 days before and ending 45 days after they become ex-dividend.

An Eligible Retail Shareholder who is an individual is automatically treated as a 'qualified person' for these purposes if the total amount of the tax offsets in respect of all franked amounts to which the Shareholder is entitled in an income year does not exceed \$5,000. This is referred to as the 'small shareholder exemption'. However, an Eligible Retail Shareholder will not be a

'qualified person' under the small shareholder exemption if 'related payments' have been made, or will be made, in respect of such amounts.

In relation to the tax consequences on disposal of New Shares, any gain or loss realised on disposal should be taxable under the CGT provisions. The cost base for New Shares will be the amount paid for them (i.e. the Issue Price) together with certain incidental costs of acquisition and disposal. The New Shares will be treated as having been acquired on the date the relevant Shareholder exercised their Entitlements to buy the New Shares (i.e. the date the Shareholder returned their completed Entitlement and Acceptance Form). This means that the New Shares would need to be held for at least 12 months after this date in order for an Eligible Retail Shareholder (who is an individual, trust or complying superannuation fund) to be eligible for the CGT discount concession on disposal of the New Shares.

5. DEFINITIONS

These definitions are provided to assist the understanding some of the expressions used in this Information Booklet.

"\$" or "AUD" means Australian dollars.

"**Applicant**" means an Eligible Retail Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or has arranged for payment through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

"**Application**" means a duly completed Entitlement and Acceptance Form submitted to IMB accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.

"**Application Monies**" means the aggregate amount of money payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY®.

"**ASIC**" means the Australian Securities and Investments Commission.

"**ASX**" means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

"**Closing Date**" means 15 June 2022, being the day the Retail Entitlement Offer closes, or any other date that the Directors in their absolute discretion determine, subject to the Listing Rules and the Underwriting Agreement.

"**Corporations Act**" means the *Corporations Act 2001* (Cth).

"**Directors**" means the directors of IMB as appointed from time to time.

"**Eligible Institutional Shareholder**" means an institutional Shareholder to whom the Joint Lead Managers and Underwriters, on behalf of IMB, made an offer under the Institutional Entitlement Offer.

"**Eligible Retail Shareholder**" has the meaning given in section 1.1(b).

"**Eligible Shareholder**" means an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

"**Entitlement**" means the right to subscribe for New Shares under the Entitlement Offer.

"**Entitlement and Acceptance Form**" means the personalised acceptance form accompanying this Information Booklet.

"**Entitlement Offer**" means a pro rata accelerated non-renounceable entitlement offer to Eligible Shareholders to raise approximately \$10 million at the Issue Price on the basis of 1 New Share for every 1 Existing Share held on the Record Date, comprised of the Institutional Entitlement Offer and the Retail Entitlement Offer.

"**Existing Shares**" means the Shares already on issue in IMB as at the Record Date.

"**GST**" means Goods and Services Tax.

"**IMB**" or "**Company**" means Intelligent Monitoring Group Limited ACN 060 774 227.

"**Ineligible Institutional Shareholder**" means an institutional Shareholder that is not an Eligible Institutional Shareholder.

"**Ineligible Retail Shareholder**" has the meaning given in section 1.3.

"**Information Booklet**" means this document.

"**Institutional Entitlement**" means an Entitlement under the Institutional Entitlement Offer.

"**Institutional Entitlement Offer**" means the institutional component of the Entitlement Offer to Eligible Institutional Shareholders.

"**Issue Price**" means \$0.15 per New Share.

"**Joint Lead Managers and Underwriters**" means each of Morgans Corporate Limited ACN 010 539 607 and Bell Potter Securities Limited ACN 006 390 772.

"**Listing Rules**" means the official listing rules of ASX.

"**New Shares**" means Shares to be allotted and issued under the Entitlement Offer.

"**Record Date**" means 7:00 pm (AEST) on 24 May 2022.

"**Retail Entitlement**" means an Entitlement under the Retail Entitlement Offer.

"**Retail Entitlement Offer**" means the retail component of the Entitlement Offer to Eligible Retail Shareholders.

"**Shareholders**" means holders of Shares.

"**Shares**" means fully paid ordinary shares in the capital of IMB.

"**Share Registry**" means Link Market Services Limited.

"**Shortfall Shares**" means New Shares not taken up by Eligible Shareholders under the Entitlement Offer or Top-Up Facility, as well as New Shares not able to be taken up by Ineligible Institutional Shareholders and Ineligible Retail Shareholders.

"**TERP**" means theoretical ex-rights issue price.

"**TFN**" means an Australian tax file number.

"**Top Up Facility**" means the facility described in section 3.2 under which Eligible Retail Shareholders may apply for New Shares in excess of their Entitlement.

"**Underwriting Agreement**" means the underwriting agreement dated 24 May 2022 between IMB and the Joint Lead Managers and Underwriters, as amended from time to time.

"**US Securities Act**" means the *United States Securities Act of 1933*, as amended.

Corporate directory

Intelligent Monitoring Group Limited

Level 1, 672 Murray Street
PERTH WA 6005
Australia

Directors

Mr Peter Kennan (Non-Executive Chairman)

Mr Dimitri Bacopanos (Non-Executive Director)

Mr Dennison Hambling (Executive Director)

Company Secretary

Ms Jane Prior

Share Registry

Link Market Services Limited
Level 12 QV1 Building
250 St Georges Terrace
Perth WA 6000

Joint Lead Managers and Underwriters

Morgans Corporate Limited
Level 29, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

Bell Potter Securities Limited
Level 37, Exchange Plaza
2 The Esplanade
Perth WA 6000

Legal Adviser to the Entitlement Offer

Jones Day
Level 31, Riverside Centre
123 Eagle Street
Brisbane QLD 4000

ASX Listing

IMB ordinary shares are quoted by the ASX (ASX: IMB)

27 May 2022

Dear Shareholder

INTELLIGENT MONITORING GROUP LIMITED ENTITLEMENT OFFER – NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

On 20 May 2022, Intelligent Monitoring Group Limited (ASX: IMB) (**IMB**) announced a 1 for 1 accelerated non-renounceable entitlement offer of new fully paid ordinary shares in IMB (**New Shares**) to raise up to approximately \$10 million (**Entitlement Offer**).

The offer price is \$0.15 per New Share (**Issue Price**).

This letter is to inform you about the Entitlement Offer, and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares. **You are not required to do anything in response to this letter but there may be financial implications for you as a result of the Entitlement Offer that you should be aware of.**

The Entitlement Offer and use of proceeds

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to eligible retail shareholders to participate at the same Issue Price and offer ratio (**Retail Entitlement Offer**). The Entitlement Offer is being made in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (**ASIC Instrument 2016/84**) and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*), meaning that the Entitlement Offer is not being conducted by way of a prospectus.

Proceeds from the Entitlement Offer will be used for the following purposes:

- approximately \$2 million will be used to fund the acquisition of Mammoth Technology Group;
- approximately \$5 million will be used to fund the acquisition of Australian Inland Security; and
- approximately \$3 million will be used for general working capital purposes (including costs of the Entitlement Offer).

Morgans Corporate Limited and Bell Potter Securities Limited (**Joint Lead Managers and Underwriters**) are acting as joint lead managers to the Entitlement Offer, and have agreed to underwrite the Entitlement Offer up to \$8.2 million. Black Crane Asia Pacific Opportunities Fund (**Black Crane**), an entity controlled by the Company's non-executive Chairman, Mr Peter Kennan, has committed up to \$7 million to the Entitlement Offer, by taking up approximately \$4.7 million in New Shares as part of its entitlement under the Entitlement Offer and sub-underwriting the Entitlement Offer for the balance of its commitment.

Details of the Retail Entitlement Offer

The Retail Entitlement Offer is being made to eligible shareholders on the basis of 1 New Share for every 1 existing fully paid ordinary share held in IMB as at 7.00 pm (AEST) on 24 May 2022 (**Record Date**). An offer booklet in relation to the Retail Entitlement Offer (**Retail Information Booklet**) will be despatched to Eligible Retail Shareholders (as defined below) on or around 27 May 2022.

Eligibility criteria

Eligible Retail Shareholders are those persons who are holders of existing IMB ordinary shares as at 7.00 pm (AEST) on the Record Date and who:

- have a registered address on the IMB share register in Australia or New Zealand;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer and were not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered.

Shareholders who are not Eligible Retail Shareholders and who did not participate in the Institutional Entitlement Offer are ineligible to participate in the Retail Entitlement Offer. In particular, persons in the United States and persons acting for the account or benefit of persons in the United States will not be eligible to acquire or exercise retail entitlements.

The restrictions upon eligibility to participate in the Retail Entitlement Offer arise because of the legal and regulatory requirements in countries other than Australia or New Zealand and the potential costs of complying with these legal and regulatory requirements compared with the relatively small number of shareholders in those countries, the relatively small number of existing IMB ordinary shares they hold and the relatively low value of New Shares to which they would otherwise be entitled.

IMB has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Corporations Act (as modified by ASIC Instrument 2016/84), that it would be unreasonable to make offers to shareholders in certain countries under the Retail Entitlement Offer.

Determination of the eligibility of investors for the purposes of the Retail Entitlement Offer is determined by IMB in conjunction with the Joint Lead Managers and Underwriters with reference to a number of matters. IMB, the Joint Lead Managers and Underwriters, their affiliates and related bodies corporate and each of their respective directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

Unfortunately, according to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act, IMB regretfully advises you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Entitlement Offer.

You are not required to do anything in response to this letter.

If you have any further questions, you should contact your stockbroker, accountant or other professional adviser.

On behalf of the IMB board, I thank you for your continued support.

Yours faithfully

Intelligent Monitoring Group Limited

Important Information

This letter is issued by Intelligent Monitoring Group Limited (ACN 060 774 227). This letter is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in IMB in any jurisdiction. The provision of this letter is not, and should not be considered as, financial product advice. The information in this letter is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Please read the Retail Information Booklet, and if you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the entitlements or New Shares in any jurisdiction outside Australia and New Zealand. In particular, neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States. Accordingly, entitlements may not be exercised or taken up by, and the New Shares may not be offered or sold directly or indirectly, to, persons in the United States unless they have been registered under the Securities Act (which IMB has no obligation to do) or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The entitlements and New Shares to be offered and sold in the Retail Entitlement Offer will only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) of the Securities Act) in reliance on Regulation S under the Securities Act.

IMPORTANT NOTICE TO NOMINEES: Because of legal restrictions, you must not send copies of this letter nor any material relating to the Entitlement Offer to any of your clients (or any other person) in the United States or any other person acting for the account or benefit of persons in the United States or to any person in any other jurisdiction outside of Australia and New Zealand. Failure to comply with these restrictions may result in violations of applicable securities laws. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.