



27 June 2023

## Dispatch of Retail Entitlement Offer Information Booklet

Intelligent Monitoring Group Limited (**IMG** or the **Company**) advises that it will today complete dispatch of the Retail Entitlement Offer Information Booklet and personalized 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 June 2023 (**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 eligible retail shareholders notifying them of the Retail Entitlement Offer will be dispatched today.

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, the letter to eligible shareholders and the letter to ineligible retail shareholders is attached.

**-ENDS-**

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

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### About Intelligent Monitoring Group Limited

Intelligent Monitoring Group Limited (ASX: IMB) helps provide monitored security and IOT solutions that ensure the safety and protection of 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.

**INTELLIGENT MONITORING GROUP LIMITED**

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ASX: IMB

ASX RELEASE



# **Intelligent Monitoring Group Limited**

## **Retail Entitlement Offer Information Booklet**

**A fully underwritten pro rata accelerated non-renounceable entitlement offer of 33 New Shares for every 46 Existing Shares (or approximately 1 New Share for every 1.39 Existing Shares) at an issue price of \$0.16 per New Share to raise up to approximately \$15 million.**

Last date for acceptance and payment is 5:00 pm (AEST) on 11 July 2023 (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 June 2023.

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 Lead Manager has 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 Lead Manager, its 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 returning an Entitlement and Acceptance Form or otherwise 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 4. 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 3 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 section 4 of this Information Booklet for a summary of general and specific risk factors that may affect IMB.

## Trading of New Shares

IMB and the Lead Manager 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 June 2023

Dear Shareholder

On 20 June 2023, Intelligent Monitoring Group Limited (ASX:IMB) (**IMB** or **Company**) announced its plan to undertake a 33 for 46 (or approximately 1 for 1.39) accelerated non-renounceable entitlement offer of New Shares to raise up to approximately \$15 million (**Entitlement Offer**).

As announced to ASX on 13 June 2023, the Company has entered into:

- a share purchase agreement to acquire Tyco Australia Group Pty Ltd (which is the owner of the ADT Security business (**ADT Security**)) (**Acquisition**); and
- an \$80 million loan note subscription agreement (**Debt Facility**) arranged by Tor Investment Management.

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

- approximately \$45 million will be used for fund the Acquisition;
- approximately \$30.8 million will be used to repay amounts owing to Ares SSG Capital Management (**Refinancing**); and
- approximately \$19.2 million will be used for general working capital purposes (including approximately \$15 million for transaction costs of the Entitlement Offer, the Acquisition and the Debt Facility, restructuring costs relating to the Acquisition and the transition plan and cash backing for bank guarantees to be provided to landlords, with the balance to be retained as cash-on-hand for other general working capital purposes).

Shareholders should refer to the investor presentation and ASX announcement lodged with ASX on 13 June 2023 for details of the Acquisition and the Debt Facility.

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 22 June 2023, the Institutional Entitlement Offer completed, raising gross proceeds of approximately \$9.2 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 \$5.8 million.

Under the Retail Entitlement Offer, eligible retail shareholders will have the opportunity to subscribe for 33 New Shares for every 46 fully paid ordinary shares in IMB (**Existing Shares**) (or approximately 1 New Share for every 1.39 Existing Shares) held as at 7:00 pm (AEST) on 22 June 2023 (**Record Date**) at the Issue Price.

The issue price of \$0.16 per New Share represents a discount of:

[3]

- 8.3% to the theoretical ex-rights issue price<sup>1</sup> (**TERP**) of \$0.1745;
- 20.9% to the five-day volume weighted average price of Shares on 19 June 2023 (the last trading day prior to announcement of the Entitlement Offer) of \$0.2023;
- 13.5% to the last traded price of Shares on 19 June 2023 (the last trading day prior to announcement of the Entitlement Offer) of \$0.185.

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 \$0.16 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 Top Up Facility will not have a cap, although the board of IMB will retain discretion to scale down any oversubscriptions where:

- that is disproportionate to the existing Eligible Retail Shareholder's holding;
- the Eligible Retail Shareholder has disposed of their Shares during the offer period and applies for more than double their entitlement; or
- where Morgans Corporate Limited (the **Lead Manager**) has advised the Company that it should consider allocating Shares to a new strategic investor in preference to an oversubscription.

Any shortfall following the Institutional Entitlement Offer, Retail Entitlement Offer and Top Up Facility will be subscribed for by the Lead Manager or its sub-underwriters.

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 together with the investor presentation and ASX announcement lodged with ASX on 13 June 2023 relating to the Acquisition and the Debt Facility, as well as section 4 of this Information Booklet 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 11 July 2023.

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 contact the Share Registry on 1300 554 474 between 8:30 am to 7:30 pm (AEST) Monday to Friday during the offer period.

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<sup>1</sup> The theoretical ex-rights price of \$0.1745 is calculated using IMB's closing price on 19 June 2023 assuming proceeds from the Entitlement Offer are \$15 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.

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

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Peter Kennan', with a long horizontal stroke extending to the right.

Peter Kennan  
Non-Executive Chairman



## SUMMARY OF THE ENTITLEMENT OFFER

Entitlement Offer	
Ratio	33 New Shares for every 46 Existing Shares held by an Eligible Shareholder (or approximately 1 New Share for every 1.39 Existing Shares)
Issue Price	\$0.16 per New Share
New Shares to be issued under the Institutional Entitlement Offer	57,472,723 (subject to rounding of fractional entitlements)
New Shares to be issued under the Retail Entitlement Offer	36,277,277 (subject to rounding of fractional entitlements)
Total number of New Shares to be issued under the Entitlement Offer	93,750,000 (subject to rounding of fractional entitlements)
Amount to be raised under the Entitlement Offer before costs	Approximately \$15 million (subject to rounding of fractional entitlements)

### Key dates for the Retail Entitlement Offer

Activity	Date
Announcement of Entitlement Offer	20 June 2023
Record Date for Retail Entitlement Offer	7:00 pm (AEST) on 22 June 2023
Information Booklet and Entitlement and Acceptance Form despatched	27 June 2023
Retail Entitlement Offer opens	27 June 2023
Closing Date	5:00 pm (AEST) on 11 July 2023
Settlement of the Retail Entitlement Offer	17 July 2023
Issue of New Shares under Retail Entitlement Offer	18 July 2023
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	19 July 2023
Despatch of holding statements for New Shares	19 July 2023

This timetable is indicative only and subject to change. The Directors may, with the consent of the Lead Manager, 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 contact the Share Registry on 1300 554 474 between 8:30 am to 7:30 pm (AEST) Monday to Friday.

## 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 93,750,000 New Shares at \$0.16 per New Share to raise approximately \$15 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 consists of the following components:

- (a) **Institutional Entitlement Offer** – an initial offer to Eligible Institutional Shareholders. Institutional Entitlements were not traded on ASX and could not otherwise be transferred. The shortfall from the Institutional Entitlement Offer (if any) 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 otherwise 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 22 June 2023;
- (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 33 New Shares for every 46 Existing Shares (or approximately 1 New Share for every 1.39 Existing Shares) held by them on the Record Date.

The Retail Entitlement Offer opens on 27 June 2023 and will close at **5:00 pm (AEST) on 11 July 2023.**

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 Entitlement are outlined in section 2.1.

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 involved in an investment in IMB identified by IMB are summarised in section 4 of this Information Booklet.

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 dealt with in the manner described in section 1.12.

### 1.4 Underwriting

The Lead Manager has agreed to fully underwrite the Entitlement Offer, and any Shortfall Shares will be issued to the Lead Manager, on the terms set out in the Underwriting Agreement.

The Lead Manager will receive:

- a management fee of 2.00% (plus GST) of the proceeds of the Entitlement Offer; and
- an underwriting fee of 4.00% (plus GST) of the proceeds of the Entitlement Offer, excluding any proceeds received from Black Crane Advisors and Black Crane Fund.

The Lead Manager is 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 Lead Manager, 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 Lead Manager have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer; and
- (c) the Lead Manager 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 Lead Manager to terminate the Underwriting Agreement are set out in the ASX announcement lodged by the Company on 20 June 2023.

Neither the Lead Manager nor any of its 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 Lead Manager and its 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 Lead Manager nor any of its 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 Lead Manager or any of its 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 Lead Manager 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 Lead Manager may also hold interests in Shares or earn brokerage, fees or other benefits from IMB.

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

## 1.5 Potential impact on control

Black Crane Fund, an entity which is managed and advised by Black Crane Advisors and controlled by the Company's non-executive Chairman, Mr Peter Kennan, currently has a relevant interest in approximately 61.30% of the Company's shares. Upon completion of the Retail Entitlement Offer, Black Crane Fund's voting power will remain at approximately 61.30%.

Prior to the launch of the Entitlement Offer, Black Crane Advisors committed \$15 million to the Entitlement Offer by procuring Black Crane Fund to take up its entitlement and sub-underwriting the balance of the Entitlement Offer. As announced to ASX on 22 June 2023, the Lead Manager secured sufficient binding sub-underwriting commitments from parties other than Black Crane Advisors to fully sub-underwrite the Retail Entitlement Offer (being sub-underwriting commitments of approximately \$5.8 million), which have replaced Black Crane Advisors' sub-underwriting commitment and minimised the control effects of the Entitlement Offer.

A fee of \$600,000 (being 4% of Black Crane Advisors' total commitment) is payable by the Company to Black Crane Advisors. This fee was negotiated between the Company's independent directors and Mr Kennan, in circumstances where the commitment was given by Black Crane Advisors prior to the Company determining the offer structure, size of the raising, issue price and level of support from other investors.

The Company also engaged Black Crane Advisors to provide certain corporate advisory services to the Company in connection with the Acquisition, the Debt Facility and the

Entitlement Offer, the acquisition of ADT Security and the associated debt raising, in exchange for a fee of \$1,575,000. Such fee is only payable if the Acquisition completes.

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

## 1.6 Intentions of Black Crane Advisors

Black Crane Advisors 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 Advisors 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 Advisors 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 Advisors' intentions could change.

Black Crane Advisors 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 Advisors 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 Advisors 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 Advisors and Black Crane Fund 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 Advisors' 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 Advisors and Black Crane Fund are related parties 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 Retail Entitlement Offer, your holdings may be diluted by approximately 72% following the Entitlement Offer. The following are examples of how any dilution may impact you if you do not participate in the Retail Entitlement Offer.

Shareholding as at the Record Date	Percentage shareholding as at the Record Date	Entitlement	Percentage shareholding following completion of Entitlement Offer
19,605,044	15%	14,064,488	8.73%
13,070,030	10%	9,376,325	5.82%
6,535,014	5%	4,688,162	2.91%
1,307,003	1%	937,632	0.58%

## 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.

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://intelligentmonitoringgroup.com/> or by contacting the Share Registry on 1300 554 474 between 8:30 am to 7:30 pm (AEST) Monday to Friday 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 contacting the Share Registry on 1300 554 474 between 8:30 am to 7:30 pm (AEST) Monday to Friday.

## 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](http://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 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**

The Company has appointed Berne No 132 Nominees Pty Ltd (**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. HOW TO APPLY

### 2.1 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 2.2). 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 2.3).

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 11 July 2023** (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 section 4 of this Information Booklet for a summary of general and specific risk factors that may affect IMB.

### 2.2 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. The Top Up Facility will not have a cap, although the board of IMB will retain discretion to scale down any oversubscriptions where:

- that is disproportionate to the existing Eligible Retail Shareholder's holding, being where the Eligible Retail Shareholder has applied for more New Shares than their existing shareholding;
- the Eligible Retail Shareholder has disposed of their Shares during the offer period and applies for more than double their entitlement; or
- the Lead Manager has advised the Company that it should consider allocating Shares to a new strategic investor in preference to an oversubscription.

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 Lead Manager or sub-underwriters.



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 Lead Manager.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with section 2.4 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 5:00 pm (AEST) on 11 July 2023 at:

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

You may also 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 11 July 2023.

Refund amounts, 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 Retail Entitlement Offer. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to [www.investorvote.com.au](http://www.investorvote.com.au) 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.

### 2.3 **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 Lead Manager or any sub-underwriters .

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 Lead Manager 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.

### 2.4 **Payment**

The consideration for the New Shares is payable in full on application by a payment of \$0.16 per New Share. The completed Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Intelligent Monitoring Group Limited – Entitlement Offer**' and crossed 'Not Negotiable'.

Alternatively, 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 11 July 2023. 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 cash by mail. Receipts for payment will not be issued.

### 2.5 **No minimum subscription**

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

### 2.6 **Entitlement and Acceptance Form is binding**

A completed and lodged Entitlement and Acceptance Form with the requisite Application Monies, or 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 completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or 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 Lead Manager, 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 Entitlement Offer and Retail 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 Lead Manager; and
  - (2) IMB and the Lead Manager 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 section 4 of this Information Booklet and that an investment in IMB is subject to risks;

- (n) acknowledge that neither IMB, the Lead Manager, 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 Lead Manager 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.

## 2.7 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their 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.

## 2.8 **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.

## 2.9 **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 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.

### 3. AUSTRALIAN TAX CONSIDERATIONS

#### 3.1 Introduction

This section is a general summary of the Australian income tax 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.

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 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.

IMB, its officers or employees, and its taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences of the Retail Entitlement Offer.

## 3.2 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 for CGT purposes of the New Shares acquired through exercise.

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

Dividends paid on the New Shares included in the assessable income of the relevant Eligible Retail Shareholder.

Such dividends should also be frankable under the imputation provisions in the income tax laws. Generally, this means that, 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 Eligible Retail 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.

Any gain or loss realised on disposal of New Shares should be taxable under the CGT provisions. Capital gains are generally calculated as the amount by which the proceeds on disposal of the New Shares exceeds the cost base of the New Shares. 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 for CGT purposes on the date the relevant Eligible Retail Shareholder exercised their Entitlements to buy the New Shares (i.e. the date the Eligible Retail 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.



## 4. KEY RISKS

### 4.1 Risks specific to the Acquisition

#### (a) Completion Risk

Completion of the Acquisition is conditional on various matters as set out in the share purchase agreement in respect of the Acquisition (**Sale Agreement**), including the vendor completing a restructure. If any of the conditions are not satisfied or waived, or any of the completion deliverables are not delivered, completion of the Acquisition may be deferred or may not occur on the current terms or at all. If completion of the Acquisition is delayed, the Company may incur additional costs and it may take longer than anticipated for the Company to realise the benefits of the Acquisition. Any failure to complete, or delay in completing, the Acquisition could materially and adversely affect the Company's operational and financial performance and the price of its shares.

#### (b) Historical liabilities

If the Acquisition completes, the Company may become directly or indirectly exposed to liabilities that the ADT Security group has incurred or is liable for in the past as a result of prior acts or omissions, including liabilities which were not identified during the Company's due diligence or which are greater than expected, or for which the Company was unable to negotiate sufficient protection in the Sale Agreement. Such liabilities may adversely affect the financial performance or position of the Company after the Acquisition.

#### (c) Separation and transition

The ADT Security group business is heavily integrated within the Johnson Controls group including its operational systems and IT back end services. The operational separation of the ADT Security group business from the Johnson Controls group will not be completed before completion of the Acquisition, so the Company will need to rely on transitional services to be provided by Johnson Controls for a period post-completion of the Acquisition. There is a risk that operational separation from the Johnson Controls group could take longer, be more complex or cost more than expected, encounter unexpected challenges or issues, and divert management attention in executing such a complex and lengthy program.

#### (d) Integration and synergies

The acquisition of the ADT Security group will be transformational for the Company's business, operational profile, capital structure and size compared to that of the Company on a standalone pre-Acquisition basis. There is a risk that the success and profitability of the Company following completion of the Acquisition could be adversely affected if the ADT Security group is not integrated effectively. There is a risk that integration could take longer, be more complex or cost more than expected, encounter unexpected challenges or issues, divert management attention or that the anticipated benefits and synergies of the integration may be less than estimated.

Possible issues may include:

- differences in management culture between the businesses being integrated;
- unanticipated or higher than expected costs, delays or failures relating to integration of businesses, information technology, accounting or other systems;
- loss of, or reduction in, key personnel, expert capability or employee productivity, or failure to procure or retain employees;
- failure to derive the expected benefits of the strategic growth initiatives; and

- disruption of ongoing operations of other Company businesses.

Any failure to achieve the targeted synergies of integration of the ADT Security group may impact on the financial performance, operation and position of the Company and the future price of the Company's shares.

(e) **Due diligence risk**

The Company undertook a due diligence process in respect of the Acquisition, which relied in part on the review of financial and other information provided by the Johnson Controls group. Despite making reasonable efforts, the Company has not been able to verify the accuracy, reliability or completeness of all the information which was provided. If any information provided and relied upon by the Company in its due diligence and preparation of this presentation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of the ADT Security group may be materially different to the expectations and targets reflected in this presentation. Investors should also note that there is no assurance that the due diligence conducted by the Company was conclusive, and that all material issues and risks in respect of the Acquisition have been identified and avoided or managed appropriately (for example, because it was not always possible for the Company to negotiate indemnities or representations and warranties from the Johnson Controls group to cover all potential risks). Therefore, there is a risk that issues and risks may arise which will also have a material impact on the Company (for example, the Company may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for the Company). This could adversely affect the operations, financial performance or position of the Company.

(f) **Change of control risk**

The acquisition of the ADT Security may trigger change of control clauses in some material contracts to which an ADT Security group member is a party. Where triggered, the change of control clause will, in most cases, require the Company to seek the counterparty's consent in relation to the Acquisition. There is a risk that a counterparty may not provide their consent to the Acquisition, which may trigger a termination right in favour of that counterparty or that the counterparty may require a payment from the Company or renegotiation of terms or fulfilment of some other condition to obtain such consent. If any of the material contracts containing a change of control clause are terminated by the counterparty or renegotiated on less favourable terms, it may have an adverse impact on the Company's post-Acquisition financial performance and prospects. There can be no assurance that the Company would be able to renegotiate such contracts on commercially reasonable terms, if at all.

Additionally, as a result of the Acquisition, counterparties to some of the material contracts of the ADT Security group that have rights to terminate for convenience may elect to terminate their relationship with the ADT Security group. If any material customers or suppliers terminate their relationship with the ADT Security group, it may have an adverse impact on the Company's financial performance and prospects post-Acquisition.

(g) **Debt funding risk**

The Company has entered into a loan note subscription agreement (**Facility Agreement**) to provide funding for the Acquisition, repayment of the Ares debt and transaction costs. If certain conditions precedent are not satisfied, or certain events occur, the financier may be entitled not to provide funding under the terms of the Facility Agreement, which would have an adverse impact on the Company's sources of funding for the Acquisition.

If the conditions precedent under the Facility Agreement are not satisfied or waived, and the Company's financier does not provide funding under the Facility Agreement and the Company is unable to source alternate funding, it may be unable to complete the Acquisition and could be required to pay damages.

The use of debt financing to partially fund the Acquisition means that the Company will be more exposed to risks associated with gearing and higher leverage ratios. In addition, the Company will be more exposed to general risks relating to any refinancing of its debt facilities. It may be difficult for the Company to refinance this debt facility and an inability to secure new debt facilities at a similar quantum and cost to existing debt facilities may adversely affect the financial performance of the Company.

(h) **Underwriting risk**

The Company has entered into the Underwriting Agreement under which Lead Manager has agreed to fully underwrite the Entitlement Offer.

The Underwriter's obligation to underwrite the Entitlement Offer is conditional on certain customary matters, including the Company delivering certain shortfall notices, signoffs and opinions. Further, if certain events occur, some of which are beyond the Company's control, the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement would have an adverse impact on the amount of proceeds raised under the Entitlement Offer and could affect the Company's ability to pay the purchase price for the Acquisition. In these circumstances, the Company would need to find alternative funding to meet its contractual obligations under the Sale Agreement to pay the purchase price. Termination of the Underwriting Agreement could materially adversely affect the Company's business, cash flow, financial performance, financial condition and share price.

Full details of the events which may give rise to a right for the Lead Manager to terminate the Underwriting Agreement are set out in the ASX announcement lodged by the Company on 20 June 2023.

4.2 **Risks to the Company**

(a) **Control Risk**

Black Crane currently has a relevant interest in approximately 61.30% of the shares in the Company. Upon completion of the Retail Entitlement Offer, Black Crane Fund's voting power will remain at approximately 61.30%.

Black Crane's significant interest in the capital of the Company means that it is in a position to potentially influence the financial and operating decisions and policies of the Company, and its interests may not align with those of all other shareholders.

As Black Crane currently holds, and post completion of the Entitlement Offer will continue to hold, a relevant interest in more than 50% of the Company's shares, 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 resolutions 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 the approval of certain shareholders matters, including potentially seeking the delisting of the Company, amending the constitution of the Company, 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.

(b) **Additional Requirements for Capital**

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 Facility Agreement and the Entitlement Offer.

Any additional equity financing will dilute the holdings of existing shareholders, 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.

(c) **Going Concern risk**

The Company's FY23 half-yearly report released to ASX on 28 February 2023 (**Half-Yearly 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.

Given the Company has entered into the Facility Agreement, the Directors believe that, notwithstanding the 'going concern' qualification included in the Half-Yearly Report, on drawdown under the Facility Agreement and completion of the Entitlement Offer, the Company will have sufficient funds to adequately meet the Company's short term working capital requirements following the Acquisition.

(d) **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 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.

(e) **Customer and Customer Retention Risk**

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 a significant decrease in business from customers could harm the Company's revenues and the Company's business.

Further, although the Company has agreements in place with its existing 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.

**(f) Innovation and Competition Risk**

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.

Remaining innovative and developing new and unique product offerings require investment and configuration, requiring monetary and internal resource investment, which may erode the Company's competitive position and adversely affect the growth and profitability of the Company.

**(g) Regulatory Risk**

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.

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.

**(h) Privacy and Cyber Security Risk**

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.

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.

The Company has established measures and systems to minimise the likelihood of security breaches and these systems are regularly monitored for development or improvement.

**(i) Customer Disputes**

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.

**(j) Reliance on Key Personnel and Staff Risks**

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.

The Company is dependent on securing and retaining skilled staff to operate. This includes skilled security personnel 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.

**(k) Acquisition Risk**

As part of the new strategic direction, the Company is continuing to explore 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.

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.

If consideration payable for such acquisitions is in the form of equity, or requires equity financing, the interests of existing shareholders in the Company will likely be diluted. If debt financing is available and used, it may involve restrictions on the financing and operating activities of the Company.

There is no guarantee that any acquisition would ultimately be beneficial to the Company's financial performance.

**(l) Licence Risks**

The Company uses its best endeavours to ensure compliance with the relevant state security legislation and to also maintain 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.

**(m) Licence Agreement Risks**

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.

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 on at least equally favourable terms.

**(n) Intellectual Property Protection Risks**

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.

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.

(o) **Economic Risk**

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.

(p) **Market Conditions**

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:

- 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, epidemics, pandemics, terrorism or other hostilities.

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.

(q) **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.

(r) **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.

(s) **Taxation**

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.

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.

(t) **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 Entitlement Offer will provide a return on capital, payment of dividends or increases in the market value of those 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).

"**Black Crane Advisors**" means Black Crane Advisors Limited.

"**Black Crane Fund**" means Black Crane Asia Pacific Opportunities Fund.

"**Closing Date**" means 11 July 2023, 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 Lead Manager, on behalf of IMB, made an offer under the Institutional Entitlement Offer.

"**Eligible Retail Shareholder**" has the meaning given in section 1.2.

"**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 \$15 million at the Issue Price on the basis of 33 New Shares for every 46 Existing Shares (or approximately 1 New Share for every 1.39 Existing Shares) 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.

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

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

**"Issue Price"** means \$0.16 per New Share.

**"Lead Manager"** means Morgans Corporate Limited ACN 010 539 607.

**"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 22 June 2023.

**"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 2.2 under which Eligible Retail Shareholders may apply for New Shares in excess of their Entitlement.

**"Underwriting Agreement"** means the underwriting agreement dated 20 June 2023 between IMB and the Lead Manager as amended from time to time.

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

# Corporate directory

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## **Intelligent Monitoring Group Limited**

Suite 2, 1 Tully Road  
EAST PERTH WA 6004  
Australia

### **Directors**

Mr Peter Kennan (Non-Executive Chairman)

Mr Jason Elks (Non-Executive Director)

Mr Dennison Hambling (Executive Director)

Mr Robert Hilton (Non-Executive Director)

### **Company Secretary**

Mr Neil Green

### **Share Registry**

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

### **Lead Manager**

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

### **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)



## NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

27 June 2023

Dear Shareholder

### INTELLIGENT MONITORING GROUP LIMITED ENTITLEMENT OFFER – NOTIFICATION TO ELIGIBLE RETAIL SHAREHOLDERS

On 20 June 2023, Intelligent Monitoring Group Limited (ASX: IMB) (**IMB**) announced a 33 for 46 (or approximately 1 for 1.39) accelerated non-renounceable entitlement offer of new fully paid ordinary shares in IMB (**New Shares**) to raise up to approximately \$15 million (**Entitlement Offer**).

The offer price of \$0.16 per New Share (**Issue Price**):

- represents a discount of 8.3% to the theoretical ex-rights price (**TERP**)<sup>1</sup> of \$0.1745; and
- represents a discount of 13.5% to the closing price of IMB's shares of \$0.185 per share on 19 June 2023, being the last trading day immediately prior to announcement of the Entitlement Offer on 20 June 2023.

The Entitlement Offer is fully underwritten by Morgans Corporate Limited (**Lead Manager**).

#### 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* and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73*), meaning that the Entitlement Offer is not being conducted by way of a prospectus.

New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing IMB ordinary shares on issue. Fractional entitlements will be rounded up to the nearest whole number of shares.

As announced to ASX on 13 June 2023, IMB has entered into:

- a share purchase agreement to acquire Tyco Australia Group Pty Ltd (which is the owner of the ADT Security business) (**Acquisition**); and

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<sup>1</sup> The theoretical ex-rights price of \$0.1745 is calculated using IMB's closing price on 19 June 2023 assuming proceeds from the Entitlement Offer are \$15 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.

**INTELLIGENT MONITORING GROUP LIMITED**

ABN 36 060 774 227

ASX:IMB

Suite 2, 1 Tully Road, East Perth WA 6004

Phone: 1300 847 328

Website: [www.theimg.com.au](http://www.theimg.com.au)

- an \$80 million loan note subscription agreement (**Debt Facility**) arranged by Tor Investment Management.

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

- approximately \$45 million will be used for fund the Acquisition;
- approximately \$30.8 million will be used to repay amounts owing to Ares SSG Capital Management; and
- approximately \$19.2 million will be used for general working capital purposes (including approximately \$15 million for transaction costs of the Entitlement Offer, the Acquisition and the Debt Facility, restructuring costs relating to the Acquisition and the transition plan and cash backing for bank guarantees to be provided to landlords, with the balance to be retained as cash-on-hand for other general working capital purposes).

Shareholders should refer to the investor presentation and ASX announcement lodged with ASX on 13 June 2023 for details of the Acquisition and the Debt Facility.

### **Details of the Retail Entitlement Offer**

The Retail Entitlement Offer is being made to eligible retail shareholders on the basis of 33 New Shares for every 46 existing fully paid ordinary shares held in IMB (or approximately 1 New Share for every 1.39 existing shares) as at 7.00 pm (AEST) on 22 June 2023 (**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 June 2023.

### **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 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
- 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 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 entitlements under the Retail Entitlement Offer.

According to our records, you satisfy the eligibility criteria for an Eligible Retail Shareholder.

### **Top-Up Facility**

Entitlements not taken up following the Institutional Entitlement Offer and Retail Entitlement Offer will be available to Eligible Retail Shareholders who have taken up their

full entitlement by way of a top up facility (**Top-Up Facility**). The Top-Up Facility will not have a cap, although the board of IMB will retain discretion to scale down any oversubscriptions where:

- it is disproportionate to the existing Eligible Retail Shareholder's holding;
- the Eligible Retail Shareholder has disposed of their shares during the offer period and applies for more than double their entitlement; or
- the Lead Manager has advised the Company that it should consider allocating shares to a new strategic investor in preference to an oversubscription.

Any shortfall following the Entitlement Offer and Top-Up Facility will be subscribed for by the Lead Manager or its sub-underwriters.

The Entitlement Offer will be non-renounceable, meaning that shareholders will not be able to trade their entitlements on ASX or transfer them privately off-market. If entitlements are not taken up, they will be made available under the Top-Up Facility and, if any entitlements remain, taken up by the Lead Manager and sub-underwriters.

### Retail Information Booklet

This letter is not an offer document but rather an advance notice of some key terms and conditions of the Retail Entitlement Offer. Full details of the Retail Entitlement Offer are set out in the Retail Information Booklet, a copy of which will be available on the Australian Securities Exchange ("**ASX**") website [www.asx.com.au](http://www.asx.com.au) on or about 27 June 2023. Eligible Retail Shareholders will be mailed or emailed a Retail Information Booklet, together with a personalised Entitlement and Acceptance Form which contains details of your entitlement, on or around 27 June 2023.

You should read the Retail Information Booklet carefully and in its entirety before deciding whether to participate in the Retail Entitlement Offer.

### Key dates for the Retail Entitlement Offer

Activity	Date
Announcement of the Entitlement Offer	20 June 2023
Record Date for the Retail Entitlement Offer	7:00 pm (AEST) on 22 June 2023
Retail Information Booklet and personalised Entitlement and Acceptance Form despatched	27 June 2023
Retail Entitlement Offer opens	27 June 2023
Closing date for Retail Entitlement Offer	5:00 pm (AEST) on 11 July 2023
Settlement of the Retail Entitlement Offer	17 July 2023
Issue of New Shares under the Retail Entitlement Offer	18 July 2023
New Shares under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	19 July 2023
Despatch of holding statements for New Shares	19 July 2023

This timetable is indicative only and subject to change. The IMB board may vary these dates subject to the Corporations Act, the ASX Listing Rules and the terms of the underwriting agreement with the Lead Manager. An extension of the closing date will delay the anticipated date for issue of the New Shares. The IMB board also reserves the right not to proceed with the whole or part of the Retail Entitlement Offer any time prior to

allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to Applicants.

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



**Peter Kennan**  
**Chairman**

**Important Information:**

This letter is issued by Intelligent Monitoring Group Limited ACN 060 774 227 (**IMB**). 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 United States 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 United States 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.



27 June 2023

Dear Shareholder

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

On 20 June 2023, Intelligent Monitoring Group Limited (ASX: IMB) (**IMB**) announced a 33 for 46 (or approximately 1 for 1.39) accelerated non-renounceable entitlement offer of new fully paid ordinary shares in IMB (**New Shares**) to raise up to approximately \$15 million (**Entitlement Offer**).

The offer price is \$0.16 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.

As announced to ASX on 13 June 2023, IMB has entered into:

- a share purchase agreement to acquire Tyco Australia Group Pty Ltd (which is the owner of the ADT Security business) (**Acquisition**); and
- an \$80 million loan note subscription agreement (**Debt Facility**) arranged by Tor Investment Management.

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

- approximately \$45 million will be used to fund the Acquisition;
- approximately \$30.8 million will be used to repay amounts owing to Ares SSG Capital Management; and
- approximately \$19.2 million will be used for general working capital purposes (including approximately \$15 million for transaction costs of the Entitlement Offer, the Acquisition and the Debt Facility, restructuring costs relating to the Acquisition and the transition plan and cash backing for bank guarantees to be

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provided to landlords, with the balance to be retained as cash-on-hand for other general working capital purposes).

Shareholders should refer to the investor presentation and ASX announcement lodged with ASX on 13 June 2023 for details of the Acquisition and the Debt Facility.

The Entitlement Offer is fully underwritten by Morgans Corporate Limited (**Lead Manager**).

### **Details of the Retail Entitlement Offer**

The Retail Entitlement Offer is being made to eligible retail shareholders on the basis of 33 New Shares for every 46 existing fully paid ordinary shares held in IMB (or approximately 1 New Share for every 1.39 existing shares) as at 7.00 pm (AEST) on 22 June 2023 (**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 June 2023.

### **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 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 entitlements under the Retail Entitlement Offer.

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 Lead Manager with reference to a number of matters. IMB, the Lead Manager, their respective 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



**Peter Kennan**  
**Chairman**

#### **Important Information**

This letter is issued by Intelligent Monitoring Group Limited (ACN 060 774 227) (**IMB**). 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.