



20 June 2023

**NOTICE UNDER SECTION 708AA(2)(f) OF THE CORPORATIONS ACT 2001 (CTH) –
RIGHTS ISSUE CLEANSING NOTICE**

ASX: IMB

Intelligent Monitoring Group Limited (ASX: IMB) (**IMB**) today announced that it is undertaking a non-renounceable entitlement offer of new fully paid ordinary shares in IMB (**New Shares**) to raise up to approximately \$15 million (**Entitlement Offer**).

Under the Entitlement Offer, eligible shareholders can subscribe for 33 New Shares for every 46 existing IMB shares (or approximately 1 New Share for every 1.39 existing IMB shares) held as at 7.00pm (AEST) on 22 June 2023 at an issue price of \$0.16 per New Share.

Further details regarding the Entitlement Offer are set out in the ASX announcement relating to the Entitlement Offer.

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

This notice is given under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**) (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84*) (**ASIC Instrument 2016/84**). Where applicable, references in this notice to the Act are to those sections as modified by ASIC Instrument 2016/84.

For the purposes of section 708AA(7) of the Act, IMB advises that:

- (a) the New Shares will be issued without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act (as notionally modified by ASIC Instrument 2016/84);
- (c) as at the date of this notice, IMB has complied with:
 - (i) the provisions of Chapter 2M of the Act as they apply to IMB; and
 - (ii) section 674 of the Act;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act that is required to be set out in this notice under section 708AA(7) of the Act;
- (e) the potential effect the Entitlement Offer will have on the control of IMB, and the consequences of that effect, will depend on a number of factors, including eligible shareholders' interest in taking up their entitlements as well as the level of demand of institutional investors participating in the shortfall bookbuilds; and
- (f) while it is not possible for the directors to predict the outcome of the factors set out in paragraph (e) above, a non-exhaustive list setting out the potential effect on the control of IMB is as follows:
 - (i) the percentage interests of:

- (A) shareholders who are not eligible shareholders; and
- (B) eligible shareholders who do not take up their full entitlement,

will be diluted;

- (ii) if all eligible shareholders take up their entitlements for New Shares, all eligible shareholders will hold the same percentage interest in IMB as before the Entitlement Offer;
- (iii) in the event there is a shortfall in the retail component of the Entitlement Offer, those shortfall shares will be offered to eligible shareholders under a top up facility;
- (iv) Black Crane Asia Pacific Opportunities Fund (**Black Crane Fund**) an entity controlled by the Company's non-executive Chairman, Mr Peter Kennan, currently holds a 61.3% relevant interest in the Company's shares. Black Crane Advisors Limited (**Black Crane Advisors**), an entity controlled by the Mr Kennan, has committed up to \$15 million to the Entitlement Offer, by:
 - (A) procuring Black Crane Fund taking up approximately \$9.2 million in New Shares as part of its entitlement under the Entitlement Offer; and
 - (B) sub-underwriting the Entitlement Offer for the balance of its commitment;
- (v) the impact of the Entitlement Offer on the voting power of Black Crane Fund and Black Crane Advisors (together, **Black Crane**) will depend on the level of participation in the Entitlement Offer. The table below illustrates the potential effect of the Entitlement Offer on Black Crane's voting power in several scenarios depending on the level of participation by other shareholders in the Entitlement Offer and the level of sub-underwriting procured by the Lead Manager. As illustrated in the Table below, Black Crane's voting power would increase to a maximum of 77.5%.

Level of participation by other shareholders in Entitlement Offer	Shares held by Black Crane at completion of the Entitlement Offer	Voting power of Black Crane on completion of the Entitlement Offer
0%	173,874,820	77.5%
15%	168,433,228	75.0%
30%	162,991,637	72.6%
50%	155,736,182	69.4%
75%	146,666,862	65.3%
90%	141,225,271	62.9%
100%	137,597,543	61.3%

- (vi) the Company has applied to the Australian Securities and Investments Commission to appoint Berne No 132 Nominees Pty Ltd as foreign sale



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nominee for the purposes of section 615 of the Corporations Act in order for Black Crane to rely upon the rights issue exception in item 10 and 10A of section 611 of the Corporations Act in the event its voting power increased in this manner, without breaching section 606 of the Corporations Act. As at the date of this notice, ASIC's decision is pending; and

- (vii) so far as IMB is aware, other than Black Crane, no shareholder will, as a result of the Entitlement Offer, increase its voting power from a point below a 20% to a point above a 20% interest in IMB.

-ENDS-

Authorisation and Additional information

This announcement was authorised for release by the Board of Directors of the Company.

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About Intelligent Monitoring Group Limited

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

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

GROWTH STRATEGY

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

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

TECHNOLOGY A KEY DRIVER FOR CHANGE

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

The increasing use of smart, high resolution cameras, with monitoring capability will create substantial opportunities for growth in many industries over the coming decade.