



20 May 2022

Acquisition of Mammoth Technology and Entitlement Offer to raise approximately \$10.0 million

Highlights

- Intelligent Monitoring Group Limited ("**IMG** or **Company**") has entered into an agreement to acquire all of the shares in Mammoth Technology Group ("**Mammoth**") for \$4.0 million, comprising \$2.0 million in cash and \$2.0 million in shares in IMG, with Mammoth founder and CEO, Rob Hilton, also being eligible for (subject to shareholder approval) \$2.0 million in performance rights, which are subject to vesting conditions
- Mammoth is an Australian designer and manufacturer of IOT (Internet of things) connected security products, providing innovative security solutions to retail and wholesale customers
- IMG will conduct an accelerated non-renounceable entitlement offer to raise approximately \$10.0 million (before costs)
- Proceeds raised from the Entitlement Offer will be used to fund the cash component of the acquisition of Mammoth and the previously announced acquisition of Advanced Inland Security ("AIS"), reduce the Company's existing leverage and provide additional financial flexibility, together with transaction costs and working capital
- Offer price of \$0.15 per New Share, a 16.7% discount to the closing price of IMG shares on 19 May 2022
- IMG substantial shareholder Black Crane Capital has committed to take up to \$7.0 million of the Entitlement Offer, through taking up its Entitlement in full and through sub-underwriting the Entitlement Offer
- Dennison Hambling to be appointed as Managing Director and John Hallam to step down as CEO but continue until Platform enhancements in place

Acquisition of Mammoth

Intelligent Monitoring Group Limited (ASX:IMB) has entered into an agreement to acquire all of the shares in Mammoth Technology Group (Mammoth) for \$4.0 million upfront comprising \$2.0 million in cash and \$2.0 million in shares in the Company at an issue price of \$0.25 per share under the Company's available placement capacity under ASX listing rule 7.1.

Founded by Rob Hilton, an experienced marketer and entrepreneur, Mammoth is an Australian designer and manufacturer of IOT (Internet of things) connected security products, providing innovative security solutions to retail and wholesale customers and businesses under the brands Monkey Vision, Simple by Monkey Vision, Mammoth Security & Intellivision Ai+.

**INTELLIGENT MONITORING
GROUP LIMITED**
ACN 060 774 227 | ABN 36 060 774
227

Level 1, 672 Murray St, West
Perth WA 6005
PO Box 1920 West Perth WA
6872
Tel: 1300 847 328 | Fax: +61 8
9322 9711

Website:
www.intelligentmonitoringgroup.com.au



Products include 4G, Wi-Fi and industrial grade HD cameras, connected home solutions (i.e. CCTV, alarm sensors, doorbell system, lighting control), facial recognition, staff and visitor management systems, and Key customers include Bunnings, Pact Group, Glenvill Homes, RSEA and more.

This represents an expansion of IMG and Mammoth's existing strategic partnership which has demonstrated synergistic cross-selling opportunities and enables the combined IMG business to offer its customers integrated security solutions including own branded security products, installations, and monitoring.

Mammoth founder and CEO Rob Hilton will join IMG as an Executive Director. Subject to shareholder approval, Rob Hilton is eligible for \$2.0 million in performance rights, which are subject to the following vesting conditions:

- Rob Hilton remaining employed with IMG for a period of three years from the date of issue; and
- the IMG share price reaching \$0.40 per share.

Entitlement Offer

IMG intends to conduct a \$10.0 million equity raising via an accelerated 1 for 1 non-renounceable entitlement offer of fully paid ordinary shares in IMG (**New Shares**) to raise approximately \$10.0 million (**Entitlement Offer**).

The offer price for the Entitlement Offer will be \$0.15 per share (**Offer Price**). The Offer Price represents:

- a 9.2% discount to the theoretical ex-rights price (**TERP**);¹
- a 21.8% discount to the 5-day volume weighted average price (**VWAP**), and
- a 16.7 % discount to the last traded price of IMG shares.

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 new ordinary share in IMG for every 1 existing share held at 7pm (AEST) on Tuesday, 24 May 2022 (**Record Date**) at the Offer Price (**Entitlements**). Entitlements cannot be traded on ASX or otherwise transferred.

The Entitlement Offer includes an institutional component (**Institutional Entitlement Offer**) and a retail component (**Retail Entitlement Offer**).

Bell Potter Securities Limited and Morgans Corporate Limited are Joint Lead Managers to the Entitlement Offer. The JLMs will be entitled to receive a:

- management fee of 2% (plus GST) of all proceeds received from the Entitlement Offer (excluding proceeds received from Black Crane Asia Pacific Opportunities Fund (**Black Crane**)); and

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



- management fee of 1% (plus GST) of the proceeds received from Black Crane.

Black Crane, an entity associated with the Company's chairman Mr Peter Kennan, has committed to take up to \$7.0 million of the Entitlement Offer, through taking up its Entitlement and through sub-underwriting the Entitlement Offer. The Company has agreed to pay Black Crane a fee of 5.0% on its total commitment.

Proceeds raised from the Entitlement Offer will be used to fund the cash component of the acquisition of Mammoth and the previously announced acquisition of AIS, together with transaction costs and working capital.

Institutional Entitlement Offer

Eligible institutional shareholders will be invited to participate in the institutional component of the Institutional Entitlement Offer, which is being conducted from today, Friday, 20 May 2022 to Tuesday, 24 May 2022.

Eligible institutional shareholders can choose to take up all, part or none of their Entitlement.

Institutional Entitlements that eligible institutional shareholders do not take up by the close of the Institutional Entitlement Offer, and institutional Entitlements that would otherwise have been offered to ineligible institutional shareholders, will be offered to new institutional investors and existing institutional shareholders concurrently with the Institutional Entitlement Offer.

IMG's shares will remain in a trading halt pending completion of the Institutional Entitlement Offer.

Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on 27 May 2022 and close at 5:00pm (AEST) on 15 June 2022.

Further details about the Retail Entitlement Offer will be set out in the Retail Entitlement Offer information booklet (**Booklet**), which IMG expects to lodge with ASX and dispatch to eligible retail shareholders on 27 May 2022. The Booklet will also enclose personalised entitlement and acceptance forms.

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their full Entitlements will not receive any value for those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

Approximately 66.5 million new ordinary shares in IMG will be issued as part of the Entitlement Offer. Shares issued under the Entitlement Offer will rank equally with existing shares.

The Retail Entitlement Offer will include a top up facility under which eligible retail shareholders who take up their full Entitlement will be invited to apply for additional shares in the Retail Entitlement Offer from a pool of those not taken up by other eligible retail shareholders. There is no guarantee that applicants under this top up facility will receive all or any of the shares they apply for under the facility.

**INTELLIGENT MONITORING
GROUP LIMITED**
ACN 060 774 227 | ABN 36 060 774
227

Level 1, 672 Murray St, West
Perth WA 6005
PO Box 1920 West Perth WA
6872
Tel: 1300 847 328 | Fax: +61 8
9322 9711

Website:
www.intelligentmonitoringgroup.com.au



IMG will notify shareholders as to whether they are eligible to participate in the Retail Entitlement Offer.

A presentation on the Entitlement Offer has been lodged with ASX today and is able to be downloaded from ASX's website, www.asx.com.au.

Key dates²

Event	Date
Entity enters trading halt	Friday, 20 May 2022
Announcement of Entitlement Offer, Lodge Appendix 3Bs with ASX, lodge rights issue cleansing notice with ASX	Friday, 20 May 2022
Company conducts Institutional Entitlement Offer	Friday, 20 May 2022– Tuesday, 24 May 2022
Announcement of results of Institutional Entitlement Offer, Trading resumes on an ex-rights basis	Tuesday, 24 May 2022
Record Date for the Entitlement Offer	7:00 pm on Tuesday, 24 May 2022
Retail offer booklet dispatched to Retail Shareholders, Company announces dispatch has completed, Opening Date for Retail Offer	Friday, 27 May 2022
Settlement of Institutional Offer Shares, Lodgment of Appendix 2A	Monday, 30 May 2022
Issue and quotation of Institutional Offer Shares	Tuesday, 31 May 2022
Last day to extend Retail Offer closing date	Thursday, 9 June 2022
Closing Date of Retail Offer	5:00 pm on Wednesday, 15 June 2022
Bookbuild for any Retail Offer Shortfall open (if applicable)	Friday, 17 June 2022
Announcement of results of Retail Offer Shortfall bookbuild	Monday, 20 June 2022
Settlement of Retail Offer, Issue of Retail Offer Shares, Lodgment of Appendix 2A with ASX	Wednesday, 22 June 2022
Quotation of Retail Offer Shares	Thursday, 23 June 2022

Dennison Hambling to be appointed Managing Director of IMG

In conjunction with the acquisition of Mammoth, Dennison Hambling will transition from his current role as Executive Director to Managing Director to drive the company in its next stage of growth.

John Hallam has agreed to step down as CEO of IMG and will stay with the business until the platform and the operational improvements are complete. John joined the company as a consultant and acted as COO before becoming CEO. In that time the business has moved from being cashflow negative with multiple control rooms and systems and processes to a business which will shortly have a core platform and tight operating policies and procedures.

² The Joint Lead Managers and the Company reserve the right to vary these times and dates without notice.



-ENDS-

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

Contact details: For further information, please contact:

Company Enquiries:

Dennison Hambling
Executive Director
Intelligent Monitoring Group Limited
Email: dhambling@threatprotect.com.au

Investor Relations, Media & PR:

Rod North
Managing Director
Bourse Communications Pty Ltd
Email: rod@boursecommunications.com.au
+61 408 670 706

**INTELLIGENT MONITORING
GROUP LIMITED**
ACN 060 774 227 | ABN 36 060 774
227

Level 1, 672 Murray St, West
Perth WA 6005
PO Box 1920 West Perth WA
6872
Tel: 1300 847 328 | Fax: +61 8
9322 9711

Website:
www.intelligentmonitoringgroup.com.au



INTELLIGENT
MONITORING GROUP

About Intelligent Monitoring Group Limited

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

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

GROWTH STRATEGY

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

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

TECHNOLOGY A KEY DRIVER FOR CHANGE

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

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

INTELLIGENT MONITORING GROUP LIMITED

ACN 060 774 227 | ABN 36 060 774
227

Level 1, 672 Murray St, West
Perth WA 6005
PO Box 1920 West Perth WA
6872
Tel: 1300 847 328 | Fax: +61 8
9322 9711

Website:

www.intelligentmonitoringgroup.com.au