



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



INTELLIGENT  
MONITORING GROUP

ASX: IMB

# Capital Raising Presentation

May 20, 2022

# Disclaimer

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

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

The information in this presentation should not be considered to be comprehensive or to comprise all of the material which a shareholder or potential investor in the Company may require in order to determine whether to deal in the Company's shares. The information in this presentation is of a general nature only and does not purport to be complete. It should be read in conjunction with the Company's periodic and continuous disclosure announcements which are available at <https://www.threatprotect.com.au/> and with the Australian Securities Exchange (**ASX**) announcements, which are available at [www.asx.com.au](http://www.asx.com.au).

## Not an offer or financial product advice

This presentation is for information purposes only and is not a prospectus, product disclosure statement or other disclosure document for the purposes of Chapter 6D or Part 7.9 of the *Corporations Act 2001* (Cth) (**Corporations Act**) or other offer document under Australian law or the law of any other jurisdiction.

This presentation is not and should not be considered, and does not contain or purport to contain, an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in the Company (**Securities**) nor does it constitute financial product or investment advice (or taxation or legal advice) nor take into account your investment objectives, taxation situation, financial situation or needs. This presentation and its contents must not be distributed, transmitted or viewed by any person in any jurisdiction where the distribution, transmission or viewing of this presentation would be unlawful under the securities or other laws of that or any other jurisdiction.

## Past performance

The operating and historical financial information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on the Group's future performance or condition. You should note that past performance of the Company cannot be relied upon as an indicator of (and provides no guidance as to) future Group performance.

## Future performance

This presentation contains certain "forward-looking statements", including the Company's beliefs, assumptions and expectations. The words "expect", "anticipate", "estimate", "intend", "likely", "believe", "guidance", "should", "could", "may", "will", "predict", "plan", "propose", "goals", "aim", "target" and other similar expressions are intended to identify forward-looking statements. Any indications of, and guidance on, outlook, future operating performance, earnings and financial position and performance are also forward-looking statements. Forward looking statements involve inherent risks and uncertainties, both general and specific, and there is a risk that those predictions, forecasts, projections and other forward looking statements will not be achieved. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements, including projections, guidance on future operations, earnings and estimates (if any), are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This presentation contains statements that are subject to risk factors associated with the Company's industry as well as unknown risks and uncertainties (both general and specific), many of which are outside the control of the Company. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables, some of which are outside the Company's control, which could cause actual results or trends to differ materially, including but not limited to earnings, capital expenditure, cash flow and capital structure risks and general business risks. Given this, undue reliance should not be placed on any forward-looking statement.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including any member of the Group or any of the other Limited Parties (as defined below)). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. Actual operations, results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Any forward-looking statements in this presentation speak only as of the date of this presentation. Subject to any continuing obligations under applicable law, the Company expressly disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this presentation will, under any circumstances, create an implication that there has been no change in the affairs of the Group since the date of this presentation.

## No liability

The Company has prepared this presentation based on information available to it at the time of preparation, from sources believed to be reliable and subject to the qualifications in this presentation. To the maximum extent permitted by law, none of the Company, the Joint Lead Managers, nor their respective advisers or representatives, nor any of their respective affiliates, related bodies corporate (as that term is defined in the Corporations Act) or securityholders, nor any of their respective directors, officers, employees, partners, representatives, consultants, agents or advisers (each a **Limited Party** and together, the **Limited Parties**) accept any responsibility or liability (whether for fault, negligence or otherwise) for the contents of this presentation and make no recommendations, representations or warranties regarding it. No representation or warranty, express or implied, is made as to the fairness, reliability, accuracy, adequacy, validity, correctness or completeness of the information, opinions and conclusions contained in this presentation.

To the maximum extent permitted by law, none of the Limited Parties accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss whatsoever arising from the use of the information in this presentation or in relation to the accuracy or completeness of the information, statements, opinions or matters, express or implied, contained in, arising out of or derived from, or for omissions from, this presentation, including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom or otherwise arising in connection with it.

The Joint Lead Managers, their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees, agents and advisers (together, the **JLM Group**) has not caused or authorised the issue, submission, dispatch or provision of this Presentation, nor do they make any recommendation as to whether any potential investor should participate in the offer of New Shares. The JLM Group does not make and does not purport to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by the JLM Group. Further, no member of the JLM Group accepts any fiduciary obligations to or relationship with any investor potential investor in connection with the Offer or otherwise.

## Third party information

This presentation may contain trademarks and trade names of third parties, which are the property of their respective owners. Third party trademarks and trade names used in this presentation belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with the Company.

# Executive Summary

1

## Mammoth Technology Group

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

2

## Transaction Overview

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

3

## Strategic Rationale

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

4

## Management update

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

5

## Financial position

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

6

## Equity Raising

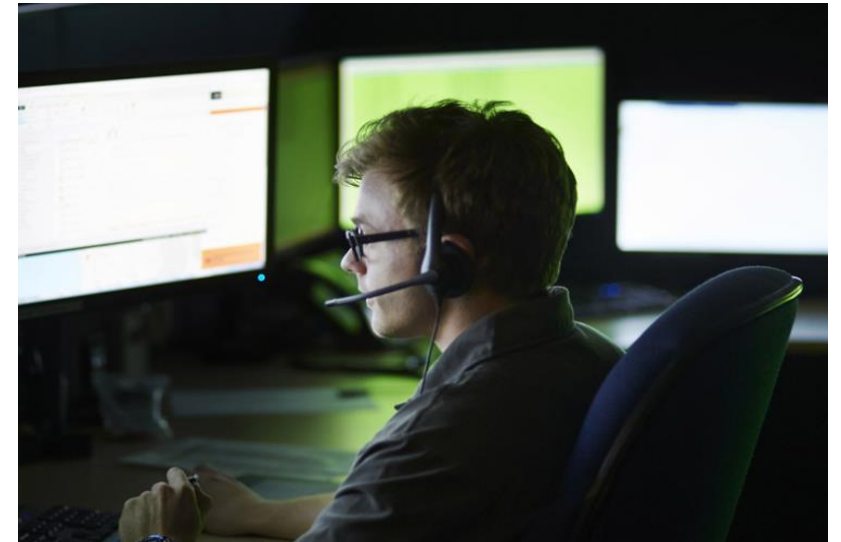
- The Company is conducting an accelerated non-renounceable entitlement offer to raise approximately \$10.0 million ("Entitlement Offer" or "Offer") at an issue price of \$0.15 per share.
- IMG substantial shareholder Black Crane Capital has committed to take up to \$7.0m of the Offer through agreeing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

# Intelligent Monitoring Group

# IMG Overview

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

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



# About Intelligent Monitoring Group



**>70,000**

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



**700+**

Working alongside resellers across Australia



**95%**

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



**40%+**

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



**\$5.9m**

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



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

# Business Overview

## Provider of Wholesale and Direct Security Monitoring Services

- IMG provides Security Monitoring Services through the following categories:

### 1) Wholesale Monitoring

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

### 2) Direct Monitoring

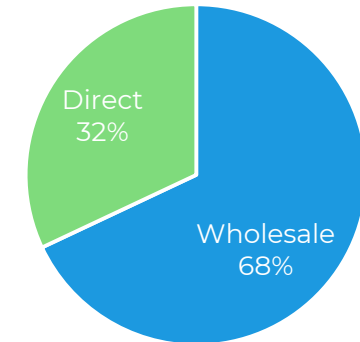
- Servicing (or invoicing) customer directly with a monitoring service
- Customers are typically former customers of IMG's wholesalers who have been "converted" to direct IMG customers over time

- IMG services three core end-use clients:

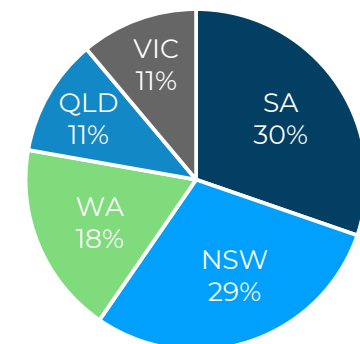
- **Commercial:** Corporate and small business
- **Residential:** Domestic home security
- **Individuals:** Personal emergency response systems (PERS)

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

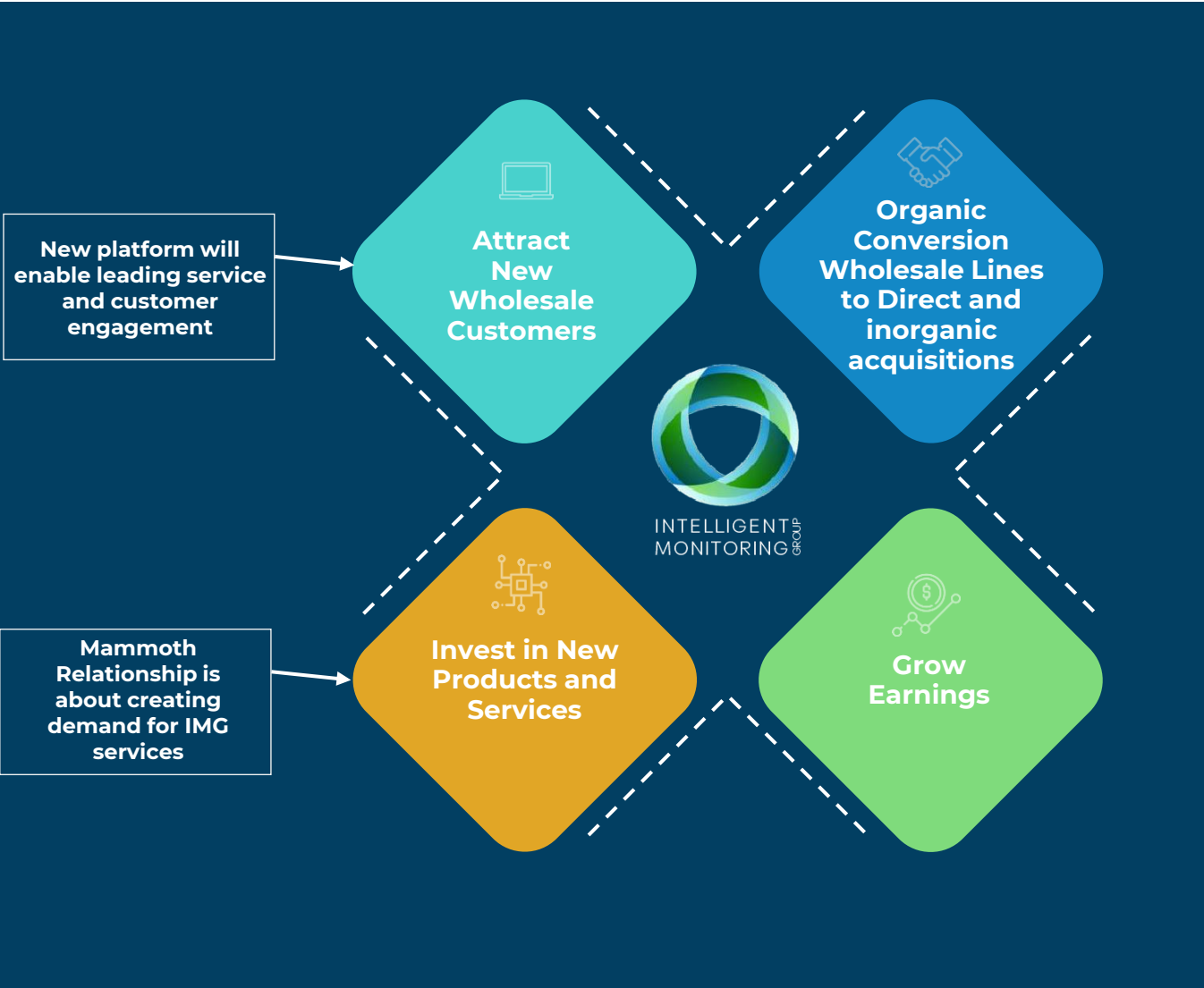
### Connection Type



### Connection Location



# Growth Model



## Attractive Incremental Economics

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

## 2025 Goal

### Target 150,000 Customers

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

### 150,000 Total Customers



# FY22 Key Milestones

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

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

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

## Repositioned to capitalise on identified growth opportunities

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

## Continued M&A activity

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

## Continued organic growth strategy

- Through significant recent customer wins

# Mammoth Technology Group

# Introduction to Mammoth Technology Group

Established in 2018

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

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

## Why

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

## What

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

# An Australian Customer Network and Partnerships

Some of our Customers and Partners



CFMEU



GLENVILL



MULTIPLEX

# Customer Example - AGUSHI

Strong branding presence built on the work site



# Pro Series Industrial Grade Product Range

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

*Monkey Vision*



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

*Monkey Vision*

**AUSSIE BUILT**



SPIDER PTZ  
WIFI/PoE



# Consumer Self Install (DIY) Battery Powered WiFi Product Range

Huge Category Growth Potential

Simple.  
BY *Monkey Vision*



<sup>1</sup>Source: securityinfowatch.com

- The fastest growing camera segment is DIY, expected to grow by 80% to 2024<sup>1</sup>
- Competitive pricing & packed with best in class features
- Australian designed & supported
- Focused on licensed opportunities to grow category (\*example image ONLY)
- Currently in discussions with major retailers
- Sponsoring Miss Universe 2022 (250 contestants promoting and supplying content via social media)

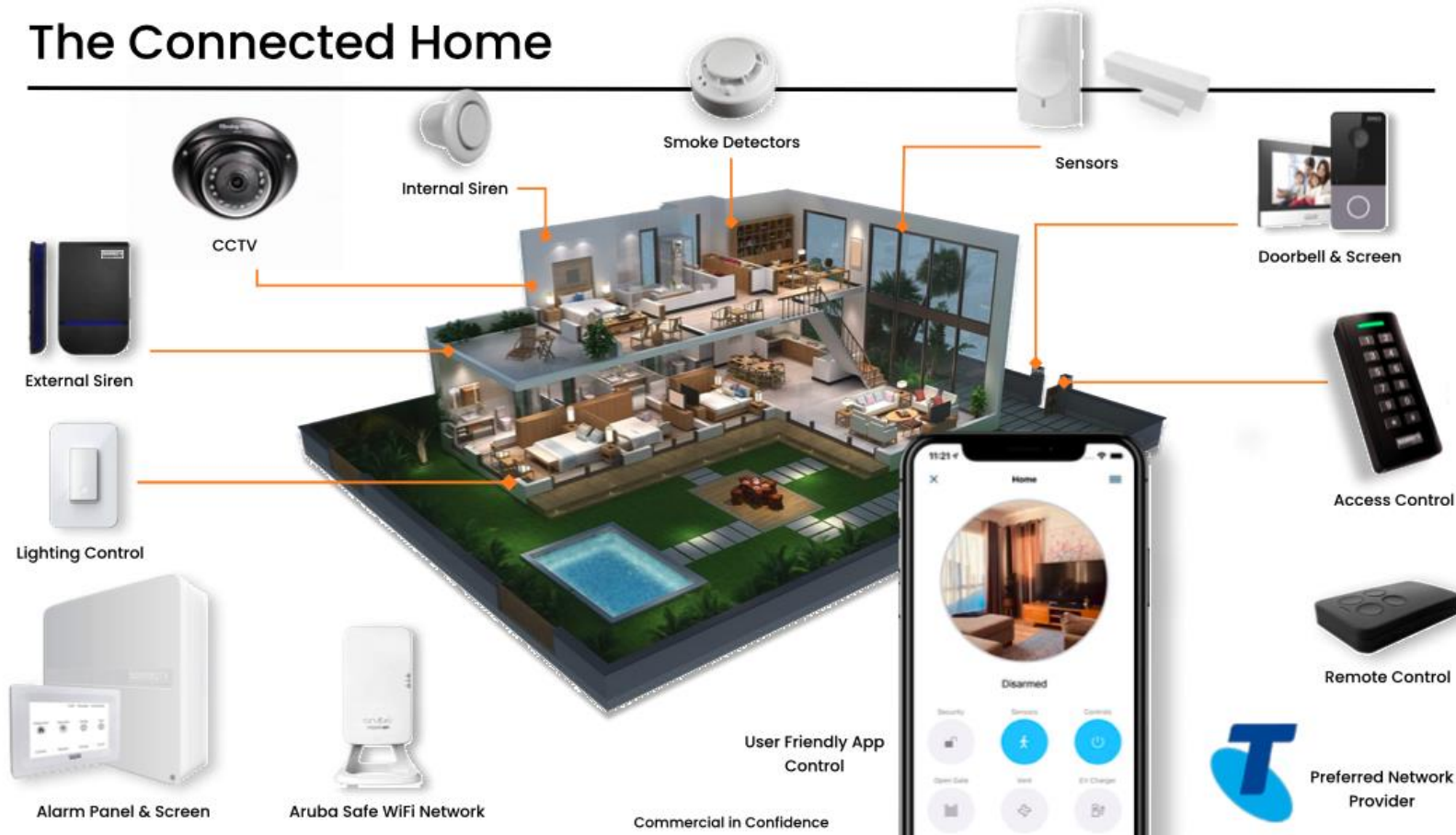


\*TRANSFORMERS CONCEPT ONLY

# Customer Solutions & Installation for Smart Living

The connected home – Australian factory built alarm systems

## The Connected Home



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



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



# Safety, Security & Governance

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

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



GATEKEEPER  
PRO

MONKEY MOMETER

THE CONCIERGE

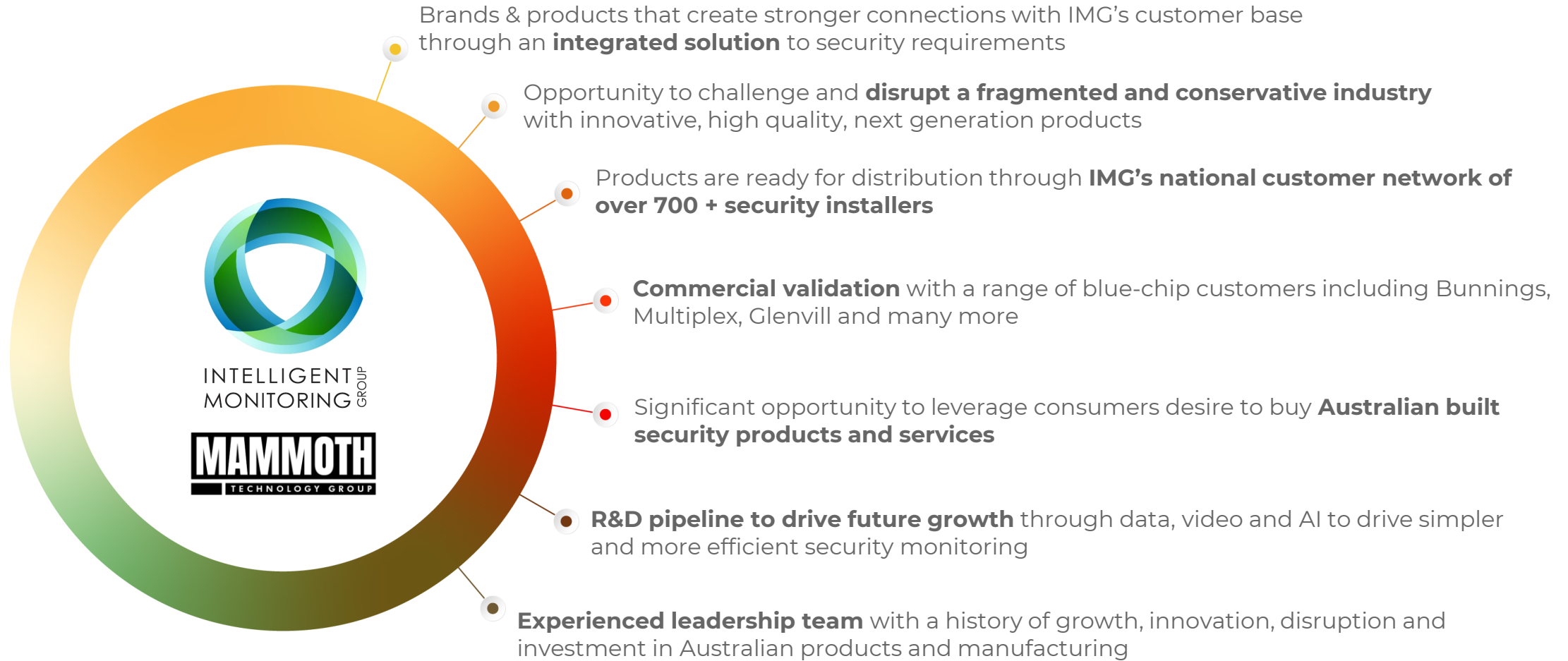


# Acquisition and Combined Business

# Summary of Mammoth acquisition

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

# IMG and Mammoth Technology Acquisition Rationale

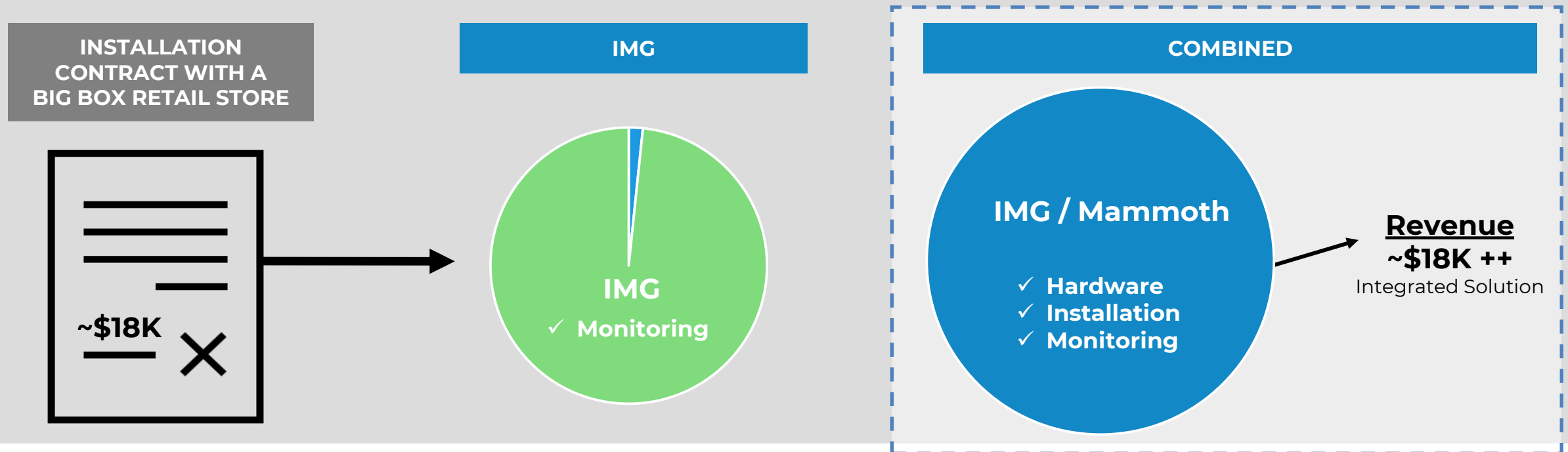


# Case Study Example

## Big Box Retail Store – Direct Business

### CCTV, Alarm & Access Control

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



# Integrated Mammoth / IMG solution

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

Source: Company Analysis

# Market Opportunities For Combined Business



Significant product & customer growth over 2+ years of operating



Lower cost to entry and infiltration of security cameras



Easy access of product



**70,000+** customers that already have monitored security



**700+** security partners

## MAMMOTH SALES STRATEGIES

### B2B

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

### B2C

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

### RETAIL

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

### TRADE

Direct to security companies and installers

## SALES SYNERGIES WITH IMG

### DIRECT CUSTOMERS

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

### SECURITY INSTALLERS

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

### CHANNEL PARTNERS

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

### INDIRECT CUSTOMERS

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

# Refreshed Board and Executive Team

Committed & Aligned Executive Management Team & Board



**Dennison Hambling**  
Managing Director

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



**Peter Kennan**  
Non-Executive Chairman

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



**Dimitri Bacopanos**  
Non-Executive Director

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



**Rob Hilton**  
Executive Director

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



# Financial Overview

Strong margins and addition of value



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

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

# Pro-forma Balance Sheet

Stable financial position to pursue identified growth opportunities



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

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

# Capital Structure

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

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

# Equity Raising

# Equity Raising Overview

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

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

# Equity Raising Timetable

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

# Questions?



**Dennison Hambling**

*Managing Director*  
Intelligent Monitoring Group  
(ASX:IMB)



**Rob Hilton**

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

*Founder and CEO*  
Mammoth Technology Group Pty Ltd



# Appendix A - Key Risks

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

## Company specific

### Control Risk

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

### Acquisition Risk

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



# Appendix A - Key Risks

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

# Appendix A - Key Risks

## Company specific

### Going Concern risk

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

### Climate Risk

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

### Coronavirus (COVID-19)

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

# Appendix A - Key Risks

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

# Appendix A - Key Risks

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

# Appendix A - Key Risks

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

# Appendix A - Key Risks

General	
<b>Economic</b>	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.
<b>Market Conditions</b>	<p>Share market conditions may affect the value of the Company's shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> <li>• general economic outlook;</li> <li>• introduction of tax reform or other new legislation;</li> <li>• interest rates and inflation rates;</li> <li>• changes in investor sentiment toward particular market sectors;</li> <li>• the demand for, and supply of, capital; and</li> <li>• outbreaks of disease, terrorism or other hostilities.</li> </ul> <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
<b>Litigation Risk</b>	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.
<b>Dividends</b>	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
<b>Taxation</b>	<p>The acquisition and disposal of Shares may have tax consequences, which will differ depending on the individual financial affairs of each investor. All existing and prospective investors in the Company are urged to obtain independent financial and/or taxation advice about the consequences of dealing in Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares.</p>
<b>Speculative Investment</b>	The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. Prospective investors should consider that an investment in the Company is highly speculative. There is no guarantee that the Shares offered under the Equity Raising will provide a return on capital, payment of dividends or increases in the market value of those Shares.

# Appendix B- International Offer Restrictions



## ***United States of America***

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

## ***New Zealand***

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

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

## ***Hong Kong***

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

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

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

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