

20 May 2022

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

Intelligent Monitoring Group Limited (ASX: IMB) (**IMB**) today announced that it is undertaking a 1 for 1 accelerated non-renounceable entitlement offer of New Shares to raise up to approximately \$10 million (**Entitlement Offer**).

Under the Entitlement Offer, eligible shareholders can subscribe for 1 new fully paid ordinary share in IMB (**New Shares**) for every 1 existing IMB share held as at 7.00pm (AEST) on 24 May 2022 at an issue price of \$0.15 per New Share.

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

Morgans Corporate Limited and Bell Potter Securities Limited are joint lead managers to the Entitlement Offer (**Joint Lead Managers**).

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 component under 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**), an entity controlled by the Company's non-executive Chairman, Mr Peter Kennan, currently holds a 50.32% relevant interest in the Company's shares. Black Crane has committed up to \$7 million to the Equity Raising, by taking up its full entitlement under the Entitlement Offer (of approximately \$5 million) and sub-underwriting the Entitlement Offer for the balance of its commitment.

Black Crane will only sub-underwrite the Entitlement Offer if the Company enters into an underwriting agreement with the Joint Lead Managers. The Company and the Joint Lead Managers reserve the right to enter into underwriting arrangements in respect of the Entitlement Offer and will update shareholders in this regard as soon as possible;

- (v) The impact of the Equity Raising on Black Crane's voting power will depend on the level of participation in the Entitlement Offer and whether the Entitlement Offer is underwritten.

Table 1 below illustrates the potential effect of the Equity Raising on Black Crane's voting power in several scenarios depending on the level of participation by other shareholders in the Entitlement Offer and assuming the Entitlement Offer is not underwritten. In that circumstance, Black Crane will subscribe for its entitlement only, and will not sub-underwrite. As illustrated in Table 1, in this scenario, Black Crane's voting power would increase to a maximum of 66.95%.

Level of participation by other shareholders in Entitlement Offer	Shares held by Black Crane at completion of the Equity Raising	Voting power of Black Crane on completion of the Equity Raising
0%	66,926,308	66.95%
15%	66,926,308	63.79%
30%	66,926,308	60.91%
50%	66,926,308	57.45%
75%	66,926,308	53.65%
90%	66,926,308	51.60%
100%	66,926,308	50.32%

Table 1

Table 2 below illustrates the potential effect of the Equity Raising on Black Crane's voting power in several scenarios depending on the level of participation by other shareholders in the Entitlement Offer and assuming the Entitlement Offer underwritten up to the

amount of Black Crane's commitment. In that circumstance, Black Crane will subscribe for its entitlement and will sub-underwrite for an aggregate of \$7 million. As illustrated in Table 2, in this scenario, Black Crane's voting power would increase to a maximum of 70.8%.

Level of participation by other shareholders in Entitlement Offer	Shares held by Black Crane at completion of the Equity Raising	Voting power of Black Crane on completion of the Equity Raising
0%	80,129,821	70.80%
15%	80,129,821	67.83%
30%	80,129,821	65.10%
50%	80,129,821	61.78%
75%	75,186,620	56.53%
90%	70,230,433	52.80%
100%	66,926,308	50.32%

Table 2

Table 3 below illustrates the potential effect of the Equity Raising on Black Crane's voting power in several scenarios depending on the level of participation by other shareholders in the Entitlement Offer and assuming the Entitlement Offer is fully underwritten. As illustrated in Table 2, in this scenario, Black Crane's voting power would increase to a maximum of 60.24%.

Level of participation by other shareholders in Entitlement Offer	Shares held by Black Crane at completion of the Equity Raising	Voting power of Black Crane on completion of the Equity Raising
0%	80,129,821	60.24%
15%	78,149,294	58.75%
30%	76,168,767	57.27%
50%	73,528,064	55.28%
75%	70,227,186	52.80%
90%	68,246,659	51.31%
100%	66,926,308	50.32%

Table 3

- (vi) the Company has applied to the Australian Securities and Investments Commission to Morgans Financial Limited as foreign sale 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 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.

Authorisation and Additional information

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