



COMPANY UPDATE AND CAPITAL RAISING

Structural Monitoring Systems Plc ("SMS" or "the Company") (ASX: SMN) provides the following Company Update which is intended to lift the voluntary suspension on the Company's securities.

Withdrawal of Notice to Requisition a General Meeting

The Company advises that the notice received on 12 October 2021 from shareholders requesting that the Company hold a meeting of shareholders pursuant to section 168 of the Companies Act 2006 (UK) and s249D of the Corporations Act 2001 (Cth) (**Requisition Notice**), has been withdrawn. As a result of the withdrawal of the Requisition Notice, the Company is no longer required to convene a general meeting within the prescribed period, as required under applicable laws.

Board & Management Changes

The Company has now engaged in extensive discussions with the largest shareholder, Drake Private Investments LLC and the Requisitioning Shareholders. Following these discussions, the Board has resolved to transition the Company to a more independent board with a skills matrix that includes relevant industry and governance experience.

To this end, Michael Reveley has resigned effective immediately and Bryant McLarty has been appointed to the Board to assist with the transition and then step down once a sufficiently independent Board is in place.

Mr. Reveley wholly supports the Boards transition plan as the best way to maximise shareholder value during the next phase of the Company's growth. Mr. Reveley has been a valuable contributor to SMS as a Director, and the Company acknowledges Mike's contribution to SMS and wishes him well in his future endeavours.

Mr. McLarty is the Chairman of Mac Equity Partners and has been a director of a number of public companies on the Australian and London Stock Exchange.

Further, Steve Forman has agreed to transition from his dual role as a Director and Head of Investor Relations to primarily Head of Investor Relations. This transition will be implemented to allow for new directors with commercial aviation industry experience to join the Board in due course.

The recruitment process for the additional director/s will commence immediately.

The Company has undergone a thorough review of its corporate governance framework, including review of its corporate policies and committee charters and considers that it is compliant with the ASX Corporate Governance Council Recommendations 4th edition.



The Company also advises that it intends to strengthen its executive management team to fully leverage the commercial opportunities associated with the expected FAA approval of the Supplemental Type Certificate ("STC") qualification.

The Board believes the strategy outlined above is in the best interest of all shareholders as we strengthen the composition of the SMS Board and executive team with a broad range of technical, operational, commercial, financial and other skills, experience and knowledge relevant to overseeing the business of a world class aerospace company.

Capital Raising

The Company intends to conduct a capital raising of \$10 million predominantly by way of a Non-Renounceable Rights Issue to existing shareholders (**Rights Issue**) at \$0.73 per share (being a 25% discount to the last closing price of \$0.97) subject to requisite shareholder approvals and prevailing market conditions. The Company will seek the requisite approvals under the Companies Act 2006 (UK) at a General Meeting of Shareholders to be convened shortly. A Notice of Meeting will be dispatched to shareholders soon. Details of the Rights Issue will be disclosed in a Prospectus expected to be lodged in November 2021. The Company expects that the Record Date for the Rights Issue will be shortly after the shareholder meeting.

Indicative Timetable

The Company sets out below an indicative timetable for, amongst other matters, the purposes of the Rights Issue:

EVENT	DATE
Announcement of Rights Issue and lodgement of Appendix 3B with ASX	Thursday, 21 October 2021
Issue notice of meeting to CDI holders to obtain shareholder approval under the UK Companies Act 2006 to issue additional shares	Monday, 25 October 2021
Convene Extraordinary General Meeting of CDI holders	Thursday, 25 November 2021
Lodgement of prospectus	Friday, 26 November 2021
Notice of Rights Issue sent to Eligible CDI holders	Monday, 29 November 2021
Notice of Rights Issue sent to Ineligible CDI holders	Monday, 29 November 2021

ASX ANNOUNCEMENT

ASX: SMN

20 October 2021

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Ex date (i.e. date from which CDIs trade without entitlements to participate in the Rights Issue)	Wednesday, 1 December 2021
Record Date	7.00pm (AEDT) Thursday, 2 December 2021
Rights Issue prospectus and personalised Entitlement and Acceptance Form despatched to Eligible CDI holders	Thursday, 2 December 2021
Rights Issue Opening Date	Friday, 3 December 2021
Last day to extend Rights Issue Closing Date	Thursday, 9 December 2021
Rights Issue Closing Date	5.00pm (AEDT) Tuesday, 14 December 2021
CDIs quoted on a deferred settlement basis	Wednesday, 15 December 2021
Announcement of results of the Rights Issue	By noon, Thursday, 16 December 2021
Allotment of Rights Issue CDIs and lodgement of Appendix 2A with ASX	Monday, 20 December 2021

This announcement is authorised by the Board.

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