

ASX ANNOUNCEMENT

ASX: SMN

14 March 2022

**STRUCTURAL
MONITORING
SYSTEMS**
plc



The Manager
Company Announcements
Australian Stock Exchange Limited
Via Electronic Lodgement

Dear Sir/Madam

**STRUCTURAL MONITORING SYSTEMS PLC (ASX: SMN)
ENTITLEMENT OFFER – LETTER TO INELIGIBLE CDI HOLDERS**

Further to the pro rata non-renounceable entitlement offer announced by Structural Monitoring System Plc on 10 March 2022, SMN has distributed the attached letter to CDI holders who are ineligible to participate, being those CDI holders with a registered address in countries other than Australia, New Zealand, the Canadian province of British Columbia, or who is not otherwise elected at the Company's discretion to be offered to.

This announcement is authorised by the Board.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Sam Wright', is positioned above the printed name and title.

Sam Wright
Company Secretary

11 March 2022

[Name]
[Address 1]
[Address 2]
[Address 3]

Dear CDI holder

Notification to ineligible CDI holders of Entitlement Offer

Structural Monitoring Systems Plc (**Company**) has announced to ASX Limited (**ASX**) a pro-rata non-renounceable entitlement offer on the basis of one (1) fully paid ordinary CDI (**New CDI**) for every twelve (12) existing CDIs held by CDI holders registered at 4.00pm (AWST) on 16 March 2022 at an issue price of \$0.90 (90 cents) (**Entitlement Offer**), together with one (1) free attaching option for every two (2) New CDIs subscribed for under the Entitlement Offer.

The Entitlement Offer seeks to raise approximately \$9.2 million.

The Entitlement Offer is being made pursuant to a “transaction specific prospectus” in accordance with section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The net proceeds of the Entitlement Offer will be used to fund the costs of the Entitlement Offer, strategically optimise the Company’s debt, CVM commercialisation and for the Company’s working capital requirements.

Entitlement Offer

The Entitlement Offer is being made to Eligible CDI Holders (as defined below) on the basis of 1 New CDI for every 12 existing CDIs held in the Company, together with 1 free attaching option for every 2 New CDIs subscribed for (**Entitlement**) as at 4.00 pm (AWST) on 16 March 2022 (**Record Date**).

Eligible CDI Holders will be able to take up their Entitlement as well as apply for additional New CDIs. Further details about the Entitlement Offer are set out in the prospectus which is available on ASX’s website.

CDI holders who are eligible to participate in the Entitlement Offer (**Eligible CDI Holders**) are those who:

- (a) are registered as the holder of CDIs in the Company as at 4.00 pm (AWST) on the Record Date;
- (b) have a registered address on the CDI register of the Company in Australia, New Zealand or British Columbia, Canada, or as otherwise elected at the Company’s discretion; and
- (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer document to be lodged or registered outside of Australia.

Eligibility criteria

In determining eligibility, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, the Company has had regard to the legal and regulatory requirements of making offers of securities in certain countries, the number of CDI holders in those countries and the number of CDIs they hold, the value of New CDIs to which those CDI holders would otherwise be entitled to and the cost of complying with the legal and regulatory requirement in those countries.

The Company has determined, pursuant to Listing Rule 7.7.1(a) and section 9A(3) of the Corporations Act, that it would be unreasonable to make offers under the Entitlement Offer to all CDI

holders with addresses outside of Australia, New Zealand or British Columbia, Canada, or such persons not otherwise elected at the Company's discretion (**Ineligible CDI Holders**), having regard to the Company's current CDI holding and the costs of complying with legal and regulatory requirements in those jurisdictions.

Accordingly, the Entitlement Offer is not being extended to Ineligible CDI Holders. Any entitlements to such CDIs will lapse and the relevant CDIs will form part of the shortfall CDIs.

No right to participate

Unfortunately, the Company has determined that you do not satisfy the eligibility criteria for an Eligible CDI Holder. Accordingly, the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New CDIs under the Entitlement Offer.

The purpose of this letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New CDIs under the Entitlement Offer. This letter constitutes the notice that the Company is required to give each Ineligible CDI Holder under ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Corporations Act 2001 (Cth).

This letter is not an offer to issue entitlements or New CDIs to you, and is not an invitation for you to apply for entitlements in New CDIs. You are not required to do anything in response to this letter.

Further information

For further information on the Entitlement Offer you may call the Computershare Investor Services Pty Limited on 1300 850 505 (within Australia) or +61 3 9415 4000 (from overseas). You may wish to contact your stockbroker, accountant or other professional adviser should you have any queries regarding your eligibility.

On behalf of the Board and management of Structural Monitoring Systems plc, we thank you for your continued interest and support of the Company.

Yours faithfully,

Will Rouse
Executive Chairman

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This letter is issued by Structural Monitoring Systems Plc. This letter is not a prospectus or offer document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in Structural Monitoring Systems Plc in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of Structural Monitoring Systems Plc CDIs. No action has been, or will be, taken to register any offer or otherwise permit a public offering of securities outside Australia, New Zealand and British Columbia, Canada. This letter may not be released or distributed in the United States (except by the Company to institutional investors).

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The entitlements and the New CDIs offered in the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 ("**U.S. Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up by persons in the United States and the New CDIs may not be offered or sold in the United States, unless they have been registered under the U.S. Securities Act or are offered or sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act. The New CDIs to be offered and sold in the Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.