



## **Response to Letter from Drake Management**

**Structural Monitoring Systems Plc ("SMS" or "the Company") (ASX: SMN)** has become aware of a letter posted by "Drake Management" ("**Drake**") (an associate of Drake Private Investments LLC) in connection with the Company's capital raise and Notice of Requisition for EGM (announced by the Company on 1 September 2022). The Company wishes to address some of the matters which have been raised by Drake in relation to the Company's recent capital raise.

1. the entitlement offer undertaken by the Company in March 2022 was extended to Drake. Drake did not subscribe for its entitlement under the March 2022 entitlement offer; and
2. due to restrictions imposed by foreign securities laws, the capital raise announced on 14 September 2022 ("**Placement**") was only offered to professional and sophisticated investors, that are resident in Australia and New Zealand. Drake is not resident in Australia or New Zealand.

In summary:

- Drake did not express an interest to invest in CDIs and options in the Company when the CDIs were priced at \$0.90 per CDI and the options were offered on the basis of one option for every two new CDIs applied for and issued;
- due to market conditions, the Company has been required to undertake the Placement at \$0.35 per CDI and options were offered on a one for one basis. Drake has made a public announcement suggesting that it had interest in participating in the Placement at the revised pricing; and
- the Board requests that shareholders consider the matters above when voting on the resolutions that Drake has proposed to shareholders.

***This ASX release has been approved for release by Ross Love on behalf of the Board of Directors.***

**For further details please contact:**

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