

# Prospectus

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## Structural Monitoring Systems Plc UK Company No. 4834265

### **SPP Offer to Eligible CDI Holders**

For an offer to Eligible CDI Holders of up to 3,846,154 SPP CDIs at an offer price of \$0.52 per SPP CDI and three (3) free attaching SPP Options for every four (4) SPP CDIs subscribed for, each exercisable at \$0.78 and expiring on 30 November 2027 to raise up to a maximum of \$2,000,000 (before costs) (**SPP Offer**).

### **Shortfall Offer**

For a separate offer, to remain open for up to the SPP Shortfall Closing Date, to subscribe for any SPP CDIs and free attaching SPP Options not taken up pursuant to the SPP Offer (**Shortfall CDIs**) to be issued at an offer price of \$0.52 per Shortfall CDI, being the price at which SPP CDIs have been offered under the SPP Offer, along with three (3) free-attaching Options for every four (4) Shortfall CDIs issued (**Shortfall Options**), being on the same terms on which SPP Options have been offered under the SPP Offer (**Shortfall Offer**).

### **Placement Options Offer**

For an offer of up to 7,211,538 Placement Options being on the same terms on which SPP Options have been offered under the SPP Offer to specific investors determined by the Company (**Placement Options Offer**).

### **Director Options Offer**

Subject to the Company first obtaining shareholder approval, for an offer of 240,000 Director Options being on the same terms on which SPP Options have been offered under the SPP Offer to Directors of the Company (**Director Options Offer**).

### **Important Information**

This Prospectus is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Offer Securities or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The CDIs and Options offered by this Prospectus should be considered as speculative.

This is a transaction specific prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

**Not for distribution in the USA or to USA Persons.**

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# Important Notice

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## Prospectus

This Prospectus relates to the offer of SPP CDIs and SPP Options by Structural Monitoring Systems Plc UK Company No. 4834265 (**SMN** or **Company**) under the Offers.

This Prospectus is dated 12 November 2024 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The expiry date of the Prospectus is 5.00pm (Sydney time) on the date that is 13 months after the date of this Prospectus (**Expiry Date**). No Offer Securities will be issued on the basis of this Prospectus after the Expiry Date.

This Prospectus is a transaction specific prospectus for an offer to acquire continuously quoted securities and options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering Prospectus. In making representations in this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and their professional advisers.

None of ASIC, ASX, nor their respective officers, take any responsibility for the contents of this Prospectus or the merits of the securities to which this Prospectus relates.

Applications for Offer Securities can only be submitted on an Application Form.

The offer of SPP CDI under the SPP Offer is made pursuant to *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and *ASIC Class Order [CO 14/827] (Offers of CHESS Depository Interests)* and for the purposes of ASX Listing Rule 7.2 (Exception 5).

## Electronic Prospectus

A copy of this Prospectus can be downloaded from our website at [www.structuralmonitoring.systems](http://www.structuralmonitoring.systems). If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus. The electronic version of this Prospectus is only available to Australian residents.

The Company will also provide copies of other documents on request (see Section 9.1).

## Target market determination

In accordance with the product design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website ([www.structuralmonitoring.systems](http://www.structuralmonitoring.systems)). By making an Application for Options under an Offer, you warrant that you have read and understood the TMD and that you fall within the target market as set out in the TMD.

## No representation other than in this Prospectus

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Except as required by law, and only to the extent so required, neither SMN nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Prospectus, or on the exercise of the Options issued under this Prospectus.

## Prospectus does not contain investment advice

The information provided in this Prospectus is not investment advice and has been prepared without taking into account your investment objectives, financial situation or particular circumstances. It is important that you read and consider the information in this Prospectus in full before deciding to apply for SPP CDIs or Options and consider the risks that could affect the performance of the CDIs and Options and CDIs issued on exercise of the Options.

If you have any questions, you should seek advice from your financial or other professional adviser.

## Risk Factors

Potential investors should be aware that subscribing for CDIs and subscribing for and exercising Options involves a number of risks. The key risk factors which investors should be aware are set out in Section 8 of this Prospectus. These risks,

together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the CDIs, the Options and CDIs issued upon exercise of the Options, in the future.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

### **Restrictions on Foreign Jurisdictions**

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

No action has been taken to register or qualify the CDIs or Options being offered under the Offers or otherwise permit a public offering of the CDIs or Options in any jurisdiction other than Australia and New Zealand. This Prospectus may not be distributed to or relied on by persons outside Australia and New Zealand.

In particular, this Prospectus, the Offers and the CDIs and Options to be issued under the Prospectus have not been, and will not be, registered under the *US Securities Act of 1933* (as amended) and the Offers may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

### **Information for New Zealand investors**

The CDIs and Options are not being offered or sold to the public in New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand on the Record Date to whom the offer of CDIs and Options can be made in reliance on the *Financial Markets Conduct Act 2013* (the **FMC Act**) and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

The Options offered under the Offers are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

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

### **Financial information and forward looking statements**

Section 6 sets out in detail the financial information referred to in this Prospectus and the basis of preparation of that information.

Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding. This Prospectus contains forward looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'expects', 'intends' and other similar words that involve risks and uncertainties. Any forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. Forward looking statements should be read in conjunction with risk factors as set out in Section 8, and other information in this Prospectus.

### **Defined words and expressions**

Some words and expressions used in this Prospectus have defined meanings. These words and expressions are capitalised and are defined throughout the Prospectus or in the Glossary in Section 10.

A reference to \$ or cents in this Prospectus is a reference to Australian currency (unless otherwise stated). A reference to time in this Prospectus is a reference to Melbourne, Australia time.

### **Privacy**

If you apply for CDIs or Options, you will provide personal information to the Company its agents, contractors and third party services providers. The Company its agents, contractors and third party services providers collect, hold and use your personal information in order to assess your application, service your needs as a CDI Holder and Option holder, provide facilities and services that you request and carry out appropriate administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, print service providers, mail houses and the CDI Registry.

Failure to provide the required personal information may mean that your Application is not able to be processed efficiently, if at all. You may request access to your personal information held by or on behalf of SMN and by the CDI Registry. You may also request the correction of your personal information by contacting SMN or the CDI Registry by emailing [privacy@computershare.com.au](mailto:privacy@computershare.com.au), or by using the details in the Corporate Directory at the back of this Prospectus.

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# 1. Letter from the CEO

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Dear Investors

I am pleased to be able to present the details of the Structural Monitoring Systems Plc Security Purchase Plan and Shortfall Offer.

## Security Purchase Plan (SPP)

On behalf of the Board, I am pleased to offer you the opportunity to apply for new CDIs (**SPP CDIs**) and Options in Structural Monitoring Systems Plc (**SMN** or the **Company**) under a Security Purchase Plan (**SPP Offer**). While the Company is seeking to raise \$2,000,000 (before costs) under the SPP Offer, the Company reserves the right to raise more or less than this amount.

The SPP Offer allows Eligible CDI Holders the opportunity to subscribe for up to \$30,000 worth of SPP CDIs (being up to 57,692 SPP CDIs) without paying brokerage or other transaction costs. Eligible CDI Holders will also be entitled to apply for three (3) free attaching SPP Options (**SPP Option**) for every four (4) SPP CDIs subscribed for under the SPP. The SPP Options will be issued for nil consideration and will be exercisable at \$0.78 and expiring on 30 November 2027. Each SPP Option gives the holder the right to subscribe for one (1) CDI upon exercise and payment of the exercise price.

The SPP CDIs will be issued under the SPP at \$0.52 per SPP CDI (**Offer Price**), which is the same price as the price at which CDIs have been offered to investors under the Placement as announced to the market on 5 November 2024.

## Shortfall Offer

This Prospectus also includes a Shortfall Offer, which provides that in the event that less than the maximum number of SPP CDIs and SPP Options are applied for under the SPP Offer, the Shortfall Securities will be placed at the discretion of the Directors, in accordance with Section 5.19.

The terms and conditions of the SPP Offer and Shortfall Offer are provided for in this Prospectus and will be accompanied by an SPP Offer Application Form and a Shortfall Offer Application Form (as applicable). You should read this Prospectus in its entirety before deciding whether to participate in the SPP Offer.

## Placement

As announced to the market on 5 November 2024, the Company has completed a placement to sophisticated and professional investors, for which the Company has received firm commitments of \$5,000,000 (before costs) (**Placement**).

Under the Placement, the Company will issue 9,615,385 CDIs without CDI Holder approval under its existing placement capacity.

Participants in the Placement (**Placement Participants**) are also entitled to subscribe for Options on the same terms as the SPP Options that are being offered to Eligible CDI Holders under the SPP Offer, that is Placement Participants will be eligible to apply for three (3) free attaching Options exercisable at \$0.78 and expiring on 30 November 2027 for every four (4) CDIs subscribed for under the Placement (**Placement Options**). The Placement Options are also being offered under this Prospectus (**Placement Options Offer**).

## Director Options Offer

Heinrich Loechteken (Non-Executive Director) (**Participating Director**) wishes to participate in the Director Placement on the same terms as Placement Participants for an aggregate of 320,000 CDIs and 240,000 free attaching Options. The 320,000 CDIs will be offered to the Participating Director directly (and not under this Prospectus). However, the Director Options Offer is offered to the

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Participating Director under this Prospectus. The issue of the 320,000 CDIs and the Director Option Offer are both subject to shareholder approval.

### **Underwriting**

The Offers are not underwritten. Bell Potter has been engaged as lead manager to place any Shortfall Securities on a best endeavours basis.

### **Use of funds**

Proceeds from the Offers and placement of the SPP Shortfall, as well as any funds raised on the exercise of the Options, will primarily be used for:

- continued product development and manufacturing capacity expansion for opportunities in avionics, including digital audio, radio, and loudspeakers;
- expanded product development and business development capacity in CVM technology; and
- general working capital and costs of the Offers.

### **Ranking**

All SPP CDIs issued under the SPP Offer (including under the SPP Shortfall) will rank equally with existing CDIs.

All CDIs issued upon exercise of the Options offered under this Prospectus (including SPP Options and Placement Options) will rank equally with existing CDIs at the time of exercise.

### **Eligibility**

The Offers have separate eligibility requirements, which are as follows:

(a) **SPP Offer**

Participation in the SPP Offer is optional and is available exclusively to SPP Subscribers, being Eligible CDI Holders and Eligible Shortfall Participants. See Section 2 below for more detail on who is an Eligible CDI Holder and an Eligible Shortfall Participant.

All Eligible CDI Holders will be sent a copy of this Prospectus, together with an SPP Offer Application Form. Eligible CDI Holders' right to participate in the SPP Offer is not transferrable.

If an Eligible CDI Holder is a "Custodian" (as defined in *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547*) ("**Custodian**") and is the registered holder of CDIs on behalf of one or more persons who have a registered address in either Australia or New Zealand and who is not in the United States and is not acting for the account or benefit of a person in the United States (each an "**Eligible Beneficiary**"), the offer is made to that Eligible CDI Holder and it has the discretion whether to extend the offer to the Eligible Beneficiaries. Custodians must complete and submit a certificate that certifies the matters required by paragraph 8(3) of *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* ("**Custodian Certificate**") when making an Application on behalf of Eligible Beneficiaries. To request a Custodian Certificate or further information about the Custodian Application process, a Custodian should contact the Company via the Offer Information Line on 1300 850 505 between 8.30am and 5.00pm (AEDT) Monday to Friday. Applications received from Custodians must be accompanied by a duly completed and signed Custodian Certificate. Applications that are not accompanied by a duly completed Custodian Certificate will be rejected.

(b) **Shortfall Offer**

Participation in the Shortfall Offer is only open to Eligible Shortfall Participants and must be made using the Shortfall Offer Application Form. See Section 5.19 below for more detail.

(c) **Placement Options Offer**

Only Placement Participants who are issued CDIs pursuant to the Placement will be able to participate in the Placement Options Offer.

**How to apply**

(a) **SPP Offer**

The SPP Offer opens on the SPP Offer Opening Date and closes on the SPP Offer Closing Date, subject to the Company's discretion to vary the dates of the SPP Offer.

To apply for SPP CDIs and SPP Options you must review the enclosed SPP Offer Application Form, in accordance with the instructions set out in the form, and make a payment directly via BPAY®.

The SPP Offer Application Form allows you to apply for both SPP CDIs and SPP Options.

**The SPP Offer Application Form is structured such that you are taken to apply for both SPP CDIs and corresponding free attaching SPP Options. If you do not wish to apply for free attaching SPP Options and only wish to apply for SPP CDIs, please get in touch with the Company's CDI Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) and a new SPP Offer Application Form will be sent to you.**

If you are an Eligible CDI Holder you may apply for a parcel of SPP CDIs valued at \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000, or \$30,000 (subject to the discretionary scale back policy outlined in Section 5.9). Cleared funds must be received by no later than 5.00pm (Sydney time) on the SPP Offer Closing Date.

(b) **Shortfall Offer**

The Shortfall Offer opens on the Shortfall Offer Opening Date and closes on the Shortfall Offer Closing Date, subject to the Company's discretion to vary the dates of the Offers.

Application for Shortfall Securities under the Shortfall Offer must be made using the Shortfall Offer Application Form and must be received by the Company prior to the Shortfall Offer Closing Date. You should not complete a Shortfall Offer Application Form unless specifically directed to do so by the Company.

(c) **Placement Options Offer**

The Company will provide an application form to those eligible Placement Participants to apply for Placement Options.

**Queries**

If you have any questions in relation to how to participate in the Offers, please contact the Company's CDI Registry, from 9.00am to 5.00pm (Sydney time), Monday to Friday, on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). If you have any questions in relation to whether



an investment in the Company through the Offers is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

Thank you for your continued support of Structural Monitoring Systems Plc.

Yours sincerely,

A handwritten signature in black ink that reads "Ross Love". The signature is written in a cursive, slightly slanted style.

Ross Love  
**Chief Executive Officer**

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## 2. Key SPP Information

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### What is the SPP?

The SPP provides Eligible CDI Holders with the opportunity to subscribe for up to \$30,000 worth of SPP CDIs (and free attaching SPP Options) without paying any brokerage or other charges. Additionally, Eligible Shortfall Participants will be able to participate in the Shortfall Offer to the extent that there is any SPP Shortfall remaining.

Applications may be scaled back at the absolute discretion of the Company. More details of the SPP are set out in Section 5 of this Prospectus.

### How much will the Company raise under the SPP Offer?

The Company is seeking to raise \$2,000,000 under the SPP Offer. The Company reserves the right to raise more or less than this amount in its absolute discretion.

The Company may, at its absolute discretion, scale back the number of SPP CDIs (and free attaching SPP Options) that will be allotted to individual CDI Holders under the SPP Offer. However, the Company anticipates that this will only occur to the extent that the SPP Offer is oversubscribed by Eligible CDI Holders.

### What is the Offer Price of SPP CDIs under the SPP Offer?

The SPP CDIs will be issued under the SPP at the Offer Price of \$0.52 per SPP CDI, which is the price at which CDIs were issued to Placement Participants under the Placement. For every four (4) SPP CDIs validly subscribed for under the SPP Offer, the SPP Subscribers are also entitled to receive three (3) free-attaching SPP Options exercisable at \$0.78 each and expiring on 30 November 2027.

There is a risk that the market price of CDIs may rise or fall between the Record Date, the date of this Prospectus, the date on which a CDI Holder makes a payment for SPP CDIs, submits an SPP Offer Application Form, and the time of issue of SPP CDIs under the SPP Offer. This means that the price you pay for the SPP CDIs issued to you may be less than or more than the market price of CDIs at the date of this Prospectus or the time of issue of the SPP CDIs.

There is also a risk that the market price of CDIs may rise or fall between when the SPP Options are granted and when a holder of the SPP Options exercises the SPP Options. This means that the value of the SPP Options at any time prior to their exercise may be less or more than the value of the SPP Options as at the date of the grant.

No cooling off rights apply to your application and your application may not be withdrawn even if the market price of CDIs is less than the Offer Price.

The current CDI price can be obtained from the ASX under the ticker code "SMN".

### Is the SPP Offer underwritten?

No, the SPP Offer is not underwritten.

Bell Potter has been engaged to assist with placing any Shortfall Securities on a best endeavours basis and at the Company's absolute discretion.

## Am I an SPP Subscriber?

Participation in the SPP Offer and Shortfall Offer is open to:

- Eligible CDI Holders being the registered holders of CDIs in the Company at 7.00pm (Sydney Time) on 4 November 2024 (**Record Date**) and whose address on the Company's CDI register is in Australia or New Zealand, provided that such CDI Holder:
  - is not in the United States, or acting for the account or benefit of a person in the United States; and
  - is eligible under all applicable securities laws to receive an offer under the SPP Offer; and
- Eligible Shortfall Participants, who are eligible under all applicable securities laws to receive an offer under the SPP Shortfall.

The SPP is also being extended to Eligible CDI Holders who are Custodians for them to participate in the SPP on behalf of certain Eligible Beneficiaries (who are Australian or New Zealand residents and not in the United States, or acting for the account or benefit of a person in the United States) on the terms and conditions provided in this Prospectus.

The Offers are made on the terms and conditions set out in this Prospectus.

## How much can I invest under the SPP Offer and Shortfall Offer?

Eligible CDI Holders may apply for a parcel of SPP CDIs under the SPP in accordance with the application amounts set out below. The maximum investment amount under the SPP is \$30,000 or 57,692 SPP CDIs (and the corresponding 43,269 free-attaching SPP Options), subject to scale back at the absolute discretion of SMN.

The number of SPP CDIs and SPP Options to be issued to successful applicants under the SPP Offer will be rounded down to the nearest whole number after dividing the application monies by the Offer Price.

Application amount	Number of SPP CDIs	Number of SPP Options
\$1,000	1,923	1,442
\$2,500	4,807	3,605
\$5,000	9,615	7,211
\$7,500	14,423	10,817
\$10,000	19,230	14,422
\$15,000	28,846	21,634
\$20,000	38,461	28,845
\$30,000	57,692	43,269

Eligible Shortfall Participants' ability to participate in the SPP Shortfall will:

- not be restricted to a maximum amount (other than to the extent that SPP CDIs and SPP Options are available under the SPP Shortfall); and

- be subject to scale back at the absolute discretion of SMN.

### **How do I apply for SPP CDIs and free attaching SPP Options?**

If you wish to participate in the SPP Offer, you need to do the following:

- **Pay by BPAY**

Provided that you are not a "Custodian" (as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Australia)) you may make payment by BPAY as shown on the enclosed SPP Offer Application Form. To apply via BPAY you must have an Australian bank account. If you apply via BPAY® there is no need to return the enclosed SPP Offer Application Form, but you will be taken to have made the statements and certifications that are set out in the SPP Offer Application Form.

**For New Zealand shareholders only, that are unable to pay by BPAY, please contact the CDI Registry on +61 3 9415 4000 at any time from 9.00am to 5.00pm (Sydney time) Monday to Friday during the Offer period for alternative electronic funds transfer payment arrangements.**

Payment must be received in cleared funds by no later than 5.00pm (Sydney time) on the SPP Offer Closing Date.

You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY.

The SPP Offer Application Form allows Eligible CDI Holders to apply for both SPP CDIs and the corresponding number of free-attaching SPP Options.

The SPP Offer Application Form is structured that you are taken to apply for both SPP CDIs and the corresponding free attaching SPP Options. If you do not wish to apply for free attaching SPP Options and only wish to apply for SPP CDIs, please get in touch with the Company's CDI Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) and a new application form will be sent to you.

### **Do Eligible CDI Holders have to participate in the SPP?**

No, participation in the SPP Offer by Eligible CDI Holders is entirely voluntary.

If you do not wish to participate in the SPP Offer (and the offer of free attaching SPP Options), do nothing.

### **Can Eligible CDI Holders' offers under the SPP Offer be transferred to a third party?**

No, the offer to participate under the SPP Offer cannot be transferred.

### **What are the rights attached to SPP CDIs?**

SPP CDIs issued under the SPP Offer will rank equally with other existing CDIs of the Company as at the date of issue of the SPP CDIs (see section 7.1 below for further information).

### **What are the SPP Options and what is my entitlement to them?**

The SPP Options are free-attaching SPP Options, offered to participants under the SPP Offer who subscribe for SPP CDIs.

SPP Subscribers will be entitled to apply for three (3) free-attaching SPP Option for every four (4) SPP CDIs subscribed for under the SPP Offer. The SPP Options will be issued for nil consideration

and will be exercisable at \$0.78 expiring on 5.00pm (Sydney time) on 30 November 2027. Each SPP Option gives the holder the right to subscribe for one (1) CDI upon exercise. The terms of the SPP Options are set out at Section 7.3 of this Prospectus.

#### **Is the SPP Offer conditional?**

The SPP Offer is not conditional on any approval.

However, the Director Options Offer is conditional upon the Company obtaining shareholder approval.

#### **What happens if there is a scale-back?**

In the event of a scale-back, the number of SPP Options issued to Eligible CDI Holders will be scaled back in the same proportion as the scale back applied to SPP CDIs applied, so that successful subscribers under the SPP Offer will continue be issued three (3) SPP Options for every four (4) SPP CDIs subscribed for.

#### **Will the SPP CDIs and SPP Options be quoted on ASX?**

##### ***SPP CDIs***

Application for Official Quotation of the SPP CDIs offered pursuant to this Prospectus will be made within seven (7) days of the date of this Prospectus.

If ASX does not grant Official Quotation of the SPP CDIs offered pursuant to this Prospectus within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot any SPP CDIs and will repay all application monies for the SPP CDIs within the time period prescribed under the Corporations Act, without interest.

A decision by ASX to grant Official Quotation of the SPP CDIs is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the SPP CDIs offered for subscription.

##### ***SPP Options***

Application for Official Quotation of the SPP Options offered pursuant to this Prospectus will be made within seven (7) days of the date of this Prospectus.

If ASX does not grant Official Quotation of the SPP Options offered pursuant to this Prospectus within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will allot the SPP Options, however, the SPP Options will not be quoted on ASX.

A decision by ASX to grant Official Quotation of the SPP Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the SPP Options offered for subscription. Quotation of the SPP Options will be subject to the Company satisfying the requirements of the ASX Listing Rules, including ASX Listing Rule 2.5 (Requirements for quotation of additional securities).

#### **Where can I get more information on the SPP Offer?**

If you have questions in relation to how to participate in the SPP Offer, please contact the Company's CDI Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). If you have any questions in relation to whether an investment in the Company through the SPP Offer is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

#### **What do I do if I am a Custodian?**

The SPP Offer is being extended to Eligible CDI Holders who are Custodians and who wish to apply for SPP CDIs (and free attaching SPP Options) on behalf of certain Eligible Beneficiaries.

The SPP Offer is being offered to Custodians as the registered CDI Holder. Custodians are not required to participate on behalf of their Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP Offer to their Eligible Beneficiaries.

If you wish to apply as a Custodian under the SPP Offer to receive SPP CDIs and free attaching SPP Options for one or more Eligible Beneficiaries, you must complete and submit an additional Custodian Certificate before your application will be accepted. Applications that are not accompanied by a duly completed Custodian Certificate will be limited to the maximum \$30,000 limit and any excess subscription monies will be refunded. Custodians can request a Custodian Certificate by calling the Company's CDI Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia). By applying as a Custodian on behalf of Eligible Beneficiaries to acquire SPP CDIs (and free attaching SPP Options), you certify (amongst other things) that each Eligible Beneficiary has not exceeded the \$30,000 limit.

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### 3. Key dates

The key dates in respect of the Offers are as follows.

Event	Date*
Record Date	7.00pm (Sydney time), 4 November 2024
Announcement of Placement and SPP Offer	5 November 2024
Settlement of Placement	8 November 2024
Issue and trading of CDIs under Placement	11 November 2024
Lodgement of Prospectus with ASIC and ASX	12 November 2024
SPP Offer Opening Date and Shortfall Opening Date	12 November 2024
SPP Offer Closing Date	5.00pm (Sydney time), 3 December 2024
Announcement of results of SPP Offer & Shortfall Offer Opening Date	6 December 2024
Issue of SPP CDIs and SPP Options under SPP Offer Issue of Placement Options	10 December 2024
SPP Shortfall Offer Closing Date	13 December 2024

*\*These dates are indicative only. Subject to the Corporations Act and ASX Listing Rules, the Company reserves the right to vary these times and dates (other than in respect of events that have already occurred) in its absolute discretion by sending a revised timetable to ASX. All times are Sydney time.*

*In particular, the Company reserves the right to extend the Closing Dates, to accept late applications under the Offers (either generally or in particular cases) and to withdraw the Offers without prior notice. Any extension of the Closing Dates will have a consequential effect on the allotment date of SPP CDIs and free-attaching SPP Options. The commencement of quotation of the SPP CDIs and SPP Options is subject to confirmation from ASX (including ASX quotation condition).*

*The Company also reserves the right not to proceed with the Offers in whole or in part at any time prior to allotment and issue of the SPP CDIs and free-attaching SPP Options. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants. Cooling off rights do not apply to an investment in SPP CDIs or free-attaching SPP Options. You cannot withdraw your application once it has been accepted. Eligible CDI Holders wishing to participate in the SPP are encouraged to submit their Application Form as soon as possible after the SPP Offer opens.*

#### 4. Corporate directory

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<b>Directors</b>  Mr Ross Love (Chief Executive Officer and Executive Chair) Mr Heinrich Loechteken (Non-Executive Director) Mr Brian Wall (Non-Executive Director) Mr Sam Wright (Non-Executive Director)	<b>Registered Office</b>  Suite 116, 1 Kyle Way Claremont, WA, Australia 6010 Contact number: +61 8 6161 7412
<b>Company Secretary</b>  Mr Sam Wright	<b>Australian Legal Adviser</b>  Gadens Level 13, Collins Arch 447 Collins Street Melbourne VIC 3000
<b>CDI Registry</b>  Computershare Investor Services Pty Limited Level 17, 221 St Georges Terrace Perth, WA, Australia 6000  Website: <a href="http://www.investorcentre.com/au">www.investorcentre.com/au</a> T: 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia)	<b>ASX Code:</b>  SMN

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## 5. Details of the Offers

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### 5.1 SPP Offer – Eligible CDI Holders

- (a) Under the SPP the Company offers to Eligible CDI Holders the opportunity to purchase up to \$30,000 worth of CDIs in the Company (**SPP CDIs**) at an offer price of \$0.52 per SPP CDI (**Offer Price**). Eligible CDI Holders who subscribe for SPP CDIs are also entitled to apply for free-attaching Options (**SPP Option**) for nil consideration, on the basis of three (3) SPP Option for every four (4) SPP CDIs validly subscribed for under the SPP Offer. The SPP Offer is subject to and in accordance with the terms and conditions set out in this Prospectus.
- (b) Each SPP Option is exercisable at \$0.78 and expires on 30 November 2027. The SPP Option holder is entitled to one (1) CDI per SPP Option exercised. The full terms of the SPP Options are set out in Section 7.1.
- (c) Only persons who are SPP Subscribers may participate in the SPP Offer. If you are an Eligible CDI Holder, your rights under the SPP Offer and SPP are personal to you and cannot be transferred to another person.
- (d) The Company intends to seek quotation for the SPP CDIs and SPP Options.
- (e) Employees of the Company who are Eligible CDI Holders may participate in the SPP.
- (f) All references to \$ or dollars in this Prospectus are references to Australian dollars unless indicated otherwise.

### 5.2 SPP Shortfall – Eligible Shortfall Participants

- (a) Any remaining SPP CDIs (and corresponding free attaching SPP Options) not taken up by Eligible CDI Holders under the SPP Offer will form the Shortfall Amount.
- (b) The offer of the Shortfall Amount pursuant to the Shortfall Offer will be placed at the discretion of the Directors.
- (c) The terms of the Shortfall CDIs and Shortfall Options to be issued under the Shortfall Offer shall be on the same terms as the SPP CDIs and SPP Options offered under the SPP Offer.
- (d) The Directors in consultation with Bell Potter have the absolute discretion to nominate and determine who is to receive all of the Shortfall CDIs and Shortfall Options under the Shortfall Offer.

### 5.3 Placement Options Offer

- (a) The Company conducted the Placement and received firm commitments for approximately \$5,000,000 (before costs), resulting in the issue of up to 9,615,385 CDIs. As part of the Placement, the Company is also offering three (3) Placement Options for every four (4) CDIs subscribed for under the Placement.
- (b) The Placement Options are only offered to Placement Participants who were issued CDIs pursuant to the Placement.
- (c) The Placement Options will be in the same class and rank equally with the SPP Options. Each Placement Option is exercisable at \$0.78 and expires on 30 November 2027. The Placement Option holder is entitled to one (1) CDI per SPP Option exercised. The full terms of the SPP Options are set out in Section 7.1.

- (d) The Company will separately provide an Application Form to those eligible Placement Participants.

#### 5.4 Director Options Offer

Heinrich Loechteken (Non-Executive Director) wishes to participate in the Director Placement on the same terms as Placement Participants for an aggregate of 320,000 CDIs, together with 240,000 free attaching Options, exercisable at \$0.78 and expiring on 30 November 2027 under the Director Placement.

Heinrich Loechteken is the Participating Director.

This Prospectus includes the offer of an aggregate 240,000 Options to Heinrich Loechteken.

The Company will seek CDI Holder approval for the issue of the CDIs and Options under the Director Placement at a General Meeting. If CDI approval is not obtained, then the Participating Director will not be able to receive securities and the Company will return his subscription monies to him.

All Options offered under the Director Options Offer will be issued on the terms set out in Section 7.3. All CDIs issued on exercise of the Director Options will rank equally with the existing CDIs quoted on ASX. The Company will apply for Official Quotation of the Director Options offered pursuant to the Director Options Offer.

Only the Participating Director (or his nominee that are eligible securityholders) may accept the Director Options Offer, by using the relevant Application Form in relation to the Director Options Offer. No funds will be raised from the Director Options Offer as the Director Options are being issued for nil consideration.

#### 5.5 Application to Participate

##### Applying for SPP CDIs and free attaching SPP Options

- (a) Participation in the SPP by Eligible CDI Holders is optional.
- (b) Eligible CDI Holders may participate in the SPP Offer by applying to purchase a parcel of SPP CDIs (and corresponding free attaching SPP Options) in the following amounts, up to a maximum amount of \$30,000 per Eligible CDI Holder:
- (i) \$1,000 (1,923 SPP CDIs with 1,442 free attaching SPP Options);
  - (ii) \$2,500 (4,807 SPP CDIs with 3,605 free attaching SPP Options);
  - (iii) \$5,000 (9,615 SPP CDIs with 7,211 free attaching SPP Options);
  - (iv) \$7,500 (14,423 SPP CDIs with 10,817 free attaching SPP Options);
  - (v) \$10,000 (19,230 SPP CDIs with 14,422 free attaching SPP Options);
  - (vi) \$15,000 (28,846 SPP CDIs with 21,634 free attaching SPP Options);
  - (vii) \$20,000 (38,461 SPP CDIs with 28,845 free attaching SPP Options); or
  - (viii) \$30,000 (57,692 SPP CDIs with 43,269 free attaching SPP Options).

The number of SPP CDIs and free attaching SPP Options issued to successful SPP Subscribers will be rounded down to the nearest whole number after dividing the Application Monies by the Offer Price.

- (c) Provided that you are not a "Custodian" (as defined in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Australia)) if you are an Eligible CDI Holder and wish to participate in the SPP Offer, you must make payment by BPAY® in the appropriate amount in Australian dollars using your customer reference number (which is required to identify your holding) and the biller code, both of which are set out on your personalised SPP Offer Application Form, so that payment is received by SMN's CDI registry by no later than 5.00pm (Sydney time) on the SPP Offer Closing Date. **If you make a payment by BPAY® you do not need to return your completed SPP Offer Application Form as receipt of your BPAY® payment will be taken by the Company as your application.**

Receipts for payment will not be issued.

- (d) If an Eligible CDI Holder has more than one holding, the Eligible CDI Holder may not apply for SPP CDIs with an aggregate value of more than \$30,000 under the SPP Offer. Accordingly, an Eligible CDI Holder may only make an application for the maximum amount with respect to one holding.
- (e) You should be aware that your own financial institution may implement earlier cut off times for electronic payments and you should take this into consideration when making payment of application monies via BPAY. Your financial institution may have a set limit on the amount that you can pay via BPAY. It is your responsibility to ensure that the amount you wish to pay via BPAY is received by the Company's CDI registry by 5.00pm (Sydney time) on the SPP Offer Closing Date.
- (f) If you are an Eligible CDI Holder and you make a payment via BPAY you represent and warrant that the total of the application price for the following does not exceed \$30,000:
- (i) the SPP CDIs the subject of your application;
  - (ii) any other CDIs issued to you under an arrangement similar to the SPP Offer in the 12 months before the date of your application under the SPP Offer (for the avoidance of doubt, an entitlement offer is not an arrangement similar to the SPP Offer);
  - (iii) any other SPP CDIs which you have instructed a Custodian to acquire on your behalf under the SPP Offer; and
  - (iv) any other CDIs issued to a Custodian under an arrangement similar to the SPP Offer in the 12 months before the date of your application for SPP CDIs (and corresponding free attaching SPP Options) as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such CDIs, even though you may have received more than one offer or received offers in more than one capacity.

## 5.6 Company's discretion with regard to applications

- (a) The Company may accept or reject any application under the SPP Offer, including but not limited to where:
- (i) the amount of your BPAY® payment is not equal to \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$15,000, \$20,000 or \$30,000. If this occurs, the Company may either;
    - (A) refund in full your Application Monies and not allot any SPP CDIs (and corresponding free attaching SPP Options) to you; or

- (B) allot you the number of SPP CDIs and SPP Options that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund to you the excess of your Application Monies;
- (ii) it appears that you are applying to purchase more than \$30,000 worth of SPP CDIs in aggregate (including as a result of any CDIs you hold directly, jointly or through a Custodian or nominee arrangement);
- (iii) your payment is received after 5.00pm (Sydney time) on the SPP Offer Closing Date;
- (iv) payment of the Application Monies is not submitted in Australian currency; or
- (v) the Company reasonably believes that you are not eligible to participate in the SPP Offer (subject to compliance with any applicable ASIC or ASX requirements).

## 5.7 Refund

If you are entitled to a refund of all or any of your Application Monies, the refund will be paid to you, without interest, as soon as is practicable by direct credit to your nominated bank account (as recorded by the Company's CDI Registry).

## 5.8 Effect of making an application

If you submit a BPAY® payment:

- (a) you warrant that you are an Eligible CDI Holder and are eligible to participate in the SPP Offer;
- (b) you are deemed to have accepted the SPP Offer and you irrevocably and unconditionally acknowledge and agree to the terms and conditions of the SPP Offer and the terms of the SPP Offer Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP Offer;
- (c) you acknowledge that your application will be irrevocable and unconditional;
- (d) you agree to pay the Offer Price per SPP CDI up to the maximum value of your BPAY® payment;
- (e) you certify and represent to the Company that you have not directly or indirectly, including through a Custodian, applied for more than \$30,000 worth of SPP CDIs;
- (f) you certify that the total of the application price for the following does not exceed \$30,000:
  - (i) the SPP CDIs the subject of your application;
  - (ii) any other CDIs issued to you under an arrangement similar to the SPP Offer in the 12 months before the date of your application under the SPP Offer (for the avoidance of doubt an arrangement similar to the SPP Offer does not include an entitlement offer);
  - (iii) any other SPP CDIs which you have instructed a Custodian to acquire on your behalf under the SPP Offer; and
  - (iv) any other CDIs issued to a Custodian under an arrangement similar to the SPP Offer in the 12 months before the date of your application for SPP

CDIs as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in such CDIs, even though you may have received more than one offer or received offers in more than one capacity;

- (g) you accept the risk associated with any refund that may be sent to your nominated bank account (as recorded by Company's CDI Registry);
- (h) you acknowledge that no interest will be paid on any Application Monies held pending the allotment of SPP CDIs and SPP Options or subsequently refunded to you for any reason;
- (i) you acknowledge that neither the Company nor its CDI registry has provided any investment advice or financial product advice and that neither of them has any obligation to provide this advice in relation to your consideration as to whether or not to participate in the SPP Offer;
- (j) you acknowledge that the Company (and each of its officers and agents) is not liable for any consequences of the exercise or non-exercise of its discretions referred to in these terms and conditions of this Prospectus;
- (k) you acknowledge that the SPP CDIs and SPP Options to be issued under the SPP Offer have not, and will not be, registered under the Securities Act or the securities laws of any other jurisdiction outside Australia and, accordingly, the SPP CDIs and SPP Options to be issued under the SPP Offer may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws;
- (l) you agree not to send this Prospectus or any other material relating to the SPP to any person in the United States or any other country outside Australia or New Zealand;
- (m) you agree to be bound by the Company's Articles of Association;
- (n) you acknowledge that the Company may at any time reasonably and irrevocably determine that your application is invalid, in accordance with the terms and conditions of the SPP; and
- (o) you are responsible for any fees or costs the Company may incur in case of a refund.

#### 5.9 Scale-back and increase in SPP Offer size

- (a) While the Company is seeking to raise \$2,000,000 under the SPP, the Company reserves the absolute discretion to raise more than or less than this amount. The Company may in its absolute discretion undertake a scale-back to the extent and in the manner it sees fit.
- (b) Investors should note that the Company may give a preference to Eligible CDI Holders' Applications under the SPP Offer to those Eligible CDI Holders that have not disposed of any of their CDIs as between 9.00 am (Sydney time) on the Record Date and 7.00 pm (Sydney time) on the SPP Offer Closing Date (**Relevant Period**). Accordingly, the Company may reject or scale back any Applications under the SPP Offer received from Eligible CDI Holders that have disposed of any of their CDIs during the Relevant Period.
- (c) Furthermore the Company may, at its absolute discretion, scale-back the number of SPP CDIs (and corresponding SPP Options) that will be allotted to individual Applicants under the SPP Offer and in the manner it sees fit. In the event of a scale-

back, the Company intends to prioritise allocations to CDI Holders who have increased the number of CDIs held during the Relevant Period.

- (d) Applicants acknowledge that the final determination of whether an Applicant has disposed of any CDIs during the Relevant Period or whether an Applicant has increased their number of CDIs held during the Relevant Period shall be determined by the Board in its absolute discretion. Furthermore notwithstanding anything in this Prospectus, the Board reserves the right to waive any condition imposed on the acceptance of Applications, which may be exercised in the Board's sole and absolute discretion.
- (e) If there is a scale-back you may receive less than the parcel of SPP CDIs (and corresponding SPP Options) for which you have applied.
- (f) If a scale-back produces a fractional number of SPP CDIs (and corresponding SPP Options) when applied to your parcel, the number of SPP CDIs (and corresponding SPP Options) you will be allotted will be rounded down to the nearest whole number of SPP CDIs (and corresponding SPP Options).
- (g) If there is a scale-back, the difference between the Application Monies received from you, and the number of SPP CDIs allocated to you multiplied by the Offer Price (and corresponding SPP Options), will be refunded to you in accordance with Section 5.7.
- (h) If there is a consolidation or re-organisation of the issued share capital of the Company prior to the SPP Offer Closing Date, the maximum number of SPP CDIs (and corresponding SPP Options) to be issued pursuant to and in accordance with the SPP Offer shall be consolidated or re-organised (as the case may be) in the same ratio as the issued capital of the Company.

#### **5.10 CDIs**

- (a) SPP CDIs issued under the SPP Offer and Shortfall Offer will rank equally in all respects with existing CDIs quoted on the ASX, with the same voting rights, dividend rights and other entitlements (other than the right to subscribe for free Options, on the basis of three (3) free attaching Option for every four (4) SPP CDIs subscribed for under the SPP Offer or Shortfall Offer, which right will have expired at the point of issue of CDIs).
- (b) The Company will apply for the CDIs issued under the SPP Offer and the Shortfall Offer to be quoted on the ASX.

#### **5.11 Options**

- (a) The Options issued under the SPP Offer and Shortfall Offer will rank equally in all respects with all Options offered under the Placement, the terms of which are set out in Section 7.1.
- (b) All CDIs issued upon exercise of the Options (including the Options issued under the SPP Offer and the Shortfall Offer) will rank equally in all respects with existing CDIs at the date of exercise.
- (c) The Company will apply for the Options issued under the SPP Offer, Shortfall Offer and Placement Options Offer to be quoted on the ASX.

#### **5.12 No transaction costs**

Eligible CDI Holders who participate in the SPP Offer will not pay any brokerage, commissions or other transaction costs in respect of the issue and allotment of SPP CDIs and SPP Options.

### 5.13 Timetable

- (a) Subject to clause 5.13(b), the timetable for the key events relating to the SPP Offer and Shortfall Offer is as set out in Section 3, Key Dates section of this Prospectus (**Timetable**).
- (b) The Company may, at its discretion, vary any of the dates in the Timetable or in these terms and conditions in accordance with the Corporations Act and ASX Listing Rules.

### 5.14 ASX quotation

#### ***SPP CDIs***

Application for Official Quotation of the SPP CDIs offered pursuant to this Prospectus will be made within seven (7) days of the date of this Prospectus.

If ASX does not grant Official Quotation of the SPP CDIs offered pursuant to this Prospectus within three months after the date of this Prospectus (or such period as varied by ASIC), the Company will not allot any SPP CDIs and will repay all Application Monies for the SPP CDIs within the time period prescribed under the Corporations Act, without interest.

A decision by ASX to grant Official Quotation of the SPP CDIs is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the SPP CDIs offered for subscription.

#### ***SPP Options and Placement Options***

Application for Official Quotation of the Options offered pursuant to this Prospectus will be made within seven (7) days of the date of this Prospectus.

Quotation of the Options will be subject to the Company satisfying the requirements of the ASX Listing Rules, including ASX Listing Rule 2.5 (Requirements for quotation of additional securities). A decision by ASX to grant Official Quotation of the Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the Options offered for subscription.

### 5.15 Allotment and holding statements

The Company anticipates issuing the CDIs and free attaching Options subscribed for under the SPP Offer, Shortfall Offer and Placemen Options Offer on 11 December 2024.

Holding statements for CDIs and Options issued under the SPP Offer and Shortfall Offer will be mailed as soon as reasonably practicable after the CDIs and Options are allotted.

### 5.16 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing CDI or option certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Instead of CDI and Option certificates, investors will be provided with a holding statement that sets out the number of Offer Securities allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number.

## 5.17 Dispute resolution

The Company may settle in any manner it thinks fit, any difficulties, anomalies or disputes that may arise in connection with or by reason of the operation of the Offers, whether generally or in relation to any participant or application. Any determinations by the Company will be conclusive and binding on all Eligible CDI Holders and other persons to whom the determination relates. The Company's rights may be exercised by its Board or any delegate of the Board.

## 5.18 Variation, suspension and termination

- (a) The Company may at its discretion and at any time:
- (i) vary, suspend or terminate the Offers (or any part of it). If the Company does this, it will make an announcement to the ASX (in addition to any other requirements under the Corporations Act). Failure to notify CDI Holders of variations to or the suspension or termination of the SPP Offer (or any part of it) will not invalidate the variation, suspension or termination; or
  - (ii) to the extent permitted by law, waive compliance with any provision of the Offers or these terms and conditions.
- (b) The Company reserves the right to issue no SPP CDIs, SPP Options or Options under the Offers or fewer SPP CDIs, SPP Options or Options under the Offers than applied for at its complete discretion, including if the Company believes the issue of those SPP CDIs, SPP Options or Options would contravene ASIC requirements or policy, any law or any ASX Listing Rule.

## 5.19 Shortfall Offer

In the event that less than \$2,000,000 is applied for under the SPP Offer by Eligible CDI Holders (or such other higher or lower amount that the SPP Offer is increased or reduced to at the Company's discretion), the Directors may place any SPP CDIs and SPP Options not taken up pursuant to the SPP Offer (**Shortfall Securities**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to the Shortfall Offer Closing Date. The issue price for each CDI to be issued under the Shortfall Offer shall be \$0.52 (being the price at which SPP CDIs have been offered under the SPP Offer) and participants under the Shortfall Offer will also be entitled to receiving three (3) free-attaching Option for every four (4) CDIs subscribed for under the Shortfall Offer (being on the same terms at which SPP Options have been offered under the SPP Offer).

The allocation of the Shortfall Securities will be at the absolute discretion of the Directors. Accordingly, do not apply for Shortfall Securities unless instructed to do so by the Directors.

## 5.20 Underwriting

The SPP Offer and Shortfall Offer are not underwritten.

Bell Potter will assist the Company in placing any Shortfall Securities on a best endeavours basis and at the absolute discretion of the Company.

## 5.21 Enquiries

Any questions concerning the Offers should be directed to the Company's CDI Registry on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 9.00am to 5.00pm (Sydney time), Monday to Friday (excluding public holidays).



## 6. Purpose and effect of the Offers

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### 6.1 The Placement and Offers

#### Placement

As announced to the market on 5 November 2024, the Company has undertaken the Placement to sophisticated and professional investors, by the offer of CDIs at an offer price of \$0.52 per CDI, for which the Company has received firm commitments of \$5,000,000 (before costs).

Under the Placement the Company issued 9,615,385 CDIs (in respect of the \$5,000,000 raised under the Placement) without CDI Holder approval under its existing placement capacity.

#### Placement Options Offer

Successful Placement Participants are also entitled to subscribe for free attaching Options on the basis of three (3) Placement Options for every four (4) CDIs subscribed for under the Placement.

#### Offers

In conjunction with the Placement, the Company is undertaking the SPP Offer whereby Eligible CDI Holders are offered the opportunity to acquire up to \$30,000 worth of CDIs per Eligible CDI Holder, on the same subscription price and terms as those offered to Placement Participants under the Placement. Accordingly, Eligible CDI Holders will be eligible to apply for SPP CDIs at an offer price of \$0.52 per CDI and are also entitled to subscribe for free attaching SPP Options on the basis of three (3) free attaching SPP Option for every four (4) SPP CDIs subscribed for under the SPP Offer.

The SPP Offer will also be extended to the Eligible Shortfall Participants' to the extent that there is any SPP Shortfall.

### 6.2 Purpose of this Prospectus

This Prospectus has been issued for the purposes of enabling the SPP Offer, more specifically the offer of SPP Options under the SPP Offer, to be made to all Eligible CDI Holders and to the extent it relates to the Shortfall Offer, to enable the Shortfall CDIs and Shortfall Options issued to be on-sold without disclosure.

In addition, the purpose of this Prospectus is to remove any trading restrictions that may be applicable to the Options to be issued by the Company under the Placement.

Furthermore, *ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80* provides on-sale relief for securities that were:

- (a) issued by reason of the exercise of options or the conversion of convertible or converting notes or convertible or converting preference shares;
- (b) those options or convertible or converting securities were issued under a disclosure document under Part 6D.2 of the Corporations Act or with a product disclosure statement for the options being prepared; and
- (c) the exercise of the option, or the conversion, did not involve any further offer.

### 6.3 Purpose of the Offers

The purpose of the SPP Offer is to provide Eligible CDI Holders the opportunity to subscribe for up to \$30,000 of SPP CDIs on the same subscription price and terms as those offered to Placement Participants under the Placement.

A total of \$2,000,000 will be raised from the SPP Offer (which includes any SPP Shortfall subscribed for under the Shortfall Offer), the proceeds of which, together with the \$5,000,000 to be raised under the Placement, will be used to continue avionics product development and manufacturing capacity expansion, expanded product development and business development capacity in CVM™ technology and general working capital. The additional working capital will enable the continued growth of the Company's current products alongside its future products.

The Placement Options Offer is part of the Placement to Placement Participants. Each successful Placement Participant is entitled to apply for three (3) free attaching Placement Options for every four (4) CDIs subscribed for under the Placement. Accordingly, no funds will be raised from the issue of the Placement Options.

### 6.4 Effect of the Offers

The principal effect of the SPP Offer will be to increase the number of CDIs on issue by approximately 3,846,154 CDIs, the number of Options on issue by 2,884,615 Options and to increase the Company's cash reserves by \$2,000,000 (before costs). The Placement Options Offer will further increase the number of Options on issue by 7,211,538 Options.

It should be noted that the Company has the discretion to increase or decrease the size of the SPP Offer.

The table below sets out the effect on the share capital structure of the Company upon completion of the Offers assuming \$2,000,000 (before costs) is successfully raised under the SPP Offer:

	Number
CDIs on issue as at the date of Prospectus <sup>1</sup>	137,359,052
CDIs to be issued under Placement <sup>2</sup>	9,615,385
SPP CDIs to be issued under SPP Offer	3,846,154
<b>Total</b>	<b>150,820,590</b>

**Notes:**

1. This assumes no existing Options are exercised prior to the Record Date.
2. This figure does not account for any CDIs to be issued to Directors under the Director Placement.

**Fully diluted capital structure**

The table below sets out the fully-diluted capital structure of the Company upon completion of the Offers assuming:

- (a) an amount of \$5,000,000 is successfully raised under the Placement (but does not account for any CDIs or Options to be issued to Directors under the Director Placement);
- (b) an amount of \$2,000,000 is raised under the SPP Offer;

- (c) all SPP Options offered under the Prospectus and Options offered under the Placement are subscribed for and granted; and
- (d) all Options are exercised (including Options issued under the Placement and the SPP Offer) and all Performance Rights vest and are converted into CDIs.

	<b>Number</b>
CDIs on issue as at the date of Prospectus	137,359,052
CDIs to be issued under the Placement	9,615,385
SPP CDIs to be issued under SPP Offer	3,846,154
Performance Rights	300,000
Other Options on issue	1,500,000
SPP Options	2,884,615
Placement Options	7,211,538
<b>Total CDIs (on a fully diluted basis)</b>	<b>162,832,129</b>

#### **6.5 Terms of SPP CDIs**

A summary of the rights attaching to the SPP CDIs offered by this Prospectus is set out in Section 7.1.

#### **6.6 Terms of Shares underlying CDIs**

A summary of the rights attaching to the ordinary shares underlying the CDIs offered by this Prospectus is set out in Section 7.2

#### **6.7 Terms of SPP Options and Placement Options**

A summary of the rights attaching to the SPP Options and Placement Options offered by this Prospectus is set out in Section 7.3.

#### **6.8 Pro-forma Balance Sheet**

The audited balance sheet for the Company as at 30 June 2024, as per the annual report for the year ended 30 June 2024, and the unaudited and unreviewed pro-forma balance sheet shown below, have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared on the basis of the following key assumptions (as if they had occurred as at the balance date of 30 June 2024):

- (a) an amount of \$5,000,000 is successfully raised under the Placement;
- (b) an amount of \$2,000,000 is raised under the SPP Offer; and
- (c) all SPP Options offered under the Prospectus and Options offered under the Placement are subscribed for and granted.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as

noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Consolidated statement of financial position				
	Audited as at 30-Jun-24	Pro-forma adjustments	Notes	Pro-forma after issue
	\$000'	\$000'		\$000'
<b>Current assets</b>				
Cash and cash equivalents	1,260	6,542	(1)(2)	7,802
Trade receivables	1,963	-		1,963
Inventory	13,965	-		13,965
Prepayments, other receivables	568	-		568
<b>Total current assets</b>	<b>17,756</b>	<b>6,542</b>		<b>24,298</b>
<b>Non-current assets</b>				
Plant and equipment	1,314	-		1,314
Right-of-use assets	6,355	-		6,355
Intangible assets and goodwill	6,770	-		6,770
Deferred tax assets	626	-		626
<b>Total non-current assets</b>	<b>15,065</b>	<b>-</b>		<b>15,065</b>
<b>Total assets</b>	<b>32,821</b>	<b>6,542</b>		<b>39,363</b>
<b>Current liabilities</b>				
Trade and other payables	3,786	-		3,786
Borrowings	5,332	-		5,332
Lease liabilities	1,337	-		1,337
Provisions	146	-		146
<b>Total current liabilities</b>	<b>10,601</b>	<b>-</b>		<b>10,601</b>
<b>Non-current liabilities</b>				
Borrowings	997	-		997
Lease liabilities	6,103	-		6,103
Deferred tax liability	499	-		499
<b>Total non-current liabilities</b>	<b>7,599</b>	<b>-</b>		<b>7,599</b>
<b>Total liabilities</b>	<b>18,200</b>	<b>-</b>		<b>18,200</b>
<b>Total net assets</b>	<b>14,621</b>	<b>6,542</b>		<b>21,163</b>
<b>Equity</b>				
Issued capital	31,962	13		31,975
Share premium account	44,612	6,529		51,141
Reserves	(60,994)	-		(60,994)
Accumulated losses	(959)	-		(959)
<b>Total equity</b>	<b>14,621</b>	<b>6,542</b>		<b>21,163</b>

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**Note 1:**

This assumes \$5,000,000 raised under the Placement and \$2,000,000 raised under the SPP Offer but does not account for any monies received under the Director Placement.

**Note 2:**

This is an estimate of the costs of the capital raise, which includes Broker fees, legal fees, share registry fees, lead manager fees and ASIC/ASX fees.

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## 7. Rights and liabilities attaching to Securities

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### 7.1 Rights attaching to CDIs

A summary of the key rights attaching to the CDIs is set out below. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of CDI holders. To obtain such a statement, persons should seek independent legal advice.

The ASX Settlement Operating Rules contain provisions designed to ensure that holders of the CDIs have all the direct economic benefits of holdings Shares. With the exception of voting arrangements, CDI Holders have all the same rights as Shareholders whose Shares are registered in their name. For further details on the key differences between CDIs and the underlying Shares of the Company, please see Section 9.2 of this Prospectus.

#### (a) Voting

As holders of CDIs do not appear on the Company's Share register, they are not entitled to vote at Shareholder meetings. However, the ASX Settlement Operating Rules require the Company to send notices of Shareholder meetings to each CDI Holder at the address recorded on the CDI register if any Shareholder meeting is convened.

In order to vote at such meetings, CDI Holders have the following options:

- (i) instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Company's Share Registry prior to the meeting; or
- (ii) informing the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or
- (iii) converting their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on ASX it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process.

As holders of CDIs will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken.

As each CDI represents one Share, a CDI Holder will be entitled to one vote for every CDI they hold.

Proxy forms, CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI Holders by the Company. The notice will provide the CDI holder with information on how to direct CDN to cast proxy votes according to the wishes of the CDI Holder for whom it holds Shares. The Company is obliged to collect and process these directions. CDN is required to vote in accordance with the instructions it receives from CDI Holders.

These voting rights exist only under the ASX Settlement Operating Rules, rather than under the UK Companies Act. Since CDN is the legal holder of the applicable Shares and the holders of CDIs are not themselves the legal holder of their applicable

Shares, the holders of CDIs do not have any directly enforceable rights under the Articles of Association.

(b) **Dividend rights and other entitlements**

Despite legal title to the Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI holders are to receive all direct economic benefits and other entitlements in relation to the underlying Shares. These include dividends and other entitlements which attach to the underlying Shares. These rights exist only under the ASX Settlement Operating Rules (which have the force of law by virtue of the Corporations Act), rather than under the UK Companies Act.

(c) **Winding Up**

In the event of the Company's liquidation, dissolution or winding up, a CDI Holder will be entitled to the same economic benefit on their CDIs as holders of Shares. These rights exist only under the ASX Settlement Operating Rules, rather than under the UK Companies Act.

(d) **Takeovers**

If any takeover bid is made in respect of any of the Shares, it is expected that corresponding bids are made directly to the CDI holders to acquire their CDIs. CDN is prohibited from accepting the offer made under the takeover bid except to the extent that acceptance is authorised by the CDI Holders in accordance with the ASX Settlement Operating Rules. CDN must accept a takeover offer if a holder of CDIs instructs it to do so in respect of the Shares underlying those CDIs. These rights exist only under the ASX Settlement Operating Rules, rather than under the UK Companies Act.

(e) **Notices and announcements that CDI holders receive**

CDI Holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from the Company. These rights exist only under the ASX Settlement Operating Rules, rather than under the UK Companies Act.

## 7.2 **Rights attaching to the Shares**

The rights and liabilities attaching to Shares (being the underlying securities to the CDIs) in the Company are:

- (a) set out in the Articles of Association of the Company, a copy of which can be inspected, free of charge, at the registered office of the Company during normal business hours; and
- (b) in certain circumstances, regulated by the UK Companies Act, the ASX Listing Rules and the general law.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

(a) **General meetings**

The Board may, whenever it thinks fit, and in accordance with the UK Companies Act convene a general meeting. Notice of every general meeting shall be given to every member of the Company who is, under the Articles of Association, entitled to receive such notices from the Company.

(b) **Voting**

Subject to any special terms as to voting upon which Shares may be issued or may for the time being be held, on a show of hands every member present by person or proxy shall have one vote. On a poll every member who is present by person or proxy shall have one vote for every Share they hold.

Where there are two or more joint holders of a Share and more than one of them is present at a general meeting in person or by proxy and tenders a vote in respect of the Share, the Company will count only the vote cast by, or on behalf of, the member whose name appears first in the Company's register of members.

(c) **Dividends**

The Company may by ordinary resolution declare dividends to be paid out of the profits of the Company available for distribution. No dividend shall be declared in excess of the amount recommended by the Board.

The Board may, provided that in its opinion the profits of the Company justify such payment, pay interim dividends from time to time of such amounts and on such dates and in respect of such periods as it thinks fit.

Except as otherwise provided by the rights attached to the Shares, all dividends shall be declared and paid pro rata according to the amounts paid up on the Shares in respect of which the dividend is declared and paid (divided) during any portion or portions of the period in respect of which the dividend is declared. For these purposes no amounts paid in advance of calls upon the members shall be treated as paid on the Shares.

Any dividend unclaimed for a period of 12 years from the date on which the dividend becomes payable will be forfeited and will revert to the Company.

(d) **Winding Up**

A liquidator may, with the authority of a special resolution of Shareholders, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholder or different classes of Shareholders.

The liquidator can with the sanction of a special resolution of the Company's Shareholders vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder of the Company can be compelled to accept any CDIs or Shares or other property in respect of which there is a liability or potential liability.

(e) **Purchase of own Shares**

Subject to the UK Companies Act, the Company may purchase its own Shares (including any redeemable shares) or enter into such agreement (contingent or otherwise) in relation to the purchase of its own shares on such terms and in such manner as may be permitted by the UK Companies Act.

(f) **Transfer of Shares**

In relation to a transfer of ordinary Shares which are in certificated form:

- (i) such transfers may be effected by transfer in writing in any usual form or in such other form as the Board may approve. The instrument of transfer shall be executed by or on behalf of the transferor and (in the case of a partly paid



share) by or on behalf of the transferee;

- (ii) the Board may refuse to register any transfer of Shares which are not fully paid or Shares on which the Company has a lien or any instrument of transfer in favour of an entity which is not a natural or legal person, or is a minor, a person in respect of whom a receiving order or adjudication order in bankruptcy remains undischarged, a person with mental disorder or where the share is to be held jointly by more than 4 persons; and
- (iii) the Board may not decline to register any instrument of transfer if the instrument of transfer is duly stamped (if required), is in respect of only one class of share and is in favour of not more than 4 joint transferees, provided that to do so is not contrary to the ASX Listing Rules.

(g) **Alteration of Capital**

The Company may by ordinary resolution, consolidate or sub-divide all or any of its shares.

Subject to the UK Companies Act and any other consent required by law, the Company may by special resolution reduce its issued share capital, any capital redemption reserve fund or any share premium account or any other distributable reserves in any manner.

(h) **Takeover Protection**

As the Company is not incorporated in Australia, the takeover protections under the Corporations Act do not apply. Subject to exceptions, the Corporations Act obliges a party to make an offer to acquire the ordinary shares not owned by them where that party's relevant interest in voting shares increases from 20% or below to above 20% or increases from a starting point which is above 20% but less than 90%.

As the Company is not currently managed and controlled within the UK, Channel Islands or Isle of Man, the UK City Code on Takeovers and Mergers (**UK Takeover Code**) does not currently apply to the Company. The UK Takeover Code provides companies with certain protections, in particular if an individual investor or a group of investors acting in concert acquires ordinary shares representing 30% or more of the issued share capital of a company, they will be under an obligation to make an offer to acquire the ordinary shares not owned by them.

It is usual for public limited companies in these circumstances to incorporate equivalent takeover protection in their articles of association. Such provisions provide protection against takeovers by allowing the Board to disenfranchise a shareholder who does not make a takeover offer in circumstances where this would be required under rule 9 of the UK Takeover Code. The Company's Articles of Association contain such provisions which are triggered when a holding of 30% or more is reached.

It is noted that the UK Companies Act affords certain protections to Shareholders as set out below:

- (i) sections 979 to 982 of the UK Companies Act provide that, following a takeover offer as defined in section 974 of the UK Companies Act, the offeror may, in certain circumstances acquire minority shareholdings on a compulsory basis. Sections 979 to 982 provide that if an offeror were to acquire or unconditionally contract to acquire both 90% of the shares to which the offer relates and 90% of the voting rights in the company to which the offer relates, it could then compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, 6 weeks later, it

would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the UK Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

- (ii) Sections 983 to 985 of the UK Companies Act give minority shareholders in a company a right to be bought out in certain circumstances by an offeror who has made a takeover offer as defined in section 974 of the UK Companies Act. If a takeover offer related to all the shares and at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% of the shares, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares. If a shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

### 7.3 Terms and Conditions of SPP Options and Placement Options

The SPP Options and Placement Options entitle the holder to subscribe for CDIs on the terms and conditions set out below:

(a) **Entitlement**

- (i) Each Option gives the Option Holder the right to subscribe for one (1) CDI by paying the Exercise Price before the Expiry Date in accordance with terms and conditions set out in this Section 7.3.
- (ii) CDIs issued on the exercise of the Options will rank equally with all existing CDIs on issue, as at the exercise date, and will be subject to the provisions of the Articles of Association of the Company and any escrow restrictions imposed on them by the ASX.

(b) **Exercise Price**

The amount payable upon exercise of each Option is \$0.78 (**Exercise Price**).

(c) **Expiry Date**

The Options will expire on 30 November 2027 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time from the issue date up to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **CDIs issued on exercise**

CDIs issued on exercise of the Options rank equally with the then issued CDIs of the Company.

(h) **Quotation**

The Company will apply to ASX for, and will use its best endeavours to obtain, quotation of the Options within 7 Business Days (as defined in the ASX Listing Rules) of the date of the Prospectus. The Company gives no assurance that such quotation will be granted.

The Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all CDIs issued on the exercise of any Options within 10 Business Days of issue. The Company gives no assurance that such quotation will be granted.

(i) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to CDI Holders during the currency of the Options without exercising the Options.

(j) **Participation in a Reorganisation of Capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction

## 8. Risk factors

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The business activities of the Company are subject to risks and there are many risks which may impact on the Company's future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but many are outside of the control of the Company and cannot be mitigated. There are also general risks associated with any investment. Investors should consider all of these risks before they make a decision whether or not to acquire CDIs and Attaching Options.

The CDIs and Options offered under this Prospectus are considered speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding to apply for the CDIs and Options pursuant to this Prospectus.

The principal risk factors include, but are not limited to, the following.

### 8.1 Company-specific risks

#### (a) Future Capital Needs and Additional Funding

The funds raised under the Placement will be used by the Company primarily for AEM Avionics product development and manufacturing capacity expansion, CVM™ commercialisation and general working capital. The Company's ability to raise further capital (equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company will vary according to a number of factors.

No assurance can be given that future funding will be available to the Company on favourable terms (or at all). If adequate funds are not available on acceptable terms the Company may not be able to further develop its technology and it may impact on the Company's ability to continue as a going concern.

#### (b) Business risks and uncertainties

The Group has a reliance on a key customer at the present time. The customer accounts for \$12.91 million of revenues totalling \$27.95 million (46.19%) in the financial year ended 30 June 2024. The relationship with the customer is secured by a licence agreement and the Group is pursuing growth opportunities.

#### (c) Company Operations

The ultimate success of the Company in introducing its products and technology into the market is not guaranteed and will be dependent upon a number of factors including quality and perceived quality of its products and services, the success of the marketing efforts adopted by the Company and the general business practices and methods of the Company in its operations, none of which can be guaranteed.

#### (d) Development Risk

As with the development of any new product or technology, the Company faces a number of risks including the risk that its technology cannot be further successfully developed or that significant delays and increased costs may arise or that the technology as developed may not meet the current needs of the marketplace. The inability to respond to technological changes in a timely manner may have an adverse impact on the revenues and earnings of the Company.

(e) **Credit Risk**

The Group is exposed to the usual credit risk associated with selling on credit and manages this through credit control procedures. AEM receivables are reviewed each month as part of the routine monthly operating review conducted by the Board.

(f) **Foreign Exchange Risk**

As a result of operations in Canada, USA, Australia and United Kingdom the Group's assets and liabilities can be affected by movements in the Canadian dollar-Australian dollar, US dollar-Australian dollar and UK pound sterling-Australian dollar exchange rates.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating unit in currencies other than the unit's functional currency.

The Group is exposed to foreign currency risk following the acquisition of a Canadian-based subsidiary and the risk could increase in the future as international commercialisation of the Group's technologies increase. Foreign currency exposures at the AEM level are managed through a forward foreign exchange hedging facility with Royal Bank of Canada.

(g) **Liquidity Risk**

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group monitors forecast cash inflows and outflows on a monthly basis. The Group has an established operating loan facility for up to approximately C\$6 million (of which C\$5.66 million is available) to assist with day to day operating requirements.

(h) **Dependence on Key Personnel**

The Company is reliant on key personnel employed or engaged by the Company. Loss of such key personnel may have an adverse impact on the Company's operational performance and growth plans.

(i) **Future Investment Risks**

The Company may in the future invest in other projects. This would involve the general risks associated with new business developments. These include financing risk, development risk, project failure and inability to meet financial projections.

## 8.2 **General Risks**

(a) **Securities Investments and Share Market Conditions**

There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for exploration and mining companies may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of such companies. These factors may materially adversely affect the market price of the securities of the Company regardless of the Company's operational performance. Neither the

Company nor the Directors warrant the future performance of the Company, or any return of an investment in the Company.

(b) **Economic Risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, interest rates and the rate of inflation.

(c) **Changes in legislation and government regulation**

Government legislation in Australia or any other relevant jurisdiction, including changes to the taxation system, may affect future earnings and relative attractiveness of investing in the Company. Changes in government policy or statutory changes may affect the Company and the attractiveness of an investment in it.

(d) **Global credit investment market**

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Company's securities trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(e) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of the Company's securities.

(f) **Combination of risk**

The Company may not be subject to a single risk. A combination of risks, including any of the risks outlined in this Section 8 could affect the performance valuation, financial performance and prospects of the Company.

(g) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any additional expenditure requirements other than those announced on the ASX and disclosed in this Prospectus, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(h) **Market conditions**

Equities market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Equities market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;

- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

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 in general and biotechnology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(i) **Speculative investment**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus.

Therefore, the CDIs and Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

(j) **Currency Risk**

Revenue and expenditures will be received in overseas jurisdictions and will be subject to the risk of fluctuations in foreign exchange.

## 9. Additional information

### 9.1 Continuous disclosure obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

This Prospectus is a 'transaction specific prospectus'. In general terms a 'transaction specific prospectus' is only required to contain information in relation to the effect of the issue of securities on a Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing Company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been provided to ASX and does not include all of the information that would be included in a Prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
  - (i) the annual financial report most recently lodged by the Company with ASIC, being the financial report for the year ending 30 June 2024; and
  - (ii) any continuous disclosure documents given by the Company to ASX after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest full year statutory accounts lodged on 30 September 2024 and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of announcement
11 November 2024	Cleansing notice
6 November 2024	Investor Webinar Presentation
5 November 2024	Proposed issue of Securities – SMN
5 November 2024	Placement and Security Purchase Plan



Date	Description of announcement
1 November 2024	FY25 Financial Guidance & Outlook Update
1 November 2024	Trading Halt
31 October 2024	Quarterly Activities Report & Appendix 4C
18 October 2024	Final Director's Interest Notice
18 October 2024	Non-Executive Director resignation
30 September 2024	Appendix 4G & Corporate Governance Statement

The announcements are also available through the Company's website <https://structuralmonitoring.systems/asx-updates/>.

## 9.2 CHESSE Depository Interests (CDIs)

Details of CDIs and the key differences between holding CDIs and holding underlying Shares are detailed below.

### (a) What are CDIs?

The Company is incorporated under the legal jurisdiction of England and Wales. To enable companies such as the Company to have their securities cleared and settled electronically through CHESSE, Depository Instruments called "CDIs" are issued.

Each CDI of the Company represents one underlying Share. The main difference between holding CDIs and Shares is that CDI holders hold the beneficial ownership in the Shares instead of legal title. CHESSE Depository Nominees Pty Limited (**CDN**), a subsidiary of ASX, will hold the legal title to the underlying Shares.

Pursuant to the ASX Settlement Operating Rules, CDI holders receive all of the economic benefits of actual ownership of the Underlying Shares. CDIs are traded in a manner similar to shares of Australian companies listed on ASX.

CDIs will be held in uncertificated form and settled/transferred through CHESSE. No share certificate are issued to CDI holders. Shareholders cannot trade their Shares on ASX without first converting their Shares into CDIs.

### (b) How to CDI holders convert from a CDI holding to a direct holding of Shares on the UK principal register and vice versa?

#### Convert CDIs into Shares

CDI holders who wish to convert their CDIs to Shares to be held on the UK register can do so by instructing the Company's Share Registry either:

- (i) directly in the case of CDIs on the Issuer Sponsored sub-register operated by the Company. CDI holders will be provided with a form entitled "CDI Cancellation: Australia to United Kingdom Share Register" for completion and return to the Company's Share Registry; or
- (ii) through their sponsoring participate (usually their broker) in the case of CDIs which are sponsored on the CHESSE sub-register. In this case, the sponsoring broker will arrange for completion of the relevant form and its return go the Company's Share Registry.

The Company's Share Registry will then arrange for the Shares to be transferred from CDN into the name of that holder and a new share certificate will be issued. This will cause the Shares to be registered in the name of the holder on the Company's share register and trading on ASX will no longer be possible.

The Company's Share Registry will not charge an individual security holder or the Company a fee for transferring CDI holdings into Shares.

#### Convert Shares into CDIs

If holders of Shares wish to convert their holdings to CDIs, they can do so by contacting the Company. The Company will not charge a fee to a holder of Shares seeking to convert their Shares to CDIs.

#### Timing

In either case, it is expected that this process will be completed within 24 hours, provided that the Share Registry is in receipt of a duly completed and valid removal request form. However, no guarantee can be given about the time required for this conversion to take place.

(c) **How is local and international trading in CDIs effected?**

CDI holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESS. In other respects, trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian company.

(d) **What corporate action entitlement (such as rights issued and bonus issues) do CDI Holders have?**

CDI holders receive all direct economic benefits and other entitlements in relation to the underlying Shares. These include the entitlement to participate in rights issues, bonus issues and capital reductions. These rights exist only under the ASX Settlement Operating Rules, rather than under the UK Companies Act.

(e) **Further information on CDIs**

For further information in relation to CDIs and the matters referred to above, please refer to the ASX website and the documents entitled:

- (i) "Understanding CHESS Depositary Interests" at:

<https://www.asx.com.au/content/dam/asx/participants/cash-market/bonds/chess-depositary-interests.pdf>

- (ii) "ASX Listing Rules Guidance Note 5 – CHESS Depositary Interests" at:

<https://www.asx.com.au/about/regulation/rules-guidance-notes-and-waivers/asx-listing-rules-guidance-notes-and-waivers>

### 9.3 Lead Manager Mandate

On 28 October 2024, the Company executed a mandate letter to engage Bell Potter to act as lead manager of the Placement and the SPP Offer (**Capital Raise**) (**Lead Manager Mandate**), the material terms and conditions of which are summarised below.

**(a) Term**

The Lead Manager Mandate commences on the execution date and continues until the earlier of:

- (i) completion of the Capital Raise, and
- (ii) 6 months after the date of the Lead Manager Mandate,

unless terminated earlier in accordance with the terms of the Lead Manager Mandate.

**(b) Fees**

In consideration for such services, the Company has agreed to pay Bell Potter:

- (i) a management fee of 3% (plus GST) on the gross proceeds from the Capital Raise; and
- (ii) a selling fee of 3% (plus GST) on the gross proceeds from the Capital Raise.

**(c) Termination Events**

Any party may terminate the Lead Manager Mandate with or without cause by giving 14 days' prior written notice to the other party.

**9.4 Market price of CDIs**

The Company is a disclosing entity for the purposes of the Corporations Act and its CDIs are enhanced disclosure securities quoted on the ASX.

The highest, lowest and last market closing prices of the CDIs on the ASX during the three months immediately preceding the announcement of Placement and SPP Offer on 5 November 2024 and the respective dates of those sales were:

CDI Holder	CDI Price	Date
Highest	\$0.72	9 August 2024
Lowest	\$0.53	4 November 2024
Last	\$0.53	4 November 2024

**9.5 Substantial CDI Holders**

Based on publicly available information, as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the CDIs on issue are set out below:

CDI Holder	CDIs	%
Drake Private Investments LLC	21,040,142	15.39%

## 9.6 Effect of Offers on control of the Company

The Offers are not anticipated to have an effect on control of the Company as each Eligible CDI Holder may only apply for a maximum of \$30,000 of SPP CDIs.

For more information on the effect of the Offers on the capital structure of the Company, including the effect of the Placement, please refer to section 6.4 of this Prospectus.

## 9.7 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
  - (i) the formation or promotion of the Company; or
  - (ii) the Offers.

## 9.8 Security holdings of Directors

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus is set out in the table below.

Director	CDIs	Options
Ross Love	300,000	1,500,000
Sam Wright	1,923,797	Nil
Brian Wall	38,218	Nil
Heinrich Loechteken	1,625,000	Nil

## 9.9 Remuneration of Directors

Please refer to the Remuneration Report, which is contained on pages 13 to 19 of the Company's Annual Report for the financial year ending 30 June 2024, for full details of the remuneration of the Company's executive and non-executive directors.

The Annual Report for the financial year ending 30 June 2024 was lodged with ASX on 30 September 2024 and is available on the Company's ASX announcements page at <https://structuralmonitoring.systems/reports-and-presentations/>.

A hard copy of the Annual Report is also available free of charge before the Closing Dates by contacting the Company at its registered address using the details in Section 4 of this Prospectus.

#### **9.10 Litigation and contingent liabilities**

Other than as disclosed in this Prospectus, as at the date of this Prospectus, the Company is not involved in any legal proceedings, and the Directors are not aware of any other legal proceedings (pending or threatened against the Company) or any other commitments or contingent liabilities.

#### **9.11 Interests of advisers**

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the Offers or a financial services licensee named in this Prospectus as a financial services licensee involved in the Offers,

holds at the date of this Prospectus, or has held within the two years preceding lodgement of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
  - (i) its formation or promotion; or
  - (ii) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offers.

Gadens has acted as the Australian legal adviser to the Company in relation to the SPP Offer. The Company has paid or agreed to pay \$15,000 (excluding GST) for these services in connection with the SPP Offer up to the date of the Prospectus. Further amounts may be payable to Gadens in accordance with its time-based charge out rates.

Bell Potter has acted as the lead manager to the Placement and SPP Offer. Please refer to Section 9.3 for the fees payable to Bell Potter in consideration for such services.

#### **9.12 Consents**

Bell Potter has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in the form and context in which it is named. Bell Potter takes no responsibility for any part of this Prospectus, other than a reference to its name.

Gadens has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the Company's Australian legal adviser in the form and context in which it is named. Gadens takes no responsibility for any part of this Prospectus, other than a reference to its name.

Computershare Investor Services Pty Limited has not taken part in the preparation of any part of this Prospectus other than the recording of its name as CDI Registry. Computershare Investor Services Pty Limited takes no responsibility for any part of this Prospectus, other than a reference to its name.

### 9.13 Expenses of the Offers

The estimated expenses of the Offer are approximately \$157,889 (excluding GST) comprising ASIC and ASX fees and administrative expenses as set out in the table below. These expenses will be deducted from funds raised under the Offers.

Fee	\$
ASIC fees	\$3,206
ASX fees	\$9,683
Lead manager fees	\$120,000
Legal fees	\$15,000
Printing and registry fees	\$10,000
<b>Total<sup>1</sup></b>	<b>\$157,889</b>

Notes:

1. As part of the Placement, the Company incurred lead manager fees of \$300,000.

### 9.14 Electronic Prospectus

Subject to compliance with certain specified conditions, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic **prospectus** and electronic application form on the basis of a compliant prospectus lodged with ASIC, and the publication of notices referring to an electronic prospectus or electronic application form.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

### 9.15 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the CDIs and Options under this Prospectus.

#### **9.16 ASIC Relief**

The offer of SPP CDIs under the SPP Offer is made pursuant to *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547* and *ASIC Class Order [CO 14/827] (Offers of CHESS Depository Interests)* and for the purposes of ASX Listing Rule 7.2 (Exception 5).

#### **9.17 Governing law**

This Prospectus, the Offers and the contracts formed on acceptance of applications under the Offers are governed by the laws applicable in Victoria, Australia. Each applicant for SPP CDIs and SPP Options submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

#### **9.18 Directors authorisation**

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus and to its lodgement with ASIC.

## 10. Glossary

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**\$** means the lawful currency of the Commonwealth of Australia.

**AEM** means Anodyne Electronics Manufacturing Corp, a wholly-owned subsidiary of the Company.

**Applicant** means a person that submits an Application Form.

**Application Form** means the SPP Offer Application Form, the Shortfall Application Form, the Placement Options Application Form or the Director Options Application Form (as the case applies).

**Application Monies** means the amount payable by an Applicant for the SPP CDIs the subject of an Application Form, as set out in this Prospectus.

**Articles of Association** means the articles of association of the Company as at the date of this Prospectus.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

**ASX Listing Rules** means the listing rules of the ASX.

**Bell Potter** means Bell Potter Securities Ltd ACN 006 390 772 (AFSL 243480).

**Board** means the board of Directors unless the context indicates otherwise.

**Business Day** means Monday to Friday inclusive, except public holidays and any other day that ASX declares is not a business day.

**CDI** means CHESS Depository Interest representing a unit of beneficial interest in the Shares registered in the name of CDN.

**CDI Holder** means a holder of a CDI.

**CDI Registry** means Computershare Investor Services Pty Limited ACN 078 279 277.

**CDN** means CHESS Depository Nominees Pty Ltd ACN 071 3456 506.

**CHESS** means ASX Clearing House Electronic Subregister System.

**Closing Dates** means the last of SPP Offer Closing Date or Shortfall Offer Closing Date (or any one of such dates as the context requires).

**Company** or **SMN** means Structural Monitoring Systems Plc UK Company No. 4834265.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Custodian** means a person:

- (a) that holds an Australian financial services licence that:
  - (i) covers the provision of a custodial or depository service; or
  - (ii) includes a condition requiring the holder to comply with the requirements of *ASIC Class Order [CO 02/294]*; or



- (b) that is exempt under:
- (i) paragraph 7.6.01(1)(k) of the Corporations Regulations 2001 (the **Regulations**); or
  - (ii) paragraph 7.6.01(1)(na) of the Regulations; or
  - (iii) ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or
  - (iv) ASIC Class Orders [CO 03/1099], [CO 03/1100], [CO 03/1101], [CO 03/1102], [CO 04/829] or [CO 04/1313]; or
  - (v) an individual instrument of relief granted by ASIC to the person in terms similar to one of the class orders referred to in subparagraph (iia); or
  - (vi) paragraph 911A(2)(h) of the Act;

from the requirement to hold an Australian financial services licence for the provision of a custodial or depository service; or

- (c) that is a trustee of a:
- (i) self-managed superannuation fund; or
  - (ii) superannuation master trust; or
- (d) that is the responsible entity of an IDPS-like scheme; or

that is the registered holder of shares or interests in the class and is noted on the register of members of the body or scheme (as the case may be) as holding the shares or interests on account of another person.

**CVM** means the comparative vacuum monitoring technology of the Company.

**Director** means a director of the Company.

**Direction Options** means those Options issued pursuant to the Director Options Offer.

**Director Options Application Form** means the Application Form relevant to Directors under the Director Options Offer.

**Director Options Offer** means the conditional offer to the Participating Director of 240,000 Options.

**Director Placement** means the Company's security placement to the Participating Director of 320,000 CDIs at an issue price of \$0.52 and the Director Options Offer.

**Eligible Beneficiary** means a person who would otherwise satisfy the definition of an Eligible CDI Holder but for they hold a beneficial interest in CDIs and whose legal interest in CDIs is held by a Custodian.

**Eligible CDI Holders** means CDI Holders:

- (a) who were registered holders of CDIs on the Record Date; and
- (b) whose registered address was in Australia or New Zealand;

- (c) are not in the United States and are not “U.S. persons” (as defined under Regulation S under the United States Securities Act of 1933, as amended) (**U.S. Persons**) or acting for the account or benefit of U.S. Persons; and
- (d) are eligible under all applicable securities laws to receive an offer under the SPP Offer.

**Eligible Shortfall Participants** means those persons to whom the Directors decide to offer the Shortfall Securities in consultation with Bell Potter.

**Issuer Sponsored** means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**General Meeting** means the general meeting of the Company to be held on Wednesday, 18 December 2024.

**Group** means the Company and its Subsidiaries.

**Offer Price** means \$0.52 per SPP CDI.

**Offer Securities** means the CDIs and Options offered pursuant to this Prospectus.

**Offers** means the SPP Offer or the Shortfall Offer (or either of them, as the case requires).

**Official Quotation** means official quotation on the ASX.

**Option** means an option to acquire a CDI each exercisable at \$0.78 and expiring on 30 November 2027 and otherwise on the terms set out in section 7.3.

**Participating Director** has the meaning given to that term in Section 5.4 of this Prospectus.

**Performance Right** means a right which entitles to holder to be issued with one CDI subject to the satisfaction of any service and performance hurdles.

**Placement** means the Company’s security placement to sophisticated and professional investors to raise approximately \$5,000,000.

**Placement Option** has the meaning given to that term in Section 1 of this Prospectus.

**Placement Options Application Form** means the Application Form relevant to sophisticated and professional investors under the Placement Options Offer.

**Placement Options Offer** has the meaning given to that term in Section 1 of this Prospectus.

**Placement Participants** has the meaning given to that term in Section 1 of this Prospectus.

**Prospectus** means this prospectus.

**Record Date** means the date specified in Section 3 of this Prospectus.

**Relevant Period** has the meaning given to that term in Section 5.9 of this Prospectus.

**Section** means a section of this Prospectus.

**Securities Act** means the USA Securities Act of 1933, as amended.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of Shares.

**Shortfall Offer** means the offer of the Shortfall Amount under this Prospectus, as set out in section 5.19.

**Shortfall Amount** means the difference between:

- (a) the dollar value of valid applications received from Eligible CDI Holders under the SPP Offer; and
- (b) the amount sought to be raised under the SPP Offer from the issue of SPP CDIs and SPP Options, being \$2,000,000.

**Shortfall Application Form** means the Application Form relevant to subscribers under the Shortfall Offer.

**Shortfall Offer Closing Date** means the date specified in Section 3 of this Prospectus (unless extended).

**Shortfall CDIs** means those CDIs issued pursuant to the Shortfall Offer.

**Shortfall Offer Opening Date** means the date specified in Section 3 of this Prospectus (unless extended).

**Shortfall Options** means those Options issued pursuant to the Shortfall Offer.

**Shortfall Securities** means the Shortfall CDIs and Shortfall Options.

**SMN** or the **Company** means Structural Monitoring Systems Plc UK Company No. 4834265.

**SPP CDI** means a new CDI subscribed for under the SPP Offer (or where the context requires, under the Shortfall Offer).

**SPP Offer** means the offer to SPP Subscribers of up to 3,846,154 SPP CDIs at an offer price of \$0.52 and three (3) free attaching SPP Options for every four (4) SPP CDI subscribed for.

**SPP Offer Application Form** means the Application Form relevant to subscribers under the SPP Offer.

**SPP Offer Closing Date** means the date specified in Section 3 of this Prospectus (unless extended).

**SPP Offer Opening Date** means the date specified in Section 3 of this Prospectus (unless extended).

**SPP Option** means a free attaching Option, offered to participants in the SPP Offer (or where the context requires, under the Shortfall Offer) for nil consideration on the basis of an entitlement to three (3) SPP Option for every four (4) SPP CDIs issued, and such SPP Option otherwise being on the terms outlined in Section 7.1 of this Prospectus.

**SPP Shortfall** means the difference between:

- (a) the dollar value of valid applications received from Eligible CDI Holders under the SPP Offer; and
- (b) the amount sought to be raised under the SPP Offer from the issue of SPP CDIs and SPP Options, being \$2,000,000.

**SPP Subscribers** means Eligible CDI Holders and the Eligible Shortfall Participants.

**Subsidiary** means each company which at the date of execution of the Underwriting Agreement or at the time of completion of the SPP Offer, is a subsidiary of the Company within the meaning of the Corporations Act.

**Timetable** means the timetable of key dates for the SPP set out in Section 3 of this Prospectus.

**Trading Day** has the meaning given to that term in the ASX Listing Rules.

**UK Companies Act** means the *Companies Act 2006 (UK)*.

**USA** means the United States of America.

**VWAP** means in relation to a Trading Day, the volume weighted average price of the CDIs traded in the ordinary course of business on the ASX on that Trading Day, excluding crossings executed outside the open session state, special crossings, overseas trades and trades pursuant to exercise of options over CDIs.