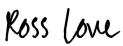


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ROSS LOVE

Prospectus

Structural Monitoring Systems Plc UK Company No. 4834265

Offer

This Prospectus is being issued for the offer of 10 CDIs for \$0.43 per CDI and 10 free Attaching Options.

The Offer closes at 3.00pm (AWST) on 15 December 2023. Valid Applications must be received before that time.

Cleansing

This Prospectus is being issued pursuant to section 708A(11) of the *Corporations Act 2001* (Cth) to remove any secondary trading restrictions on the on-sale of the Placement CDIs, Converted CDIs, Incentive CDIs and Attaching Options issued by the Company under the Placement and to certain Directors.

Important Information

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

The Securities 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 Information

Prospectus

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

This Prospectus is dated 6 November 2023. A copy of this Prospectus was lodged with ASIC on 6 November 2023. ASIC and ASX take no responsibility for the contents of this Prospectus. No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the CDIs and Attaching Options offered by this Prospectus.

Applications for Securities will only be accepted on an Application Form, which is attached to, or provided by the Company with a copy of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

The Company is a disclosing entity listed on the ASX and this Prospectus is issued under section 713 of the Corporations Act in reliance on information previously disclosed to the ASX by the Company. It does not contain, by itself, all information that would be contained in a prospectus for an initial public offering or all information relevant to a decision to invest in the Company.

Electronic Prospectus

A copy of this Prospectus can be downloaded from our website at www.smsystems.com.au. 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 7.2).

Target market determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Attaching 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.smsystems.com.au). By making an application under the 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 any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Restrictions on Foreign Jurisdictions

No action has been taken to permit the Offer of Securities under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this Prospectus comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Securities in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Prospectus does not contain investment advice

This Prospectus is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. The Securities offered by this Prospectus should be considered speculative.

Information for New Zealand Investors

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**). The Securities 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.

Risk factors

Potential investors should be aware that subscribing for Securities involves a number of risks. The key risk factors which investors should be aware are set out in Section 6 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 Securities.

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.

Financial information and forward looking statements

Section 4 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 6 and other information in this Prospectus.

Defined words and expressions

Definitions of certain terms used in this Prospectus are contained in Section 8. All references to currency are to Australian dollars and all references to time are to AWST, unless otherwise indicated.

1. Corporate directory

Directors	Corporate Office
Mr. Ross Love, Executive Chairman, Director	Suite 116, 1 Kyle Way Claremont WA 6010 Tel: +61 418 752 867 Email: r.love@smsystems.com.au
Mr. Heinrich Loechteken, Non-Executive Director	
Mr. Miroljub Miletic, Non-Executive Director	Registered Office
Mr. Brian Wall, Non-Executive Director	The Old Court, 8 Tufton Street Ashford
Mr. Sam Wright, Non-Executive Director	Kent TN23 1PF United Kingdom
Company Secretary	Australian Legal Adviser
Mr Sam Wright	Gadens Level 13, Collins Arch 447 Collins Street Melbourne VIC 3000
Share Registry	ASX Code
Computershare Investor Services Pty Limited Level 17, 221 St Georges Terrace Perth WA 6000	SMN
www.investorcentre.com/contact	

2. Indicative Timetable

The indicative timetable for the Offer is as follows:

EVENT	DATE
Lodgement of Prospectus	Monday, 6 November 2023
Offer Opening Date	Monday, 6 November 2023
Issue of Placement CDIs and Attaching Options pursuant to the Placement	Friday, 10 November 2023
Annual general meeting	Friday, 8 December 2023
Issue of Converted CDIs and Incentive CDIs	Friday, 15 December 2023
Offer Closing Date	Friday, 15 December 2023
Issue of CDIs and Attaching Options pursuant to the Offer	Friday, 12 January 2024

*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 references to time in Perth, Western Australia.

The Directors, subject to the requirements of the ASX Listing Rules and the Corporations Act, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the key dates set out in this Prospectus, including extending or closing the Offer.

3. Details of the Offer

3.1 The Offer

The Company is offering, pursuant to this Prospectus, 10 CDIs for \$0.43 per CDI and 10 free Attaching Options (**Offer**).

The Offer will only be extended to specific parties at the invitation of the Directors. Application Forms will only be provided by the Company to these parties, together with a copy of this Prospectus.

The Offer is not underwritten.

Refer to Section 5 for the rights attaching to CDIs, Shares and Attaching Options.

3.2 Purpose of the Offer

As announced on 31 October 2023, the Company received firm commitments to raise \$1 million (before costs) by way of a placement, which involves an issue of 2,325,581 CDIs (**Placement CDIs**) to sophisticated and professional investors at an issue price of \$0.43 per CDI (**Placement**). The Company will issue the Placement CDIs under the Company's remaining placement capacity under Listing Rules 7.1 and 7.1A. The Company also offered 2.5 free Attaching Options for every one Placement CDI applied for and issued, with an Exercise Price of \$1.20 and an Expiry Date of 6 April 2024, which are on the same terms and in the same class as Existing Options of the Company.

The Placement CDIs are being issued to either "Sophisticated Investors" or "Professional Investors" within the meaning of sections 708(8) and 708(11) of the Corporations Act.

The Company will issue 1,162,791 CDIs (**Converted CDIs**) in lieu of sums outstanding to Mr Ross Love comprising \$350,000 director fees and a \$150,000 loan amount.

Lastly, the Company will also issue 75,000 CDIs to Mr Brian Wall and 300,000 CDIs to Mr Ross Love as part of their remuneration (**Incentive CDIs**).

The issue of Converted CDIs and Incentive CDIs to each of Mr Ross Love and Mr Brian Wall is subject to approval being obtained at the Company's annual general meeting schedule to be held on 8 December 2023.

Generally, section 707(3) of the Corporations Act requires a prospectus to be issued in order for a person to whom securities were issued without disclosure under Part 6D.2 of the Corporations Act to on-sell those securities within 12 months of the date of their issue. The Corporations Act provides an exception to section 707(3) where an entity issues a cleansing notice under section 708A(5). The Company is presently unable to issue a cleansing notice because trading in its ordinary shares was suspended for more than 5 days earlier this year.

Section 708A(11) of the Corporations Act provides another exception from the general requirement under section 707(3) to allow for securities issued without disclosure under Chapter 6D of the Corporations Act (including shares) to be sold where:

- (a) the relevant securities are in a class of securities that are quoted on ASX;
- (b) a prospectus is lodged with ASIC either:
 - (i) on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or

- (ii) before the day on which the relevant securities are issued and offers of securities under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the company that are in the same class of securities as the relevant securities.

This Prospectus has been issued, and the Offer is being undertaken, for the purpose of section 708A(11) of the Corporations Act to remove any secondary trading restrictions on the on-sale of the Placement CDIs, Converted CDIs, Incentive CDIs and Attaching Options.

Participation in the Offer is by invitation only, and application for the CDIs and Attaching Options under the Offer must be made using the Application Form. You should not complete an Application Form unless specifically directed to do so by the Company.

The Company is not issuing the Placement CDIs, Converted CDIs, Incentive CDIs and Attaching Options with the purpose of the persons to whom they are being issued selling or transferring their CDIs and Attaching Options, or granting, issuing or transferring interests in those CDIs and Attaching Options within 12 months of the issue but this Prospectus provides them the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer; and
- (b) ensure that the on-sale of the Placement CDIs, Converted CDIs, Incentive CDIs and Attaching Options do not breach Section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.

3.3 Opening and Closing Dates

The Company will accept Application Forms until 3.00pm (AWST) on the Offer Closing Date, being 15 December 2023, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

3.4 Application for CDIs and Attaching Options

If you wish to subscribe for CDIs and Attaching Options pursuant to the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. Completed Application Forms must be received by the Company prior to 3.00pm (AWST) on the Offer Closing Date. Application Forms should be mailed or emailed to the following address:

Company Secretary
Structural Monitoring Systems Plc
Suite 116, 1 Kyle Way
Claremont WA 6010

sam@straightlines.net.au

To allow sufficient time for your Application to be processed before the Offer is closed, please ensure that your Application Form is received by the Company as soon as practicable after the Offer opens, but in any case, by no later than 3.00 pm (AWST) on the Offer Closing Date, which will occur on 15 December 2023, unless varied by the Company at the discretion of the Board.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of CDIs and Attaching Options accepted by the Company. The Application Form does not need to be signed to be a binding Application for CDIs.

If the Application Form is not completed correctly, it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

3.5 Issue of CDIs and Attaching Options

The Company may issue the CDIs and Attaching Options progressively as Applications are received and in any event, will issue all CDIs and Attaching Options and as soon as practicable after the Offer Closing Date.

CDI Holder statements will be dispatched as soon as possible after the issue of the Securities.

It is the responsibility of Applicants to determine their allocation prior to trading in the CDIs and Attaching Options. Applicants who sell CDIs and Attaching Options before they receive their holding statements will do so at their own risk.

3.6 ASX quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for the Official Quotation of the CDIs and Attaching Options offered under the Offer.

The fact that ASX may grant Official Quotation to the CDIs or Attaching Options is not to be taken in any way as an indication of the merits of the Company or the CDIs and Attaching Options now offered for subscription.

3.7 CHESS and Securities

The Company participates in the Clearing House Electronic Subregister System, known as CHESS.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of CDIs and Options. If you are broker sponsored, ASX will send you a CHESS statement.

The CHESS statement will set out the number of CDIs and Attaching Options issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the CDIs and Attaching Options.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Computershare Investor Services Pty Limited and will contain the number of CDIs and Attaching Options issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored holding statement will routinely be sent to CDI Holders at the end of any calendar month during which the balance of their Security holding changes. CDI Holders may request a statement at any other time, however, a charge may be made for additional statements.

3.8 Minimum subscription amount

There is no minimum subscription.

3.9 Underwriting

The Offer is not underwritten.

3.10 Residents outside Australia

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Securities 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 or the Securities. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

3.11 Risk factors

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are set out in Section 6.

3.12 Taxation implications

Eligible participants should be aware that there may be taxation implications associated with applying for Securities.

The Directors do not consider it appropriate to give CDI Holders advice regarding the taxation consequences of subscribing for CDIs and Attaching Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to CDI Holders. As a result, CDI Holders should consult their professional tax adviser in connection with subscribing for Securities under this Prospectus.

3.13 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2023 is in the Annual Report that was lodged with ASX on 29 September 2023 and is available on the Company's website at <https://www.smsystems.com.au/investor-centre/>.

The Company's continuous disclosure notices (i.e. ASX announcements) since the date of lodgement of the Company's latest full year statutory accounts and before lodgement of this Prospectus with ASIC are listed in Section 7.2.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that CDI Holders review these and all other announcements prior to deciding whether or not to participate in the Offer.

3.14 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to Computershare Investor Services Pty Limited on 1300 850 505 or + 61 3 9415 4000 from 9.00am to 5.00pm (AWST), Monday to Friday.

3.15 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

4. Effect of the Offer

4.1 Effect on capital structure

The table below shows the effect of the Offer after completion of the Placement and, subject to shareholder approval being obtained, the Company issues the Converted CDIs and Incentive CDIs:

	Number	% of Total Securities
CDIs		
CDI balance as at the date of Prospectus	134,179,803	92.96% ¹
Placement CDIs	2,325,581	1.51%
Converted CDIs	1,162,791	0.75%
Incentive CDIs	375,000	0.24%
CDIs issued under Offer	10	0.00%
CDI balance after the Offer	138,043,185	89.63%
Performance Rights		
Performance Rights balance at the date of Prospectus	433,954	0.30% ¹
Performance Rights to be issued under the Offer	Nil	0.00%
Performance Rights balance after the Offer	433,954	0.28%
Options		
Options balance as at date of Prospectus	9,730,896	6.74% ¹
Attaching Options issued pursuant to the Placement	5,813,953	3.77%
Options to be issued under the Offer	10	0.00%
Options balance after the Offer	15,544,859	10.09%
Total Securities after the Offer²	154,021,997	100.00%

Notes:

1. Based on the total number of securities on issue as at date of Prospectus.
2. For illustrative purposes, the calculation of total securities includes Shares and CDIs, and Options and Performances Rights (as converted on a one-for-one basis) after completion of the Offer, unless otherwise indicated.

4.2 Effect on substantial holders

The Company's substantial holders and their respective interests in the Company as at the date of this Prospectus (as disclosed by the relevant substantial holder to the ASX) (**Substantial Holders**) and the effect on their holdings after completion of the Offer are set out in the table below.

The Company notes that it is incorporated in the United Kingdom and is not subject to Australian takeover provisions in the Corporations Act (see Section 5.2(h) below for further details).

Substantial Holder	Number	% of Total Securities ¹	% Voting Power ²
Drake Private Investments LLC			
CDIs as at date of Prospectus	21,040,142	16.68%	16.68%
CDIs pursuant to Offer	Nil	Nil	Nil
Total CDIs post Offer	21,040,142	16.21%	16.21%

Notes:

1. For illustrative purposes, total securities includes Shares, CDIs, Options and Performance Rights.
2. Excludes Options and Performance Rights which do not have voting rights.

The Company will only issue Securities pursuant to an Application where the Directors are satisfied, in their discretion, that the issue of the Securities will not result in a breach of the UK Companies Act 2006 (by the Applicant, the Company or otherwise) or other applicable law would require shareholder or regulatory approval to be obtained.

4.3 Financial Effect of the Offer

As the CDIs under the Offer are being issued for \$0.43 per CDI and the Attaching Options are being issued for nil consideration, there will be minimal proceeds after paying for the expenses of the Offer of approximately \$25,456. The expenses of the Offer (refer to Section 7.11) will be met from the proceeds from the Placement, which will have an effect on the Company's financial position, being receipts of funds of approximately \$1 million, less those costs in relation to the Placement of approximately \$60,000 and costs in relation to this Offer of \$25,456.

Set out below is the audited balance sheet for the Company as at 30 June 2023, as per the Annual Report for the financial period ended 30 June 2023 (1 July 2022 to 30 June 2023), and the unaudited and unreviewed pro-forma balance sheet shown below, which 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 2023):

- (a) An amount of approximately \$1 million (before costs) is successfully raised under the Placement and reduced by approximately \$60,000 of costs relating to the Placement;
- (b) no existing Options are exercised prior to the Offer Closing Date; and

(c) the Company incurs the costs of the Offer referred to in Section 7.11.

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-23	Pro-forma adjustments	Notes	Pro-forma after issue
	\$000'	\$000'		\$000'
Current assets				
Cash and cash equivalents	961	1,065	(1)(2)	2,026
Trade and other receivables	1,981	-		1,981
Inventory	13,469	-		13,469
Prepayments, other receivables	615	-		615
Total current assets	17,026	1,065		18,091
Non-current assets				
Property, plant and equipment	1627	-		1,627
Right-of-use assets	7,567	-		7,567
Intangible assets and goodwill	7,434	-		7,434
Total non-current assets	16,628	-		16,628
Total assets	33,654	1,065		34,719
Current liabilities				
Trade and other payables	3,891	-		3,891
Borrowings	4,222	150	(2)	4,372
Lease liabilities	1,157	-		1,157
Provisions	86	-		86
Total current liabilities*	9,356	150		9,506
Non-current liabilities				
Borrowings	1,196	-		1,196
Lease liabilities	7,753	-		7,753
Deferred tax	442	-		442
Total non-current liabilities	9,391	-		9,391
Total liabilities	18,747	150		18,897
Total net assets	14,907	915		15,822
Equity				
Issued capital	31,959	2		31,961
Share premium account	43,210	912		44,122
Reserves	(59,953)			(59,953)
Accumulated losses	(309)			(309)
Total equity	14,907	765		15,822

Notes:

1. *This adjustment includes nominal consideration received from the Offer, but takes into account the \$1 million funds raised from the Placement as offset by (a) approximately \$60,000 of costs in relation to the Placement and (b) approximately \$25,456 of costs in relation to this Offer.*
2. *Mr Ross Love provided a \$150,000 loan to the Company which was offset against his subscription monies under the Placement. This loan was not reflected in the Company's accounts as at 30 June 2023.*

5. Rights and liabilities attaching to the Securities

5.1 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 7.5 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.

5.2 **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.

5.3 Terms and Conditions of Attaching Options

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

(a) Entitlement

- (i) Each Attaching Option gives the Attaching 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 5.3.
- (ii) CDIs issued on the exercise of the Attaching 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 Attaching Option is \$1.20 (**Exercise Price**).

(c) Expiry Date

The Attaching Options will expire on 6 April 2024 (**Expiry Date**). Any Attaching Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

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

(e) Notice of Exercise

The Attaching Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Attaching Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Attaching 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 Attaching Option being exercised in cleared funds (**Exercise Date**).

(g) **CDIs issued on exercise**

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

(h) **Quotation**

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 Attaching Options within 10 Business Days (as defined in the Listing Rules) 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 Attaching Options and holders will not be entitled to participate in new issues of capital offered to CDI Holders during the currency of the Attaching Options without exercising the Attaching Options.

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

If at any time the issued capital of the Company is reconstructed, all rights of an Attaching 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.

6. Risk Factors

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 Attaching 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 Attaching Options pursuant to this Prospectus.

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

6.1 Company-specific risks

(a) Future Capital Needs and Additional Funding

The funds raised under the Placement will be used by the Company primarily for CVM commercialisation and AEM's 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 \$9.36 million of revenues totalling \$22.38 million (41.8%) in the financial year ended 30 June 2023. The relationship with the customer is secured by a licence agreement and the Group is diversifying its customer base.

(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\$5 million (of which C\$3.75 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.

6.2 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 6 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 Attaching 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.

7. Additional Information

7.1 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the CDIs and Attaching Options.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, the offices of ASIC (see Section 7.2 below).

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.

7.2 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, the offices of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report of the Company for the financial year ended 30 June 2023, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus;
- (b) any half-year financial report lodged by the Company with ASIC after the lodgement of the Annual Report referred to in (a) and before the lodgement of this Prospectus with ASIC; and
- (c) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Company's latest Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date	Description of announcement
1 November 2023	Proposed issue of securities - SMN
	Cancel - Proposed issue of securities - SMN

Date	Description of announcement
	Proposed issue of securities - SMN
31 October 2023	Placement to Sophisticated investors
	Quarterly Activities/Appendix 4C Cash Flow Report
12 October 2023	Update from Executive Chairman
29 September 2023	Appendix 4G & Corporate Governance Statement
	Annual Report to shareholders

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company.

- (a) this Prospectus;
- (b) Articles of Association; and
- (c) the consents provided by the Directors to the issue of this Prospectus.

7.3 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules, and which is required to be set out in this Prospectus.

7.4 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 market and last closing prices of the CDIs on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

CDI Holder	CDI Price	Date
Highest	\$0.83	7 August 2023
Lowest	\$0.51	19 October 2023
Last	\$0.55	3 November 2023

7.5 CHESS Depositary 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 CHESS, Depositary 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. CHESS Depositary 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 CHESS. 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 CHESS 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/documents/settlement/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>

7.6 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

7.7 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.

7.8 Directors' interests

(a) **Interests**

Except as disclosed in this Prospectus, no Director, and no firm in which a Director has an interest:

- (i) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (ii) has been paid or given, or will be paid or given, any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

(b) **Directors' Holdings**

Set out in the table below are details of Directors' relevant interests in the securities

of the Company at the date of this Prospectus:

Director	Shares / CDIs	Options	Performanc e Rights	% of Total Securities at Prospectus Date ³
Mr. Ross Love ¹	Nil	1,500,000	Nil	1.04%
Mr. Heinrich Loechteken	1,625,000	Nil	Nil	1.13%
Mr. Sam Wright	1,923,797	Nil	Nil	1.33%
Mr. Miroljub Miletic	Nil	Nil	Nil	0.00%
Mr. Brian Wall ²	38,218	Nil	Nil	0.03%

Notes:

1. Subject to shareholder approval being obtained, Mr. Ross Love will receive 300,000 Incentive CDIs and 1,162,791 Converted CDIs, which represents 0.95 % of the total securities after completion of the Placement and Offer, and issue of the Converted CDIs and Incentive CDIs .
2. Subject to shareholder approval being obtained, Mr. Brian Wall will receive 75,000 Incentive CDIs, which represents 0.05% of the total securities after completion of the Placement and Offer, and issue of the Converted CDIs and Incentive CDIs .
3. For illustrative purposes, the calculation of total securities includes Shares and CDIs, and Options and Performances Rights (as converted on a one-for-one basis), unless otherwise indicated.

(c) **Remuneration of Directors**

The Articles of Association provide that Directors may be paid for their services as Directors. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship.

The following table shows the total (and proposed) annual remuneration paid to Directors in each of the past two financial years and the proposed remuneration for the current financial year.

Director	Financial year ended 30 June 2022	Financial year ended 30 June 2023	Proposed Financial year ended 30 June 2024
Mr. Ross Love ¹	Nil	506,917	325,000
Mr. Sam Wright	140,000	120,000	120,000
Mr. Brian Wall ²	8,349	341,281	75,000
Mr. Heinrich Loechteken ³	Nil	47,182	75,000
Mr. Miroljub Miletic ⁴	Nil	48,172	75,000

Notes:

1. Mr. Ross Love was appointed as a Director on 13 July 2022.

2. *Mr. Brian Wall was appointed as a Director on 20 June 2022.*
3. *Mr. Heinrich Loechteken was appointed as a Director on 15 November 2022.*
4. *Mr. Mirosljub Miletic was appointed as a Director on 15 November 2022.*

7.9 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

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

7.10 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus.

Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section 7.10:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section 7.10;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 7.10; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.

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.

7.11 Expenses of the Offer

The estimated expenses of the Offer are approximately \$25,456 (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 Placement.

Fee	\$
ASIC fees	\$3,206
ASX fees	\$1,250
Legal fees	\$15,000
Printing and registry fees	\$6,000
Total¹	\$25,456

Notes:

1. As part of the Placement, the Company incurred lead manager fees of \$60,000.

7.12 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.

7.13 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 Attaching Options under this Prospectus.

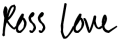
7.14 Governing law

This Prospectus, the Offer and the contracts formed on acceptance of Applications under the Offer are governed by the laws applicable in Victoria, Australia. Each Applicant for CDIs and Attaching Options submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

7.15 Directors' authorisation

This Prospectus is authorised by each Director, who has given and not withdrawn their consent to the issue of this Prospectus and to its lodgement with ASIC.

Signed on the date of this Prospectus on behalf of Structural Monitoring Systems Plc by:

DocuSigned by:

0C933F08ED7B45A
6 November 2023

Mr Ross Love
Executive Chairman
Structural Monitoring Systems Plc

8. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

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

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

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

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Annual Report means the financial report lodged by the Company with ASIC in respect to the financial year ended 30 June 2023.

Applicant means a person who submits an Application Form.

Application means a valid application for CDIs and Attaching Options made pursuant to this Prospectus on an Application Form.

Application Form or Form means the application form sent with this Prospectus.

ASIC means Australian Securities and Investments Commission.

Associate has the same meaning as that in the Corporations Act.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Attaching Option means an Option issued under the Placement and the Offer and on the terms set out in Section 5.3.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

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

CDI Holder means the registered holder of CDIs.

CDN means CHES Depository Nominees Pty Ltd ACN 071 3456 506.

CHES means ASX Clearing House Electronic Subregister System.

Company or SMN means Structural Monitoring Systems Plc (UK Company No. 4834265; ARBN 106 307 322).

Company Secretary means Mr. Sam Wright or his associated entity (as the context requires).

Converted CDI has the meaning as set out in Section 3.2 of this Prospectus.

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

CVM means the comparative vacuum monitoring technology of the Company.

Directors mean the current directors of the Company.

Existing Option means an option to acquire a CDI on issue as at the date of this Prospectus and exercisable at \$1.20 each on or before 6 April 2024 and on the same terms as the Attaching Options.

Group means the Company and its subsidiaries.

Incentive CDI has the meaning as set out in Section 3.2 of this Prospectus.

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 CHES.

Listing Rules means the Listing Rules published by ASX.

Placement means the placement of 2,325,581 CDIs at an issue price of \$0.43 per Placement CDI to sophisticated and professional investors together with 2.5 Attaching Options for every one Placement CDI subscribed for, to raise up to approximately \$1 million (before costs) on the terms and conditions set out in Section 3.2 of this Prospectus.

Placement CDIs means CDIs to be allotted and issued under the Placement.

Offer means the offer of CDIs and Attaching Options as set out in Section 3.1 of this Prospectus.

Offer Closing Date means 15 December 2023 or such later date as the Directors may determine, subject to the Listing Rules.

Official List means the official list of ASX.

Official Quotation means quotation on the Official List on ASX.

Option means an option to acquire a CDI.

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.

Prospectus means this prospectus dated 6 November 2023.

Related Body Corporate has the meaning given to that expression in section 50 of the Corporations Act.

Section means a section of this Prospectus.

Securities means Shares, CDIs and Options, or as the context requires.

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

Shareholder means a holder of Shares.

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