



## **Structural Monitoring Systems' subsidiary AEM secures new financing agreement with Royal Bank of Canada**

**Structural Monitoring Systems Plc ("SMS" or "the Company") (ASX: SMN)** Canadian based subsidiary, Anodyne Electronics Manufacturing Corp ("AEM"), is pleased to announce that new banking and credit facilities have now been secured with the Royal Bank of Canada (RBC).

The agreed facilities will ensure that AEM has suitable financing options in place to meet the ongoing growth objectives of the Company.

### **SMS Chief Financial Officer Gary Elwell outlined the terms of the new agreement with RBC:**

- The new facilities will provide AEM with a CA\$3.75m Operating line of credit and a CA\$1.25m cashflow term loan.
- RBC will also provide foreign exchange credit, business Visa and revolving lease line facilities.
- The purpose of the credit agreement is to finance working capital secured on inventory and accounts receivable and to enable the Company to refinance the successful acquisition of Eagle Audio, which occurred in September 2021.
- These facilities replace the Company's long-standing facilities with HSBC.
- Settlement of the new facilities with RBC is expected to occur early in February 2023.

"AEM would also like to take this opportunity to thank HSBC for its service and support over many years.

"The move to RBC will result in the repayment of US\$800,000 currently held as collateral security by HSBC and will directly provide immediate additional working capital to the Company as it explores further growth avenues.

"In addition, AEM will not be required to repay CA\$1million which was required during 2023 under the terms of the HSBC facility.

"This uplift in available working capital of CA\$2 million will greatly assist the financing capability of the Group without resorting to equity markets at a time of market volatility and uncertainty, and preserving shareholder value, as it progresses the commercialisation strategy of its CVM™ technology during 2023 and beyond.

"SMS and AEM look forward to a long and productive relationship with RBC as the Company continues its growth trajectory."

## ASX ANNOUNCEMENT

ASX: SMN

23 January 2023

**STRUCTURAL  
MONITORING  
SYSTEMS**  
plc



**SMS Executive Chairman Ross Love commented:**

"The new financing arrangement with RBC comes at a very important time for the Company as we progress our commercialisation strategy in relation to our CVM™ technology and enables us to achieve the strategic growth we are targeting."

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

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