

## ASX ANNOUNCEMENT

ASX: SMN

14 September 2022

**STRUCTURAL  
MONITORING  
SYSTEMS**  
plc



### SMS raises funds to accelerate CVM™ commercialisation strategy

**Structural Monitoring Systems Plc (“SMS” or “the Company”) (ASX: SMN)** is pleased to announce that it has received binding commitments from institutional and sophisticated investors to raise approximately AUD \$1,657,200 (before costs) through a single tranche placement (“Placement”) with the Lead Manager currently finalising additional binding commitments for CDIs. The Placement will see the Company issue up to 5.5 million new CDIs at an issue price of AUD \$0.35 per CDI (“Placement Shares”), each with a 1:1 free attaching option exercisable at AUD \$1.20 with an expiry of 6 April 2024 (“Options”).

The Placement attracted strong support from new and existing shareholders in a limited time frame and provides further validation that investors appreciate the significant commercial opportunities that the CVM™ technology presents and the management and executive team now in place to progress this.

To facilitate secondary trading of the Placement Shares and Options to be issued pursuant to the Placement the Company will soon issue a cleansing prospectus. This will allow the Placement Shares and Options to be traded pursuant to section 708A(11) of the *Corporations Act 2001* (Cth).

The Placement will also minimise the dilution of existing shareholders at this level. It was the Board's intention not to extend the offer any longer than necessary so that the SMS Board and management team can return their focus toward progressing the CVM™ commercialisation strategy and the Company's day to day commercial operations.

Funds from the Placement will be applied to accelerate the Company's CVM™ commercialisation strategy moving forward and to capitalising on significant, ongoing discussions with the technology's key potential end users.

#### **Executive Chairman, Ross Love commented:**

“We are very appreciative of the support of both our existing and new shareholders. This capital raise will allow us to rapidly advance the commercialisation strategy for CVM™ and focus on positive, ongoing engagement with a range of potential, high value customers.

“This small increment of additional funding is critical to supporting our current momentum towards commercialising our CVM™ product and services and ensuring we are adequately resourced to do so.

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“Since my update to shareholders of last week, I can confirm that we have received our first formal request for quotation for the supply of the initial sensor kits to Delta Airlines, and that other commercial discussions are currently progressing well.

“Our team is focused on identifying airlines’ significant potential cost savings via the broad application of our technology and to ultimately assisting them to increase the reliability and cost effectiveness of employing CVM™ across a suite of airframe maintenance programs to enable the delivery of significant savings in hangar time per annum.

“I would like to take this opportunity to add that I am fully aware that many shareholders have invested in SMS at different price points – some at higher price points than those of the current raise.

“I would like to assure you all that this raise is critical to ultimately delivering significant value to all shareholders. As part of this raise, we will apply to ASX to list the free options granted to those who participated in the Entitlement Issue conducted in March 2022 in order to deliver more value to those options holders and to acknowledge their very important recent contribution to the Company.

“Our intention is to accelerate our commercialisation strategy in the short term with the funds raised and then to agree on the board structure that will best support it at the forthcoming AGM on November 11.”

### **QUOTATION OF OPTIONS**

The Company will apply to ASX for Official Quotation by ASX of the 2,730,896 Options held by existing SMS shareholders who participated in the Entitlement Issue in March 2022 as well as the attaching options under the Placement. The Options will be tradable under the ticker code SMNO.

### **PLACEMENT DETAILS**

The issue price of AUD\$0.35 represented a 18.6% discount to SMN’s closing share price on Friday, 9 September 2022 of AUD\$0.43 and a 7.8% discount to the 10-day volume-weighted average price (VWAP) of AUD\$0.38. The Placement Shares will rank equally with the Company’s existing CDIs. Settlement of the Placement is expected to be completed on 19 September 2022.

The Placement has been conducted pursuant to the Company’s existing Placement capacity under ASX Listing Rules 7.1 and 7.1A. Up to a total of 5,500,000 new CDIs and 5,500,000 of new Options will be issued under Listing Rule 7.1.

Westar Capital Limited acted as Lead Manager in relation to the Placement.

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

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