

ASX Announcement

ASX: SMN

6 December 2024

Results of Security Purchase Plan (SPP)

Highlights:

- *The recent Security Purchase Plan (“SPP”) closed with applications totalling \$2.2 million*
- *Demand was in excess of the initial \$2.0 million target sought*
- *The Company received strong interest from existing shareholders which resulted in the increase in funds accepted*
- *SPP funds from existing shareholders were accepted on the same terms as the recently completed \$5m institutional and sophisticated investor Placement*
- *Funds raised from the SPP, together with those raised during the recent Placement cement the Company’s financial capacity to achieve current year forecasts, and further near-term profitable growth, and to take full advantage of the anticipated certification of our Aft Pressure Bulkhead CVM™ application in the new calendar year*
- *This is in addition to the recent internal restructure of AEM operations recently concluded and which is expected to deliver considerable cost and operational savings*

Structural Monitoring Systems Plc (“SMS” or “the Company”) (ASX: SMN) is pleased to announce that its Security Purchase Plan (“SPP”), which closed on Tuesday, 3 December 2024, has received total SPP application funds of AUD \$2,197,060, exceeding the targeted amount of \$2,000,000.

In recognition of the strong shareholder support in response to the SPP, and in order to provide all shareholders with the opportunity to participate on the same terms as the Placement, the Board has exercised its discretion (under Section 5.9 of the Prospectus) and has accepted all valid applications made under the SPP.

The SPP complements the Company’s recently announced placement to institutional and sophisticated investors, which raised \$5 million (before costs) at an issue price of AUD \$0.52 per CDI and three (3) free attaching options for every four (4) CDIs subscribed for, with each Option exercisable at \$0.78 and expiring on 30 November 2027.

The Placement and SPP combined together, has therefore raised a total of approximately \$7.2 million (before costs) which provides the Company with significant ongoing funding that strengthens its balance sheet and minimises the prospect of any future funding requirements.

Funds raised will be used towards:

- continued product development and manufacturing capacity expansion for high value opportunities in avionics, including digital audio, radio, and loudspeaker;
- expanded product development and business development capacity in relation to the Company's CVM™ technology;
- general working capital requirements; and
- transaction costs of the Placement and SPP.

As per the indicative timetable in the Prospectus, the Company will issue and allot 4,225,047 new SPP CDIs and 3,168,847 attaching SPP Options on 10 December 2024.

SMS Executive Chairman and CEO Ross Love commented:

“The results of the recent Placement and SPP has been very positive and provides the us with critical funding to allow it to concentrate on identified high return products and markets that continue to deliver financially for the Company.

“I would like to take this opportunity to thank all of those who have shown their support, in particular to our existing shareholders, and look forward to sharing some significant milestones as we move into the 2025 calendar year.

“The announcement of additional funding also coincides with a recent internal restructure of wholly owned subsidiary Anodyne Electronics Manufacturing Corporation (AEM) which we believe will allow us to significantly reduce our annual operating costs (both fixed and variable) by more than CAD \$2.0m.

“This has been a necessary exercise in order to improve our ongoing operating performance and ensure we devote 80% of the new funding to new product development as proposed in our investor presentation.

“I look forward to sharing further information and updates on the key milestones we are working towards with our shareholders at the Dec 18 AGM and as we head into the 2025 calendar year.”

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



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