



SMS raises \$1.925m to accelerate commercialisation of CVM™ technology

Structural Monitoring Systems Plc ("SMS or "the Company") (ASX: SMN) is pleased to announce that the Company has successfully raised AUD \$1.925 million through a single tranche placement ("Placement") with the Lead Manager, Westar Capital Limited confirming that the Placement was fully subscribed. As per the Appendix 2A lodged today, the Company has issued 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 was only offered to professional and sophisticated investors, that are resident in Australia and New Zealand. The urgency of this raise was in part due to the entitlement offer undertaken by the Company in March 2022 not being fully subscribed. Priority to participate in the Placement was offered to eligible SMS shareholders who participated in the March entitlement offer who qualified as professional and sophisticated investors.

Executive Chairman, Ross Love, said the Placement attracted strong support from both existing and new shareholders and would be directed towards funding the ongoing commercialisation of the Company's CVM™ technology and to ensuring the Company was adequately resourced to capitalise on significant, ongoing discussions with key 'high value' customers in the US and beyond.

Mr Love said that the Placement was executed and finalised in a limited time frame to enable the Board and Management to maintain their focus on progressing the Company's CVM™ commercialisation strategy and ensuring minimal disruption to commercial activities in the lead up to the Annual General Meeting in Perth on 11 November 2022.

Mr Love described the successful Placement as a tremendous result that ensured the Company was fully funded to underwrite the necessary commercial activities in relation to CVM™ for at least the next 12 months of operation.

"Again, I would like to thank all new and existing shareholders for their support and thank them for the confidence they have shown in the current Board and Management's plan to successfully capitalise on the very significant commercial opportunities that this technology represents.

"The monies raised in this Placement will go directly towards funding the commercialisation strategy that we now have in place and will allow the team to focus on progressing the very significant discussions we have been having with key targeted aviation end users.

ASX ANNOUNCEMENT

ASX: SMN

20 September 2022

**STRUCTURAL
MONITORING
SYSTEMS**
plc



"I mentioned in my previous update to shareholders that we had received our first formal request for quotation for the supply of the initial APB sensor kits to Delta Airlines and that other commercial discussions had also progressed significantly.

"To that end, I can confirm that these initial quotations are well advanced, as are other elements of the negotiation which will enable the accelerated offer of this particular application immediately it is licensed to the priority customers within the group of airlines around the world that operate the 1,500 737 aircraft for which this application is relevant.

"Our team is focused on ensuring we have the right people in place to take advantage of the improving commercial climate for predictive maintenance approaches in the airline industry and our recent and expected near future license approvals.

"We are already bringing extra urgency and some new resources to this task and this next increment of funding will enable us to do more."

"I am looking forward to attending the 2022 Airlines for America Nondestructive Testing Forum in San Antonio, Texas, at the end of this month and the opportunity that provides to meet with key management and technical staff from Airbus, Delta and Embraer, all of whom will be in attendance.

"Thank you again for your ongoing support. The team and I look forward to sharing further positive updates with you as we head towards the 11 November AGM.

"As mentioned previously, my aim is to provide regular updates to you to ensure you are adequately informed of our progress and welcome any communications or questions you may have. Thank you to the many of you who have provided feedback, added value to our planning with your thoughtful questions and indicated your support (even if qualified!) for the direction we are taking here."

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

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