

**ASX Announcement
ASX: SMN**

5 November 2024

Placement and Security Purchase Plan

Structural Monitoring Systems Plc ("SMS" or "the Company") (ASX: SMN) is pleased to announce a proposed capital raising of up to approximately \$7.2 million (before costs), comprising:

- a placement of \$5.0 million to institutional and sophisticated investors ("**Placement**"); and
- a security purchase plan to raise up to \$2.0 million (before costs) from the Company's eligible CHESS Depository Interests ("**CDI**") holders ("**SPP**"); and
- a placement of \$0.2 million to directors of SMS ("**Director Placement**"), subject to shareholder approval at an Annual General Meeting ("**AGM**") to be advised.

Ross Love, SMS Chairman and CEO, stated:

"We would like to thank the Placement participants, both new investors and existing shareholders for their ongoing support. The Company is pleased with the support of new domestic and offshore institutional investors and welcomes them to the register.

"We are also pleased to offer our loyal shareholders the ability to participate in the capital raising on the same terms as the Placement participants via an SPP.

"This is a meaningful outcome for the Company at a critical stage of our growth. It locks in the financial capacity to achieve current year forecasts, and further near-term profitable growth, and sets us up to take full advantage of the anticipated certification of our Aft Pressure Bulkhead CVM™ application in the new year. We expect this momentum to include receiving contracted sales revenue from Delta Air Lines, concluding a sales agreement with United Airlines, and pursuing sales to other targeted APB customers, as well as accelerating the next set of CVM™ applications.

"We welcome the increased interest and awareness from the institutional market in our Company and look forward to updating the market as we progress over the coming months.

Webinar

The Company will be holding a webinar for investors on Thursday 7 November 2024 at 11 am AEDT.

Access to the webinar will be via the following link:

<https://loghic.eventsair.com/305553/629991/Site/Register>

Placement

The Company is pleased to advise that it has received binding commitments from institutional and sophisticated investors to raise up to approximately AUD \$5.0 million (before costs) through a single tranche placement ("**Placement**"). The Placement will see the Company issue approximately 9,615,385 new CDIs at an issue price of AUD \$0.52 per CDI ("**Placement CDIs**") and three (3) free attaching options ("**Placement Options**") for every four (4) Placement CDIs subscribed for, with each Placement Option exercisable at \$0.78 and expiring on 30 November 2027.

The Placement demonstrates strong support for the Company from institutional and sophisticated investors, allowing the funds raised from the Placement to be applied towards meeting the Company's current growth objectives and budget requirements. Funds raised will be used towards:

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

The issue price of AUD\$0.52 represented a 24.6% discount to SMS's closing share price on 31 October 2024 of \$0.69 and a 20.0% discount to the 5-day volume-weighted average price (VWAP) of \$0.6379. The Placement CDIs will rank equally with the Company's existing CDIs.

Settlement of the Placement is expected to be completed in accordance with the indicative timetable below.

The Placement has been conducted pursuant to the Company's existing Placement capacity under ASX Listing Rules 7.1.

SMN Chairman Ross Love said he would like to take this opportunity to thank lead manager, Bell Potter Securities, for their work with key institutional and sophisticated investors on the successful placement.

SPP

Following completion of the Placement, the Company intends to conduct an offer of new CDIs ("**SPP CDIs**") and free attaching options ("**SPP Options**") under the SPP to existing CDI holders of the Company with a registered address in Australia or New Zealand as at 7.00pm (AEDT) on Monday, 4 November 2024 ("**Eligible CDI Holders**").

The Company is targeting to raise up to \$2.0 million under the SPP. The Company retains the discretion of increase or scale back the SPP. In the event of a scale back, any excess money will be refunded.

The SPP provides each Eligible CDI Holder with the opportunity to apply for up to \$30,000 SPP CDIs at the same price per Placement CDI, being \$0.52 per new CDI. For every four (4) SPP CDIs subscribed for, the Eligible CDI Holder will receive three (3) SPP Options, with each SPP Option exercisable at \$0.78 and expiring on 30 November 2027. The SPP provides Eligible CDI Holders with the opportunity to increase their holdings without paying brokerage or transaction costs.

In the event that less than \$2.0 million is applied for under the SPP by Eligible CDI Holders, the directors of the Company ("**Directors**") will in their absolute discretion seek to place that number of CDIs at the SPP offer price to raise \$2.0 million when combined with the amount raised under the SPP.

Director Placement

A total of 320,000 new CDIs have been subscribed for at an issue price of AUD \$0.52 per CDI ("**Director Placement CDIs**") and three (3) free attaching options ("**Director Placement Options**") for every four (4) Placement CDIs subscribed for, with each Director Placement Option exercisable at \$0.78 and expiring on 30 November 2027.

The Director Placement is conditional on shareholder approval for the purposes of ASX Listing Rule 10.11.

Bell Potter Securities acted as Lead Manager to the capital raising.

Indicative Timetable

The below is an indicative timetable of the Placement and SPP:

EVENT	DATE*
Record date for SPP	7.00pm (AEDT) Monday, 4 November 2024
Announcement of Placement, SPP and lifting of trading halt	Tuesday, 5 November 2024

Settlement of Placement	Friday, 8 November 2024
Allotment of Placement CDIs	Monday, 11 November 2024
SPP opening date and lodgement of SPP Offer Prospectus Lodgement of Appendix 3B with ASX	Tuesday, 12 November 2024
SPP closing date	5.00pm (AEDT) Tuesday, 3 December 2024
Announcement of results of SPP	Friday, 6 December 2024
Allotment Date for SPP CDIs, SPP Options and Placement Options	Tuesday, 10 December 2024

** The above dates are only indicative and the Company reserves the discretion to vary the dates without any prior notice.*

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

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