



Further Material Progress to Pivotal STC

Highlights:

- **SMS has now received the final Stage IV FAA Issue Paper (“IP”) & Test Plan**
- **Industry partners Delta Engineering & Sandia National Labs to commence the required testing**
- **First critical STC designation for CVM™ deployment on GoGo 737-800 2ku Wi-Fi systems expected post testing.**
- **The IP is a significant milestone, not only for the Wi-Fi program but future CVM™ applications as we progress toward STC approval and industry adoption.**

Structural Monitoring Systems Plc (“SMS” or “the Company”) (ASX: SMN) is pleased to provide the following update for shareholders:

SMS Group – Progression of CVM™ to Pivotal STC Status

The Federal Aviation Administration (“FAA”), via their Transport Directorate - New York Aircraft Certification Office (“NYACO”), has approved and released the Test Plan and Issue Paper allowing SMS and Industry partners Delta Engineering (“DE”) and Sandia National Laboratories (“Sandia”) to schedule and begin the final testing required for the Supplemental Type Certificate (“STC”) approval.

As previously communicated, the teams at DE and Sandia have all equipment and conformed specimens required to begin probability-of-detection testing parameters as specified in the Test Plan.

Pre-trials to confirm equipment setup and operation will commence immediately at DE and within a few weeks at Sandia. The testing will be evenly split between the two facilities, DE and Sandia, with each lab testing 50% of each of the four coupon configurations.

To satisfy FAA requirements, live stream remote test witnessing by the NYACO will be provided at DE and Sandia to limit travel time and COVID 19 exposure. The test report will be written as data is collated. The full testing process and subsequent write up is expected to be completed within 60-90 days, before submission to the FAA for final review.

As part of the requirements for STC issuance, SMS has now received approval of the Engineering Repair/Authorization order by Delta Air Lines (“DAL”) for kit installation. SMS is now working with the planning department at DAL to schedule the installation in Victorville, CA in January on a Delta B737-800 aircraft. Shipment of equipment, logistics for conformity of kits, and planning for travel of SMS personnel to the facility is underway now.

Once the report is submitted to the FAA, it is expected that the installation will have already been accomplished. This would then complete the anticipated requirements for FAA review and set the stage for final STC approval.

ASX ANNOUNCEMENT

ASX: SMN

18 November 2020

**STRUCTURAL
MONITORING
SYSTEMS**
plc



In summary, SMS views the release of the final Stage IV FAA Issue Paper as a significant milestone. The approval of the IP for the GoGo 737-800 Wi-Fi 2ku CVM™ STC is specific for this application, but the fundamentals of the IP will be readily transferred to other applications, such as the aft pressure bulkhead inspection - the likely next sequential approval.

CVM™ is progressing to a commercial and technical ready status which will allow the industry to replace costly ground based hangar inspections.

This announcement is authorised by the Board.

Disclaimer

This announcement contains certain forward-looking statements with respect to the financial condition, operations and business of the Group and certain plans and objectives of the management of SMS. Forward-looking statements can be identified by the use of forward-looking terminology, including, without limitation, the terms “believes”, “estimates”, “anticipates”, “expects”, “predicts”, “intends”, “plans”, “goals”, “targets”, “aims”, “outlook”, “guidance”, “forecasts”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

Such forward looking statements involve known and unknown risks, uncertainties and other factors which because of their nature may cause the actual results or performance of the Group to be materially different from the results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding the Group’s present and future business strategies and the political and economic environment in which the Group will operate in the future, which may not be reasonable, and are not guarantees or predictions of future performance. No representation is made that any of these statements or forecasts will come to pass or that any forecast result will be achieved, or that there is a reasonable basis for any of these statements or forecasts.

Forward-looking statements speak only as at the date of this presentation and to the full extent permitted by law, SMS, and their respective affiliates and related bodies corporate and each of their respective Related Parties and intermediaries disclaim any obligation or undertaking to release any updates or revisions to information to reflect any change in any of the information contained in this presentation (including, but not limited to, any assumptions or expectations set out in the presentation).

Financial Information

Any pro forma and forecast financial information provided in this announcement is for illustrative purposes only and do not represent a forecast or expectation as to the Group’s future financial condition and/or performance. This document has been prepared at a time where the review of financial information contained in this presentation has not been completed and accordingly, you should only rely on any forecast or expectation as to the Group’s future financial condition and/or performance that is contained in a prospectus or other offering document which may be issued by SMS in connection with any offer of SMS securities.

For further information, please contact:

Steve Forman

Director & Head of Investor Relations

P: +1 917 319 7291

E: s.forman@smsystems.com.au

Sam Wright

Director & Company Secretary

P: +61 08 6161 7412

E: s.wright@smsystems.com.au

www.smsystems.com.au