



## **Executive Chairman's Update**

**Structural Monitoring Systems Plc ("SMS" or "the Company") (ASX: SMN)** is pleased to provide an update from the Executive Chairman.

I have received a number of responses from shareholders to my initial letter of 4 August 2022 and am in the process of responding to as many of those emails as possible and welcome that ongoing direct feedback and communication. I also have a responsibility to make sure you all get the same information at the same time, so look forward to providing you with more frequent updates like this.

I am currently focused on progressing the commercialisation strategy for CVM™ and on positive, ongoing engagement with potential customers both in the US and more broadly.

The management and engineering team's communications with key potential customers and stakeholders remains productive, ongoing and promising but we also need to acknowledge the significance of the scale of change structural health monitoring solutions like ours represent for the airframe manufacturing and maintenance industries. While that is a significant challenge, it also means it is a big opportunity, and I know a lot of you have invested against that insight.

I am pleased to report that the team will next week commence a two-month reliability testing program with one of the largest OEMs (Original Equipment Manufacturers) and one of their largest airline customers to confirm the performance of our CVM™ technology for a critical application that affects over 1,000 airframes currently in operation around the world. If the program delivers as we all expect it to, the appropriate licenses will be sought prior to initial installation contracts being agreed.

Another major airline operator is working with the team to identify a range of applications where our monitoring system may avoid or defer out of cycle checks which currently consume several days of heavy maintenance time.

There are other promising discussions underway which I look forward to outlining in future weeks.

In other news, a number of our key US-based executives will attend the Airlines for America Non-destructive Testing (NDT) Forum in San Antonio, Texas, from September 27 to September 30. This is a significant industry event where all major US airlines will be represented and presents an opportunity for industry leaders to discuss current trends and developments in NDT methodologies and to further existing relationships and discussions with key stakeholders and initiate others.

I would also like to take this opportunity to reiterate the ongoing strong performance of wholly owned subsidiary AEM, which is testament to the quality and versatility of its product offering and the performance and commitment of its executive, sales and marketing and R&D teams. The acquisition of Eagle Radio has provided better than expected early sales and margin results and has proved a positive acquisition for us.

## ASX ANNOUNCEMENT

ASX: SMN

19 August 2022

**STRUCTURAL  
MONITORING  
SYSTEMS**  
plc



AEM Chief Executive Officer, Brian Wall, will transition from his current role as CEO to a new role as a consultant to the entire leadership team of AEM effective next week. AEM General Manager Taylor Wylie will be stepping in to manage the day-to-day operations of AEM moving forward.

For further details on AEM's financial performance please refer to the Company's latest Quarterly Statement on our [website](#) or via the [ASX platform](#).

The board and I look forward to working closely with both Brian and Taylor in their new roles and thank Brian for his exemplary leadership during his years at the helm of AEM. Brian will remain on the board of SMN and a key member of the team and is excited about the opportunities ahead both, on a professional and personal level.

In closing I want to reiterate and confirm the Company's position in relation to the Proposed Requisition by Drake Private Investments LLC (Drake Private) received on 8 July and again on 12 August 2022. It remains the Company's position that the Proposed Requisition does not meet the requirements of the Articles of the Company or relevant United Kingdom statutory requirements.

Even if it does meet those statutory requirements, the board believes that decisions around board composition and management are best addressed at the forthcoming Annual General Meeting (AGM) to be held on 11 November 2022 in Perth, Western Australia. A Notice of Meeting will be dispatched to all shareholders in due course.

As noted in yesterday's announcement, we invite all shareholders to nominate persons to become directors. Upon receipt of nominations prior to 5:00pm on 7 October 2022, the board will consider the nominee's skills and experience against the board's current composition, succession planning and skills matrix and exercise judgment in the interest of all shareholders.

I am excited about the future of the company, the opportunities that the CVM™ technology presents, and the management and executive team we now have in place to progress this.

Again, I'd like to thank all of our shareholders for their ongoing support as we continue to focus on and support the great work our team is doing across the board.

Yours sincerely,

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