



An update from the Executive Chairman

Structural Monitoring Systems Plc (“SMS” or “the Company”) (ASX: SMN) is pleased to provide the following update from Executive Chairman Ross Love.

Mr Love Commented:

I would like to take this opportunity to thank all of the eligible shareholders and CDI holders who voted in the recent AGM and EGM which was held in Perth on Tuesday 15 November.

For those of you who may not be aware of the results of both those meetings, all of the resolutions proposed at the AGM were carried via a poll with the exception of Resolution 7, which related to additional placement capacity and required a 75% majority to be carried.

In relation to the EGM, which was held on the same day prior to the AGM, only Resolution 5 was carried, again via a poll and related to the appointment of Mr Heinrich Loechteken as a director to the SMS Board.

I would also like to take this opportunity to thank outgoing directors Mr Bryant McLarty and Mr Rick Deurloo, both of whom resigned prior to the AGM. I would like to thank them both for their commitment and support for SMS during their tenure on the Board and wish them both well in their future endeavours.

For full details regarding voting numbers please see our website.

I would also like to thank you personally for the support and faith you have shown in me to continue to lead the Board as Executive Chairman and for providing me with the opportunity to work with the current Board and management team towards the ongoing commercial viability of SMS.

I believe we now have a suitably qualified, committed and diverse board in place, with a range of applicable skill sets, to really capitalise on the milestones achieved to date and to take this technology to market in a meaningful way.

I would like to welcome both Heinrich and Mr Miro Miletic to the SMS Board and to provide you with an introduction to them and to the considerable experience and skills I believe they will bring to their roles as Directors moving forward.

Heinrich has held a variety of executive roles in the aviation and corporate finance fields and has a deep understanding of aircraft leasing and a strong track record of financial and operational restructuring of companies ahead of sale or IPO.



He is currently the CEO of JLPS Ireland Limited, which offers transportation leasing services encompassing aircraft, ships, maritime containers and solar power generation equipment.

Prior to taking on his current CEO role, Heinrich held senior executive roles at MC Aviation Partners, International Lease Finance Corporation and AerCap.

Miro is the Managing Director and Founder of MEMKO Pty Ltd and has an impressive track record of leadership and achievement in the Australian and international aerospace industries. His previous leadership positions include Director Engineering & Quality Assurance and Australia Manager Business Development and Planning at The Boeing Company Australia.

His contribution to the fields of aviation and aerospace were recognised with an Honorary Doctorate in Engineering (Aerospace) by RMIT University in Melbourne in 2012.

The Board welcomes the decades of experience and expertise they bring to the Board of SMS and looks forward to working closely with them as we head into 2023.

The new Board met for the first time yesterday (AWST), with directors signing in from Perth, Melbourne, Canada and the Netherlands. Along with continuing Directors Brian Wall and Sam Wright, I welcomed Miro Miletic and Heinrich Loechteken to their first formal meeting and I am happy to report that we immediately experienced their thoughtful and highly expert contributions. I think we have established the strong and collegiate working approach that is required, and which you should expect moving forward.

As outlined in my address at the AGM, 2022 has been a year of significant milestones for SMS – notably the receipt of an approval for a Supplemental Type Certificate (STC) in relation to our CVM™ technology.

The company's wholly owned subsidiary, Anodyne Electrics Manufacturing (AEM) successfully completed a POD testing program with Boeing at its Kelowna British Columbia facility in October this year.

SMS Chief Technical Officer, Mr Trevor Lynch-Staunton P.Eng described the performance of the sensors and instrumentation throughout the testing period as “flawless” and marked another significant milestone for SMS towards commercial capacity.

The Company also announced in November that it had secured its first ever commercial sales order with Delta Air Lines, the world's largest commercial operator – a huge milestone for all involved and a credit to the management and on the ground teams who made this happen.



In terms of the outlook moving forward, the Board considers the momentum towards commercialisation of our CVM™ technology to be building with additional resources and personnel directed towards that end.

We do, however, appreciate the significant challenges on the journey to realising its full potential, not least operating in a necessarily risk and change averse industry.

We have also recently appointed Charles Noble, based in the Netherlands to anchor the sales and marketing efforts for CVM and business development in Europe, which is seen as a key market for the technology due to the number of airlines and candidate aircraft based there and as the home of the major OEM, Airbus.

Charles is an experienced Business Development professional and has previously worked with Latitude Technologies and Dallas Avionics.

He has a Diploma in Electrical Engineering and Management Studies, a Bachelor of Management (International Major) and a Master of Business Administration (MBA). He brings extensive experience from international sales roles to this newly created role and will be integral in helping the Company develop and scale its efforts in Europe as we progress our commercialisation strategy.

This key appointment follows that of AEM Quality Assurance Manager Monty McEwan and Chief Financial Officer Gord Gooding – both of whom will work closely with the SMS team.

Our key focus as a Board as we move into the 2023 calendar year, will be to secure the expected regulatory approval for the Aft Pressure Bulkhead (APB) application from the FAA (expected between March and May 2023) and to extend our sales to other targeted airlines operating the relevant 737 fleets.

We also intend to pursue additional opportunities already identified by Delta and Boeing for additional applications for CVM™ as well as identified opportunities emerging for widespread installation of our technology in new build airframes with each of the major Original Equipment Manufacturers (OEMs).

We will also be exploring other industry applications for our technology in 2023, particularly in relation to defence fleets globally.

We are committed to allocating the necessary resources to allow us to expand our R&D capacity and commercial activities in 2023 and beyond to enable us to maintain a leading position in the structural health monitoring space and to continue to grow the revenues and margins of our underlying AEM radio business.

ASX ANNOUNCEMENT

ASX: SMN

6 December 2022

**STRUCTURAL
MONITORING
SYSTEMS**
plc



I would like to again thank you for your ongoing support and look forward to sharing further positive updates with you on behalf of the Board in the first quarter of 2023.

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

For further details please contact:

Communications:

Georgie Sweeting

g.sweeting@smsystems.com.au

0417 179 024

Shareholder Enquiries:

Ross Love

r.love@smsystems.com.au

0418 752 867