

31 March 2023

Ben Dawson
ASX Compliance Pty Ltd
Level 40 Central Park
152 – 158 St Gorges Terrace
PERTH WA 6000

Dear Ben,

We refer to your letter of 31 March 2023 and respond as follows:

1. SMN is not aware of any information concerning it that has not been announced which, if known by some in the market, could explain the recent trading in its securities.
2. (a) not applicable
(b) not applicable
(c) not applicable
3. SMN believes the recent trading in its shares is primarily due to the increased awareness in the market place of SMN and the progress of the commercialisation strategy of our CVM™ technology.

In that context, SMN draws the attention of the ASX to its announcement on 14 March 2023 that it had completed the first installation of our CVM™ sensor kits on Delta's 737 aircraft at the AAR facility in Oklahoma in the United States.

The installation took place in front of representatives from Delta Airlines, Boeing, the Federal Aviation Administration (FAA) and Anodyne Electrical Manufacturing Corp (AEM) ahead of the FAA's consideration of the relevant Boeing Service Bulletin.

This installation follows the successful fitting of CVM™ sensor kits in 21 Delta aircraft more than 12 months ago which have shown to have performed extremely well, as expected.

The success of the Delta trial has also enabled the active engagement of Boeing in developing a new service bulletin which has been submitted this month (March) to the FAA for formal certification. Our team at SMS, together with the engineers at Delta and Boeing, worked closely with the FAA in the lead up to that application being submitted in order to take maximum advantage of the existing Wi-Fi antenna certification (refer ASX announcement 7 March 2022) and to expedite the approval process for this new application. We continue to be advised that that approval can be expected in the April-June quarter this year (refer ASX announcement 28 February 2023).

That approval will establish CVM™ as an approved alternative to the current testing regime for all US operators of the relevant aircraft and is expected to be recognised by other regulatory authorities around the world for the same purpose.

SMN also notes that the FAA has this week issued an Airworthiness Directive for all US-based operators of 737s for a one off inspection which affects 1,919 aircraft registered in the US, ranging from the Boeing 737-600, -700, -700C, -800, -900, and -900ER (NextGeneration (NG) models), as well as certain 737 MAX-8 and 737 MAX-9s.

4. SMN is in compliance with the Listing Rules of ASX including Listing Rule 3.1.
5. The Company confirms that SMN's responses to the questions above have been authorised and approved by a director of SMN with delegated authority from the board to respond to ASX on disclosure matters.

Yours sincerely

A handwritten signature in dark ink, appearing to be 'Sam Wright', with a stylized, flowing script.

Sam Wright
Company Secretary



31 March 2023

Reference: 71742

Mr Sam Wright
Company Secretary
Structural Monitoring Systems PLC

By email: sam@straightlines.net.au

Dear Mr Wright

Structural Monitoring Systems PLC ('SMN'): Price - Query

ASX refers to the following:

- A. The change in the price of SMN's securities from a low of \$0.45 on 27 March 2023 to an intraday high of \$0.73 today.
- B. The significant increase in the volume of SMN's securities traded from 27 March 2023 to 31 March 2023.

Request for information

In light of this, ASX asks SMN to respond separately to each of the following questions and requests for information:

- 1. Is SMN aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
- 2. If the answer to question 1 is "yes".
 - (a) Is SMN relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1? Please note that the recent trading in SMN's securities would suggest to ASX that such information may have ceased to be confidential and therefore SMN may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
 - (b) Can an announcement be made immediately? Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
 - (c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
- 3. If the answer to question 1 is "no", is there any other explanation that SMN may have for the recent trading in its securities?
- 4. Please confirm that SMN is complying with the Listing Rules and, in particular, Listing Rule 3.1.
- 5. Please confirm that SMN's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of SMN with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **12 PM AWST Friday, 31 March 2023**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SMN's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require SMN to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in SMN's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in SMN's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to SMN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that SMN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Ben Dawson
Adviser, Listings Compliance