

ASX Announcement

ASX: SMN

16 July 2024

Progress update on Aft Pressure Bulkhead FAA certification

Structural Monitoring systems Plc (“SMS” or “the Company”) (ASX:SMN) is pleased to provide the following update ahead of the release of the June 2024 Quarterly Report.

SMS Chairman Ross Love commented:

I would like to take the opportunity ahead of the release of our forthcoming quarterly report to provide you with some further information on the progress of the certification of our CVM™ Smart Sensors for the Aft Pressure Bulkhead inspection – Boeing Service Bulletin **737-53-1418**.

We announced on 6 June 2024 that Boeing was undergoing evaluations of the final tests, which were completed in May, with the expectation that the evaluation process would be completed by the end of June, for consideration by the Structures Technical Design Review which was initially scheduled for July 24. We are now advised that this meeting will take place on August 1, due to the availability of review members during the holiday season.

While this further delay is frustrating, we have no choice but to accept it – and the fact that we have no information on the likely outcome beyond knowing that the tests appear to have been successful. We are encouraged by what we have been told about the outcome of the final tests, and by the continuing progress towards other key milestones.

The current milestones and associated timeline as provided to us by Boeing is as follows:

Updated CVM™ anticipated timeline

May 2024 – Circulation of draft copy of proposed new service bulletin to the four largest US carriers (South West, United, Delta, American) **COMPLETED**

June 2024 - Completion of Low-Stress Coord Sheet Test Requirements **CONFIRMED**

July 17 2024 –Cert Plan resubmitted to FAA (& send to EASA)

Aug 1 2024 - o Boeing Structures Technical Design Review Meeting

Aug 15 2024 – FAA acceptance of Cert Plan (may get impacted by delayed submission -was Jul 31)

Aug 30 2024 –Cert Plan Deliverables completed (was Jul 31)

Sep 3 2024 –CVM deliverables to routed to Boeing ODA for approval / recommend approval (was Aug 1)

TBD – Submit CVM deliverables to FAA (Service Bulletins & Compliance Report) (was Sep 30)

TBD – FAA Approval of Deliverables (was Dec 2)

TBD – SB Release with AMOC (was Dec 20)

We note that Boeing have declined to confirm expected dates for the last three steps, which we accept as preferable to continuing to revise and then delay these dates. We expect a more certain milestone plan after the Technical Design Review and will advise you as soon as we have it.

Regardless of this process, Boeing have agreed to my request for a meeting in the coming weeks to align on our expectations for a conclusion, and a to discuss their next priorities for our technology. A date for that meeting has yet to be confirmed, but I expect it to be within the next three weeks.

I would like to thank you all as SMS shareholders for your ongoing patience as we move through this process, albeit not as quickly as we would like. I also would like to assure you as I write this from AEM's Kelowna base, that while the matter is now entirely out of our hands, we continue to be positive about a positive outcome, and in the meantime are actively engaged with Delta, United, Southwest and American who are the largest potential customers for this application. We are also progressing two further potential applications and successful outcome for all of you as the owners of this company.

Thank you again for your support and patience and I look forward to providing you with further updates as soon as we are provided with new information.

Ross Love

Chairman and CEO

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

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