

ASX Announcement

ASX: SMN
5 August 2024

Boeing Technical Design Review confirms all outstanding Aft Pressure Bulkhead tests successfully completed

Structural Monitoring Systems Plc (“SMS” or “the Company”) (ASX:SMN) would like to provide the following update on the certification progress of the Company’s smart sensor solutions for Aft Pressure Bulkhead inspections.

SMS Chairman and Chief Executive Officer Ross Love commented:

“As Chairman and CEO, I am pleased to provide a further update on our July 16 announcement regarding the progress towards Federal Aviation Administration (FAA) certification for our smart sensor solution for Aft Pressure Bulkhead inspections.

“This further update follows the advice we received from Boeing on August 2 that their Technical Design Review (TDR) meeting has closed off all outstanding technical design issues arising from their initial review in February this year.

“The next step is the final compilation by the engineers and review by the E-UM of the compliance summary report, which is the entirety of all of the compliance package, including all data accumulated and substantiation claims. This is likely to take at least six weeks, as expected.”

SMS Group Chief Technical Officer Trevor Lynch-Staunton P.Eng has reported that the following outstanding items are now closed.

- Oversize fasteners - service bulletin amended to include solution.
- Justify the reduction of Detailed Inspection frequency for the Corrosion Protection and Control Program.
- Demonstration of low-stress performance of sensors with surface coatings accepted.
- Viability of stencil specification to mitigate risk of overspray of surface coatings confirmed and documentation agreed. Stencil will be demonstrated to E-UM in Everett on Aug 12th FAA invited.
- Training and standard practices reviewed and confirmed to address human factors in installation and subsequent adjacent maintenance practices.
- Alignment of SMS/AEM testing results with Boeing data verified.
- Applicability of prior testing to current sensor design reviewed - shock and vibration test being added to qualification analysis report to meet requirements.
- FMEA and MTBF draft reports presented, draft document being circulated now, hazard classification and certification impact is to be communicated to TDR members.
- Resolve delegation for CFR 25.1541 for stencil, FAA has agreed to provide delegation to 737 E-UM.

Mr Lynch-Staunton commented:

"This means that the critical technical concerns for the program have been resolved and we are compiling the documents now for application to the FAA.

"However, there are still several steps remaining in the process - both within Boeing and then within the FAA - as we have previously advised.

"However, we have no reason to believe that these additional steps won't be completed successfully, but at the same time we cannot guarantee that they will, nor when they will," he said.

Below is a recap of the recent and future timeline and milestones for this approval process:

COMPLETED

May 2024 - circulation of proposed new service bulletin 737-53-1418 to major US carriers for comment

June 2024 - completion of Low-Stress Coord Sheet Test Requirements

July 17 2024 - Certification Plan submitted to FAA (and EASA)

Aug 1 2024 - Boeing Structures Technical Design Review Meeting

PENDING

Aug 2024 - FAA acceptance of Certification Plan

Sep 2024 - Final documentation to Boeing ODA (internal Boeing certification authority) for approval

Nov 2024 - Boeing Service Bulletins and Compliance Report submitted to
FAA

SMS Chairman and CEO Ross Love further commented:

"This is a very detailed technical review process and achieving today's milestone confirms the confidence we have been expressing in both the process and the outcome, even though we might have wished for it to have been achieved earlier.

"It significantly increases the confidence with which we can continue our engagement with important potential customers -along with our currently contracted customer Delta Air Lines - for our Aft Pressure Bulkhead application and our confidence to pursue new applications, many of which we are already progressing.

"I look forward to providing further updates as the remaining milestones are **met**, as well as on the implications for our current budget and forecasts as we complete that assessment in the coming weeks.

"I would like to reiterate my thanks to our own technical team, as well as those at Boeing and Delta Air Lines, for their calm and professional persistence in achieving today's result, as well as to our loyal, and patient, shareholders who have funded this long and continuing journey to CVM™ commercialisation."

Ross Love
Chairman & Chief Executive Officer



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

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