

ASX Announcement

ASX: SMN
26 March 2025

ASX SMIDcaps Conference Presentation

Structural Monitoring Systems Plc (“SMS” or “the Company”) (ASX: SMN & SMNOA) is pleased to provide the attached presentation for the ASX SMIDcaps Conference presented by the ASX in partnership with Bell Financial Group in Sydney today.

The presentation should be read on conjunction with the presentation released on 6 November 2024 and the updated financial guidance released this morning.

A recording of today’s presentation will be available on the SMS website as soon as practicable following the webinar. For more information and to register please visit

<https://event.asx.com.au/asxsmidcapsconferencemarch2025>

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

Please contact:

Communications

Georgie Sweeting
Georgie.Sweeting@structuralmonitoring.systems
0417 179 024

Shareholder Enquiries

Ross Love
Ross.Love@structuralmonitoring.systems
0418 752 867

For personal use only

Structural Monitoring Systems (ASX: SMN)

ASX Presentation
March 26, 2025



AEM Avionics

- Development, manufacture, and sales and support of AEM branded Audio Systems, Radios, Consoles and Loudspeakers for Special Mission aviation sector
- AEM's Innovative engineering capabilities, vertically-integrated manufacturing and testing techniques and industry-leading technical product support are differentiators

Key Customers;

Bell, Boeing, Leonardo Helicopters, Airbus Helicopters, and Sikorsky

Key Competitors;

Becker Avionics, Canyon AeroConnect, PS Engineering, Powersonix, OEM (Airbus), Jupiter Avionics and Technisonic Industries

AEM Contract Manufacturing

- Advanced and fully integrated manufacturer of third-party products for the aviation industry's Special Mission sector
- Transport Canada approved manufacturer, JOSCAR registered supplier, and is ISO9001/AS9100D registered and certified under Canada's Controlled Goods Program

Key Customers;

Canyon AeroConnect, and SKYTRAC

Key Competitors;

Multiple other contract manufacturers supply this industry, although most currently supplied products are sole-sourced to AEM.

AEM CVM™

- Proprietary Comparative Vacuum Monitoring (CVM™) sensor technology and equipment
- First FAA approved airframe crack detection compliance sensor solution
- New application for Aft Pressure Bulhead Inspections Installed on approx 60 of Delta's 71 737 targeted aircraft fleet, with certification expected this calendar year (2025)

Strategic Partners;

Boeing, Delta Air Lines, and TESTIA, an Airbus Company

No Direct Competitors;

Current inspection technology from Eddyfi Technologies and others. New technologies being developed by Acellent Technologies and others.

Commentary:

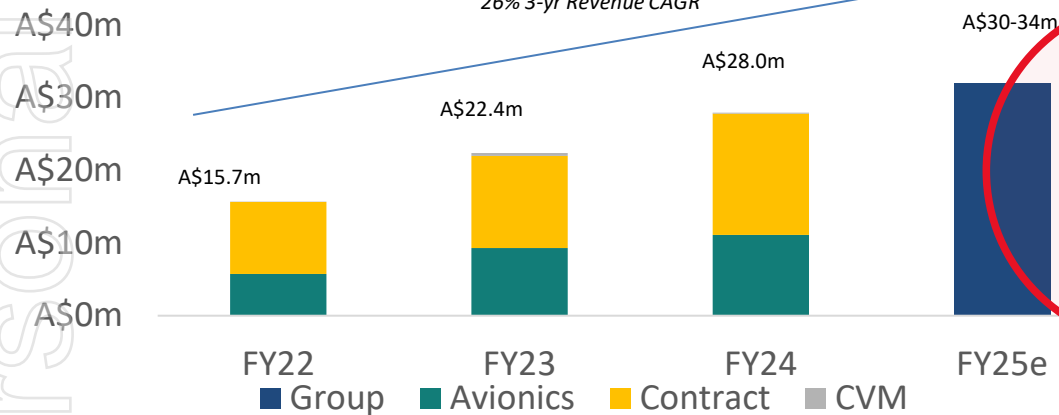
- Recent growth from delivery against long-term manufacturing contracts, and new Avionics products and markets
- CVM revenues from APB application sales forecast from Q3 FY25 **Now FY26**
- FY25 revenues can exceed range with investment
- Earnings increasing with higher Avionics and CVM volumes **Avionics revenues now larger than contract manufacturing**

September 2024 Quarterly Overview:

- Quarterly gross revenue for the quarter: \$6.6m (up 9% vs pcp – up 14% excluding FX movement)
- Quarterly Group EBITDA: \$0.6m (up 74% vs pcp)
- Group cash flows from operating activities: -A\$0.699m
 - Increase in operating cash burn driven by increase in Avionics sales on longer payment terms
- Total cash burn A\$1.4m and closing cash A\$0.9m **Now positive operating cash flow of \$2m for FY25, and available cash balance at June 30 forecast at >\$8m**

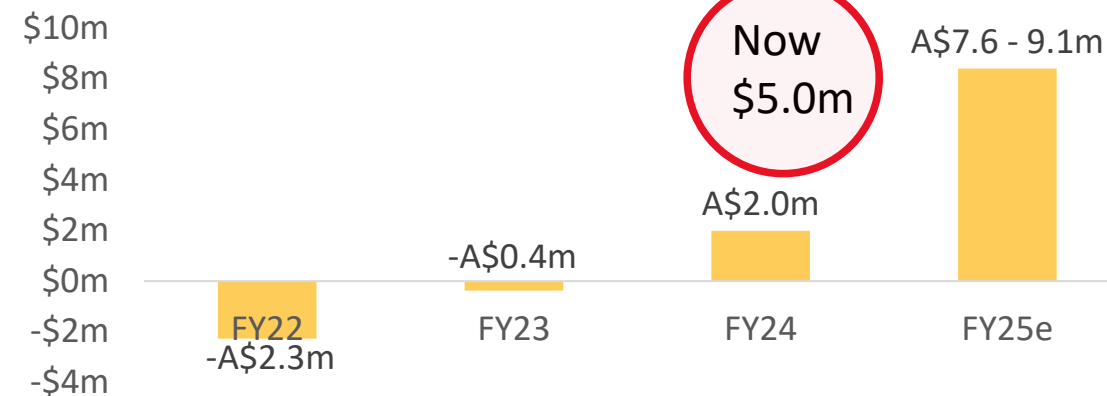
Revenue

26% 3-yr Revenue CAGR

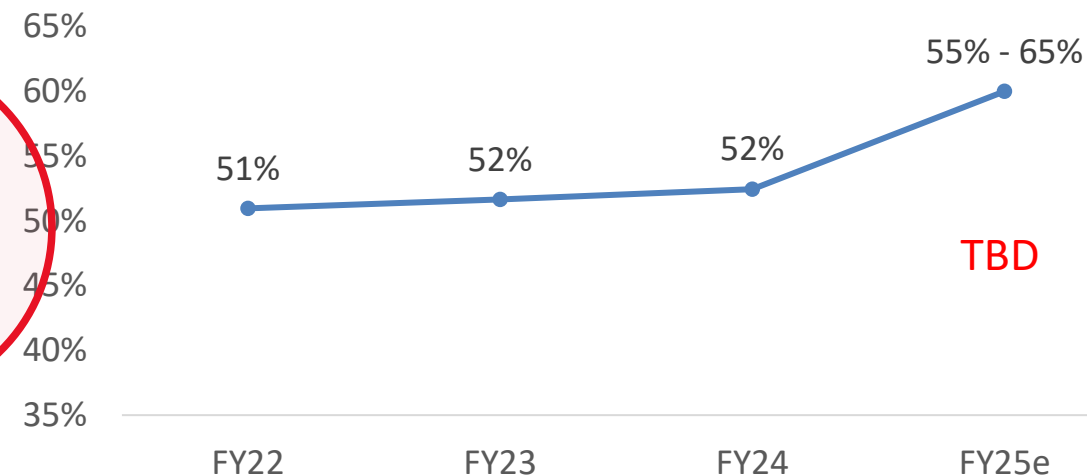


Now \$29.6m (without CVM revenue)

Group Adjusted EBITDA



Gross Margins



AEM Avionics & Contract Manufacturing

CAL FIRE order for Forest Radios confirmed (expected Q3 FY25)

- Potentially 150 units with a contract value of over \$2m USD

First 12 radios sold, balance be committed with new budget

US Forest Service final certification Forest Radio (expected Q3 FY25)

- opens access to US contract aerial fire fleets (approx. 800 aircraft)

Achieved Feb 2025 – over 250 radios since sold to this market

Gen III Software Platform Development Launched (expected Q3 FY25)

Prototyping and customer testing underway

Acquisition evaluations completed (Q3 FY25)

- initial complementary communications and manufacturing targets in discussion

Underway

AEM CVM™

Next slide

FAA Certification of ABP application (expected Q3 FY25)

- triggers Delta contractual payment (current value USD2m)
- conclusion of commercial negotiations with United (146 aircraft)
- commencement negotiations with Southwest (255 a/c), American (75 a/c), and balance of target fleets (240 a/c)

Formal commitments to SMS/Boeing/Delta plan for next applications (Q3 FY25)

- including first military application
- leading to generic certification

Underway

Next steps with EASA, Airbus and Lufthansa (Q3 FY25)

- with SMH commercial partner Testia (Airbus subsidiary)

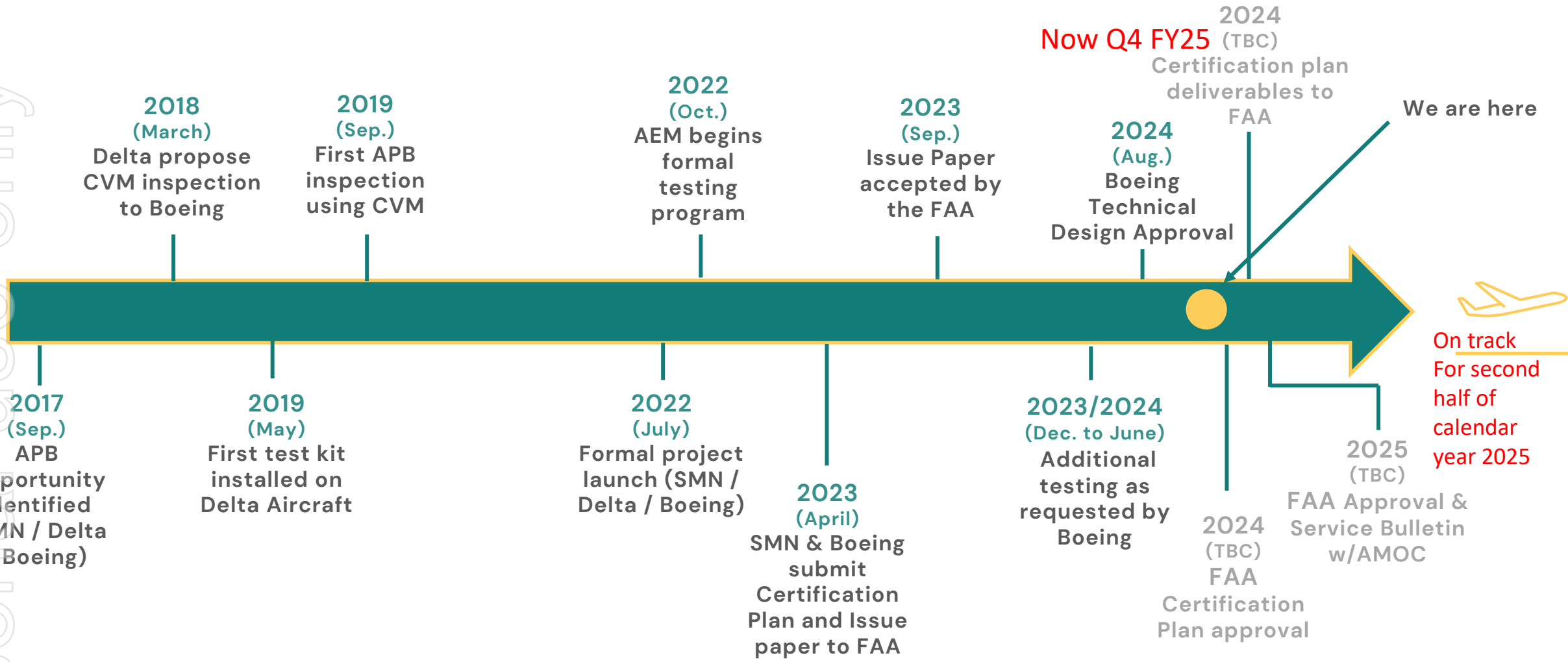
Next steps with identified commercial partners in Asia (Q3 FY25)

- Including Japan, China and Singapore

Acquisition evaluations completed (Q3 FY25)

- Initial complementary sensor target in discussion

737 Aft Pressure Bulkhead: At a critical inflection point in the program's history



Person use only