

ASX Announcement

ASX: SMN
24 April 2026

March 2026 Appendix 4C and Quarterly Update

Structural Monitoring Systems Plc (“SMS” or “the Company”) (ASX: SMN & SMNOA) is pleased to provide its Appendix 4C and Quarterly Update for the period ending 31 March 2026. This update is an overview of key activities and a review of operations by business segment for the Q3 period.

Highlights

- Q3 Free cashflow of **\$1.4 million**, up **55%** on pcp, up **917%** on prior year to date
- Repayment of **C\$0.8 million RBC term loan**, with the **Group now debt free**
- Q3 avionics revenue up **5%** on prior corresponding period (pcp), up **43%** on prior year to date
- Q3 NPAT of **\$1.2 million**, down 18% on pcp, up **203%** on prior year to date
- Q3 Adjusted EBITDA of **\$1.8 million**, down 18% on pcp, up **82%** on prior year to date
- Launch of the **MTP138** radio, supporting international growth strategy
- STC approval secured for **MTP136D and MTP138 radios on Bell 206 and 407 platforms**
- Revised CVM™ Certification Plan submitted to the FAA
- Ongoing engagement with Boeing and the FAA regarding Service Bulletin timing

CEO Commentary

Rick Freeman, Chief Executive Officer Anodyne Electronics Manufacturing Corp (AEM), commented:

“I am pleased with the Company’s financial performance and continued improvement in cash flow generation. The investments we are making in our product portfolio and operational capability are positioning the business for sustainable growth.

“Our focus remains on delivering solutions that meet our customers’ current and future aircraft requirements, while expanding our market reach.”

Chairman Commentary

Neville Bassett AM, Non-Executive Chairman, added:

“The Board is encouraged by the continued improvement in the Company’s financial performance and the strength of the underlying avionics business.

“We are seeing the benefits of a more disciplined and cash-generative operating model, alongside a growing product portfolio and expanding market opportunities.

“While the timing of CVM™ remains subject to external regulatory processes, the Board believes the Company is well positioned to deliver sustained growth and create long-term shareholder value.”

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March 2026 Quarter Group Financials (Unaudited)

A\$ million	March Qtr			YTD		
	FY26	FY25	change %	FY26	FY25	change %
Avionics revenue	5.7	5.4	5%	16.4	11.4	43%
CM revenue	2.2	2.5	-10%	8.2	9.2	-12%
Net profit/(loss) after tax	1.2	1.5	-18%	1.1	(1.1)	203%
Adj EBITDA *	1.8	2.2	-18%	5.6	3.1	82%
Free cash flow	1.4	0.9	55%	4.9	(0.6)	917%

* excludes share-based payments, restructure costs and audit adjustment to manufacturing overhead

During the March 2026 quarter, the Company reported continued improvement in avionics revenue and cash generation compared to the prior corresponding period (pcp) as well as continued improvements across total revenue, profitability and cash generation compared to the prior year to date.

Revenue for the quarter increased modestly year-on-year, with stronger avionics performance offsetting softer contract manufacturing sales in the period. Revenue for the year to date is up 19% on the prior year.

Free cashflow of \$1.4 million recorded during the quarter, an increase of 55% on the prior corresponding period, and 917% on the prior year to date, reflecting improved manufacturing margin and working capital management.

During the quarter, the Company repaid its C\$0.8 million Royal Bank of Canada term loan, resulting in the Group being free of all bank debt.

Net profit after tax and adjusted EBITDA have increased 203% and 82% respectively on the prior year to date.

Avionics

AEM's avionics segment continued to deliver strong performance, with sales 43% above the corresponding FY25 period, primarily driven by strong digital audio system sales and ongoing product demand.

MTP136D radio sales totalled 195 units year-to-date.

In March 2026, the Company launched the MTP138 radio, the most advanced analogue radio on the market, that focuses primarily on the offshore oil rigs, gas, wind farms and other marine-based facilities.

The launch of this new radio further supports our overall plan to grow our business beyond the North American market. We are currently in the process of securing European Supplement Type Certifications (STC) for the most used helicopter models supporting the offshore market segment.

Also, in March, the Company received STC approval enabling installation of MTP136D and MTP138 radios on Bell 206 and 407 aircraft, expanding the addressable market.

The Company also continues to invest in its product pipeline, with two avionics R&D programs progressing to plan and expected to enter the market in FY28.

The Avionics segment delivered revenue of \$5.7 million during the quarter, an increase of 5% on the prior corresponding period.

Contract Manufacturing

Contract Manufacturing continued to contribute positively to group performance, and in line with the prior corresponding period.

The contract manufacturing segment delivered revenue of \$2.2 million a decrease of 10% on the prior corresponding period which was more than offset by the increase in more profitable avionics revenue.

The Company continues to position Contract Manufacturing as a complementary growth segment, providing operational leverage, supporting overhead absorption and enabling continued investment in new product development.

CVM™ Smart Sensor Solutions

The Company continues to progress its CVM™ structural monitoring technology through the Boeing and FAA certification pathway.

During the quarter, all technical documentation was completed and submitted by Boeing for regulatory review. A scope issue identified during this process required revision of the Certification Plan, which has subsequently been updated and resubmitted to the FAA in early April (post period end).

Upon approval of the Certification Plan, Boeing is expected to submit the B737NG Service Bulletin to the FAA.

The Company continues to work with Boeing and the FAA to establish indicative timing for review and approval.

Following approval and release of the Service Bulletin, the Company expects to commence invoicing under existing arrangements and progress commercial agreements with major Boeing 737NG operators.

Corporate and Governance Update

No material changes during the quarter

March 26 Quarterly Investor Webinar and teleconference

Mr Rick Freeman will host an interactive conference call and webinar for investors, analysts and media on Wednesday 29 April to discuss the Company's Quarterly Activities Report for the period ending 31 March 2026.

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Mr Freeman will provide shareholders with an operational update across each of the Company's three business segments, together with an overview of strategic priorities as the Company progresses toward FY27 and beyond.

Following the presentation, shareholders will have the opportunity to participate in a live Q&A session.
Webinar and Conference Call Details:

Date:

- Kelowna (BC, Canada): Tuesday, 28 April 2026
- Australia: Wednesday, 29 April 2026

Time:

- Kelowna (BC, Canada): 6:00pm
- Australia (AWST): 9:00am
- Australia (AEST): 11:00am

Webinar Link: <https://loghic.eventsair.com/325141/236215/Site/Register>

Conference Call Registration: <https://s1.c-conf.com/diamondpass/10054437-tlx9gv.html>

Participants wishing to ask questions during the session are encouraged to join via the conference call facility (please join five minutes prior to the start time).

To assist in managing the Q&A session, shareholders are invited to submit questions in advance to: Georgie.Sweeting@structuralmonitoring.systems

A recording of the webinar will be made available on the Company's website as soon as practicable following the event.

Appendix 4C Details

SMS consolidated cash-at-bank as at 31 March 2026 was \$4.7 million. Unused finance facilities available at quarter end were \$6.3 million. Total available funding at quarter end was \$11.0 million. Operating cash flow for the quarter was \$2.2 million. A bank term loan with Royal Bank of Canada of C\$0.8 million was repaid during the quarter.

Payments for Product Manufacturing and Operating costs of \$1.6 million represent wholly owned subsidiary AEM's expenditure allocated to productive manufacturing and general operating costs.

Payment for staff costs of \$3.1 million represents salaries for manufacturing, administration, sales and general management activities and directors' fees, including director's termination fees.

Payments for Administration and Corporate Costs of \$0.6 million represent general costs associated with running the Company including ASX fees, legal fees, audit etc.

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The aggregate amount of payments to related parties and their associates included in the March quarter cash flows from operating activities was \$345,513 in respect to fees paid to directors.

Please refer to Appendix 4C attached for further details on cash flows for the quarter.

This ASX release has been approved for release by the Board of Directors.

Please contact:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Structural Monitoring Systems Plc

ARBN

106 307 322

Quarter ended ("current quarter")

31 March 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,269	24,913
1.2 Payments for		
(a) research and development	(420)	(655)
(b) product manufacturing and operating costs	(1,644)	(6,342)
(c) advertising and marketing	(229)	(512)
(d) leased assets	-	-
(e) staff costs	(3,059)	(8,661)
(f) administration and corporate costs	(639)	(1,903)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	44	44
1.5 Interest and other costs of finance paid	(103)	(260)
1.6 Income taxes received/(paid)	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash provided by operating activities	2,219	6,624
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(159)	(504)
(d) investments	-	-
(e) intellectual property ⁽¹⁾	(664)	(1,217)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash (used in) investing activities	(823)	(1,721)
(1)	Capitalised R&D expenditure		
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(135)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(854)	(1,088)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (ROU leases principal repaid)	(236)	(852)
3.10	Net cash (used in) financing activities	(1,090)	(2,075)
4.	Net increase in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,590	2,133
4.2	Net cash provided by operating activities (item 1.9 above)	2,219	6,624
4.3	Net cash used in investing activities (item 2.6 above)	(823)	(1,721)
4.4	Net cash used in financing activities (item 3.10 above)	(1,090)	(2,075)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(201)	(266)
4.6	Cash and cash equivalents at end of period	4,695	4,695

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,665	4,590
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,665	4,590

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	346
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Line of credit	6,248	-
7.3i Term loan	-	-
7.3ii Other (equipment leases)	3,995	3,957
7.4 Total financing facilities	10,243	3,957
7.5 Unused financing facilities available at quarter end		6,286
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>Royal Bank of Canada (RBC) operating line of credit of C\$6.00 million secured at 5.80% variable, no maturity date, reviewed annually.</p> <p>RBC 7 year term loan of C\$1.25 million secured at 6.78% fixed for 3 years was repaid during the quarter.</p> <p>HSBC equipment lease facility of US\$2.20 million, secured at various rates of between 2.61% and 4.41% fixed with a term of between 3-5 years according to the type of equipment financed.</p> <p>RBC C\$0.75 million equipment lease finance facility # 1. The term is 5 years at various fixed interest rates of between 5.04% and 7.63%. The sum of \$0.71 million had been drawn at quarter end.</p> <p>RBC US\$0.36 million equipment lease finance facility # 2. The term is 5 years at various fixed interest rates of between 2.61% and 4.40%.The facility is fully drawn.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash provided by operating activities (item 1.9)	2,219
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,695
8.3 Unused finance facilities available at quarter end (item 7.5)	6,286
8.4 Total available funding (item 8.2 + item 8.3)	10,981
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	n/a
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/a

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 April 2026
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By the Board
Authorised by:

(Name of body or officer authorising release – see note 4)

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Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.