

Structural Monitoring Systems (ASX: SMN)

Annual General Meeting
23 December 2025



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Experience:

Boeing Military and Commercial Aircraft:

Held various positions in Engineering, Research & Development, Operations Management and Program Management.

LPS Laboratories an ITW Company:

Responsible for the sales and marketing of the Aerospace products group.

Safran Group: President or CEO of three different Safran Group companies.

Most Recent Role: CEO of IDD Aerospace.

Took IDD Aerospace from a company with 10-years of financial losses, made it profitable in 2-years, doubled sales in 6-years with strong EBIT and Cash position.

Financial Overview: H1FY26 and FY26 Projections

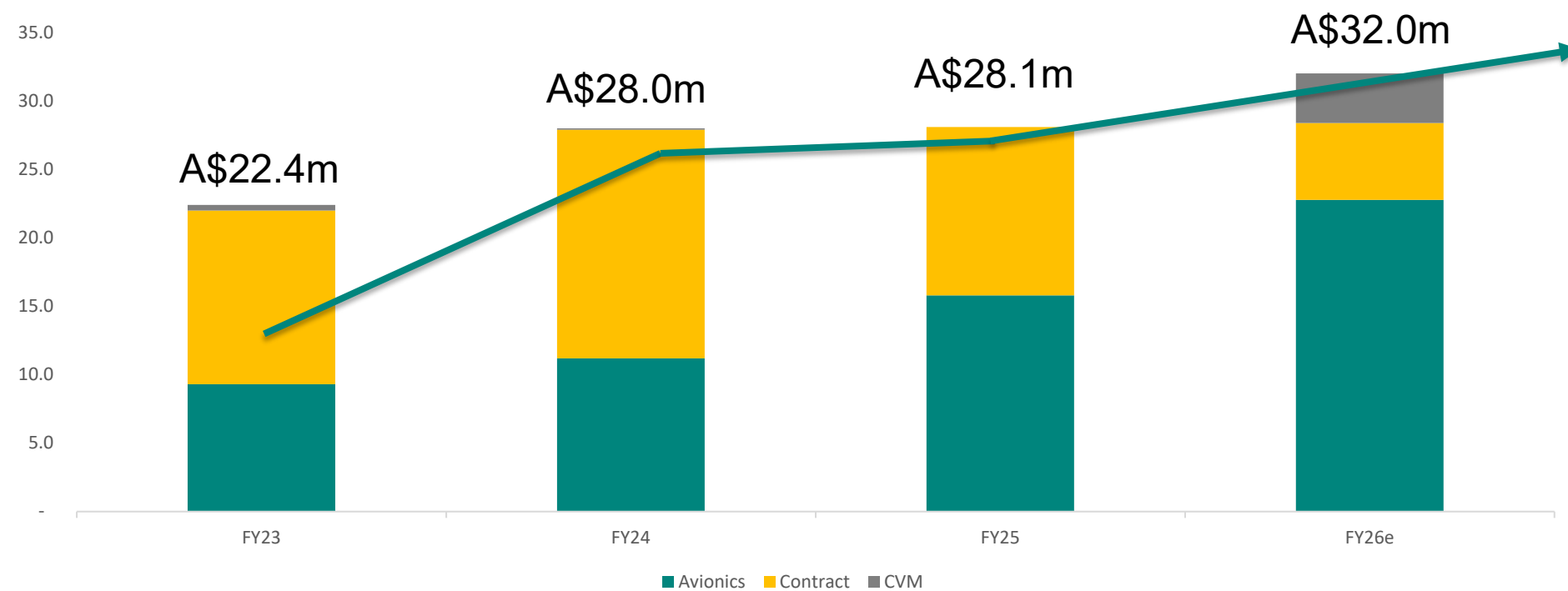
Commentary:

Projected H1FY26 primary financial KPIs will be positive

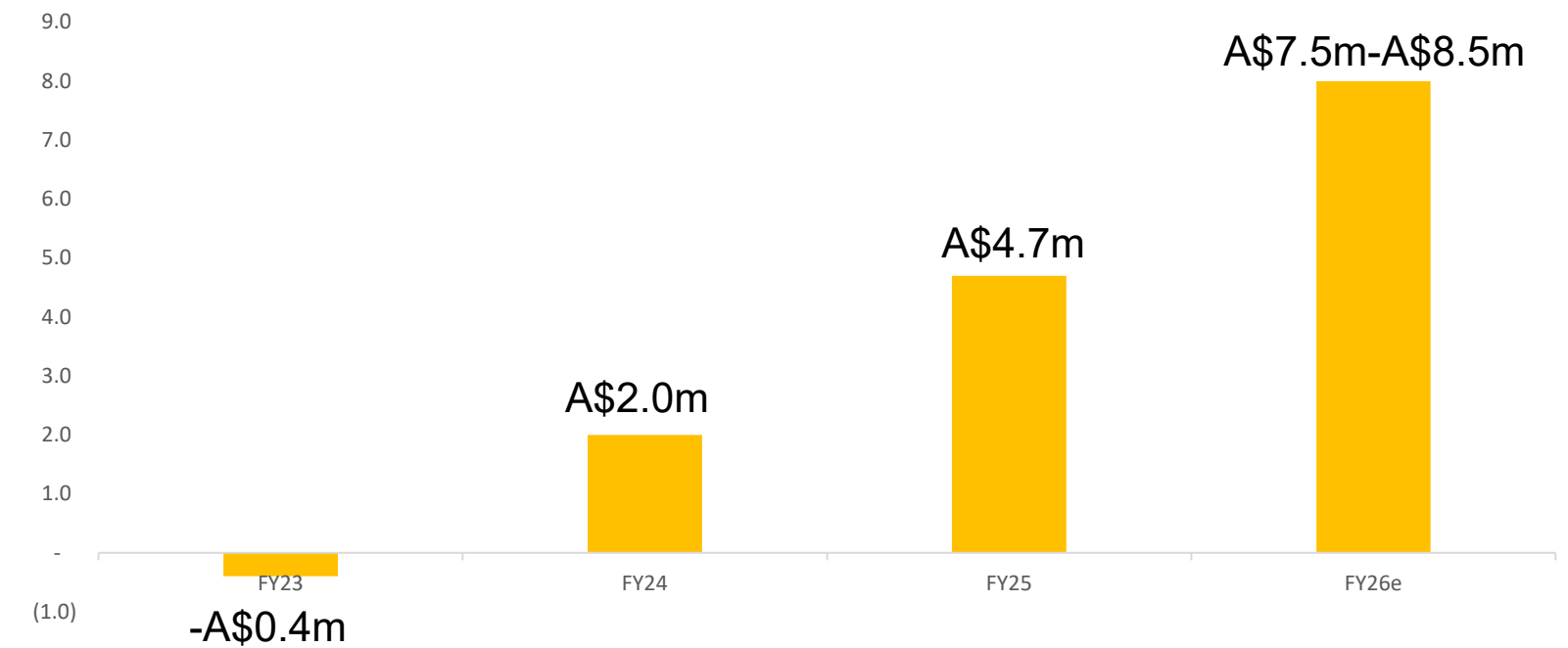
- H1FY26e Sales up 31% versus H1FY25
- H1FY26e Cash Flow and EBITDA are much improved versus H1FY25

	H1FY26 Forecast	H1FY26 Budget	H1FY25 Actual	Comments
Revenue	A\$16.52m	A\$14.34m	A\$12.63m	H1FY26 forecast 15% higher than budget and 31% higher than H1FY25
Free Cashflow	A\$0.53m	(A\$1.76m)	(A\$1.57m)	
EBITDA	A\$2.90m	A\$2.48m	(A\$0.43m)	H1FY26 forecasted at 17% higher than budget and higher than H1FY25

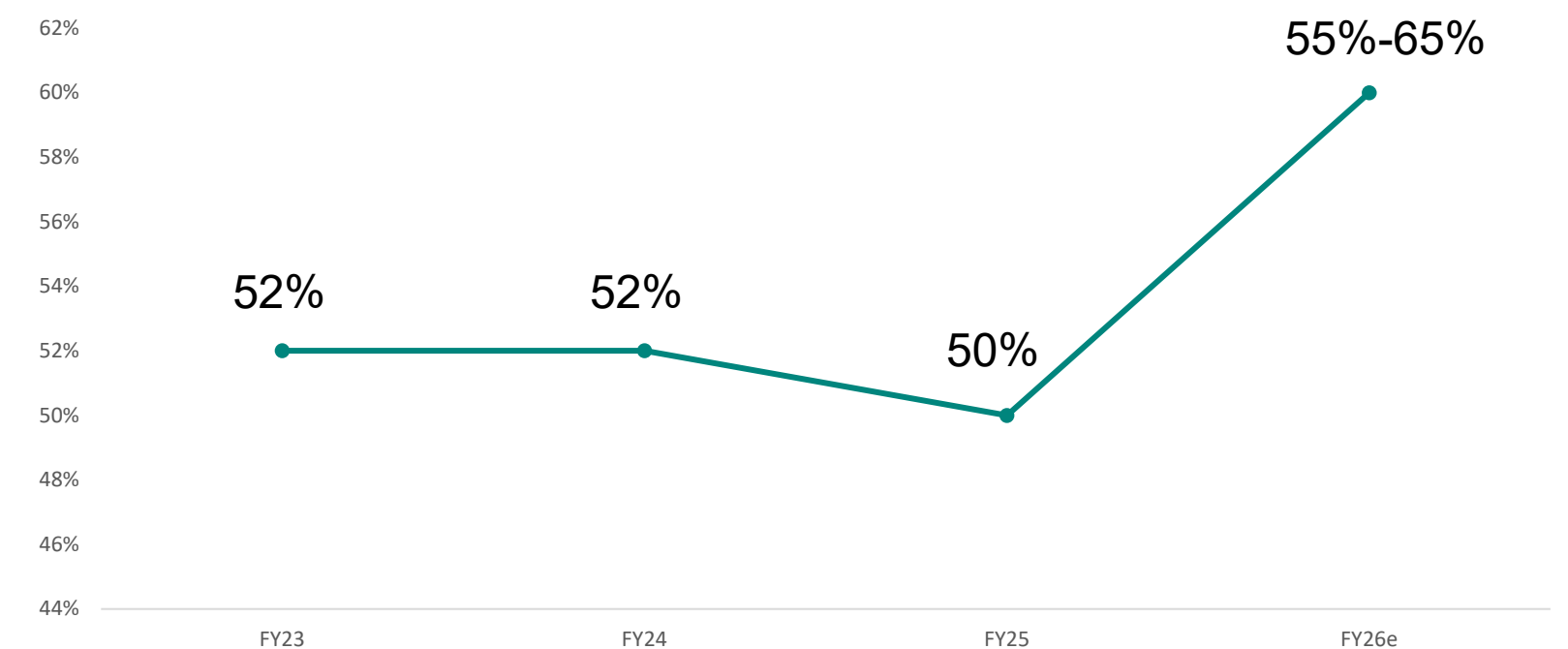
Group Revenue



Group Adjusted EBITDA



Gross Margins



Business Overview

5-Year Mid-Term Plan

AEM Avionics

Contract Manufacturing

CVM™



Avionics Strategy: Recognised leader in Special Mission products and service with 20% Year-Over-Year sales growth driven by Customer Focused Products, NPI and Driving Success

Avionics: New Product Development

Avionics: Business Development *Driving long-term Sales Growth*



- MTP136D Radio 2025
6,000+ Market Potential
- MTP138 Radio 2027
500+ Market Potential
- New Product X 2027
16,000+ Market Potential
- New Product Y 2029
15,000+ Market Potential

OBJECTIVE	GOAL	BENEFITS/COMMENTS
Win OEM Business	Win two major opportunities in the 5-year Mid-Term Plan (MTP)	Consistent year-over-year sales growth AEM recognised as major Avionics supplier
Expand product offering in the Special Mission market segment	Identify, develop and implement products our customer want	Secure long-term business growth
Develop product improvements & technologies for growth	Incorporate product improvements to upgrade existing products	Drive retrofits and new sales to fill gap between full redesigns
Increase AMO Sales, Profit and Customer satisfaction	10% Annual Sales Growth at +60% GM, Repair TAT<15-days	Revenue to support future growth, supports winning new business
Grow Business thru Acquisition	Identify and purchase acquisitions to grow AEM business	Leverage Balance Sheet to maximize growth and profit
Increase EU, South America and Asia Sales	Implement Grow EU, South America and Asia growth plan	We are known worldwide

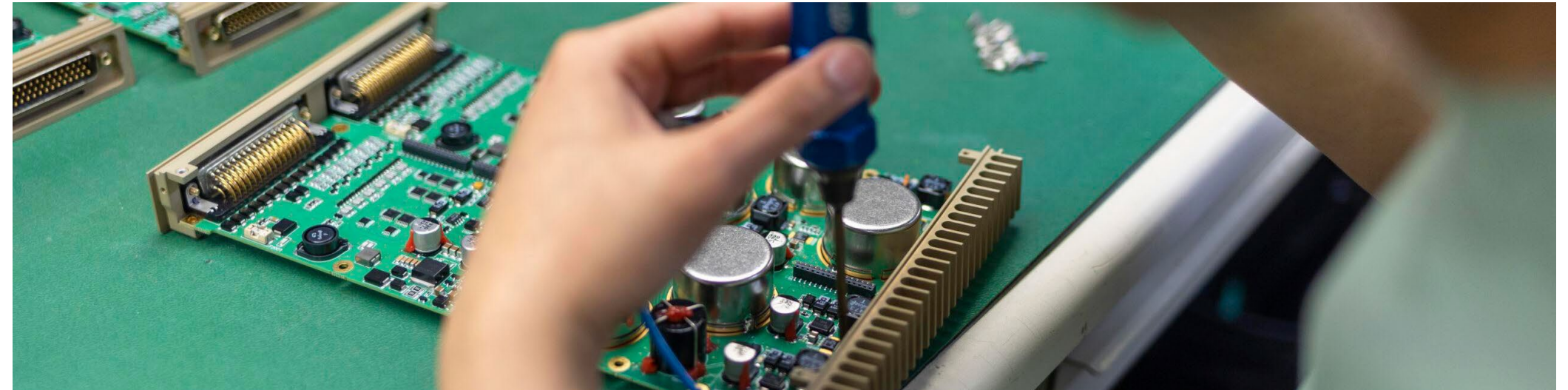
Contract Manufacturing Strategy: Support AEM growth financially and ensure we have best-in-class manufacturing processes, expertise and quality

Contract Manufacturing: Recent Strategy

- Plan was to exit contract manufacturing because margins are low and we want to focus on AEM products.
- We notified our CM customers that we want to reduce/stop doing contract manufacturing.

Contract Manufacturing: New Strategy

- We revised our position on contract manufacturing providing the margins are strong.
 - We have the capacity
 - CM helps cover our NPI investments and our overhead costs.
 - CM provides a buffer for challenges in our other business segments.



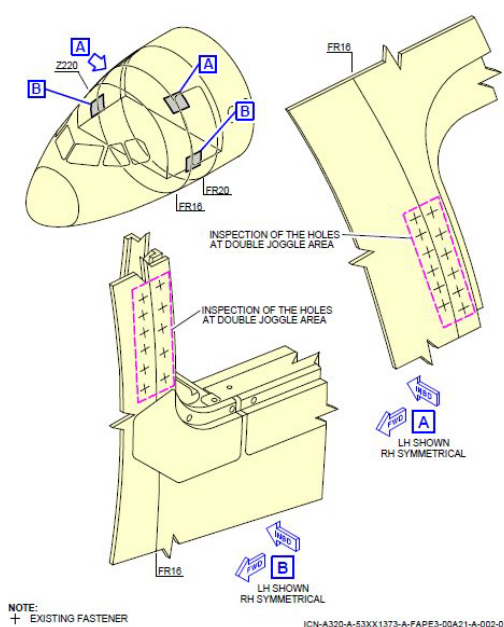
OBJECTIVE	GOAL
Contract Manufacturing contributes to AEM's long-term success	CM generates +\$10M in sales at +30% GM Year-over-year
Re-establish business with Canyon AeroConnect	New agreement with GM >30%. Annually increase sales by 10%
Re-establish business with SKYTRAC	New agreement with GM >30% Annually increase sales by 10%
New customer for contract manufacturing in FY27	Win one new customer with ~\$1M annual sales

CVM™ Strategy: Recognised leader in Structural Health Monitoring for safety of flight and reduced operating costs.

CVM™: Targeted Applications

Boeing 737NG Aft Pressure

Airbus A320 Frame 16



CVM™: Business Development

Transition from Technically feasible to Commercially viable

OBJECTIVE	GOAL	BENEFITS/COMMENTS
Boeing B737NG Aft Pressure Bulkhead	Boeing completes certification documents and submits to FAA	Boeing continues to slide schedule to the right.
FAA certification of SHM for 737NG APB	FAA certifies CVM for 737NG without additional requirements	Risk FAA may require that additional in service validation
Complete/Propose 737NG commercial agreements	Commercial agreements with Delta, United and Southwest Airlines	Launch of CVM commercialization will open up new opportunities
Airbus A320 Frame 16 test and validation process	Airbus finances Frame 16 test and validation	Establish precedence where customer covers the cost to validate CVM application
Implement Business Development strategy for new applications	Clear strategy to commercially develop and grow CVM applications	Business development of CVM applications requires buy-in from OEMs

Note: FY26 budget includes \$3m of CVM sales contingent on achieving FAA certification

Q&A

Thank you!

This ASX release has been approved for release by CEO Rick Freeman on behalf of the SMS Board of Directors.