Structural Monitoring Systems plc
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Structural Monitoring Systems Plc
ARBN:	106 307 322
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	16%	to	32,533
Profit from ordinary activities after tax attributable to the owners of Structural Monitoring Systems plc	up	669%	to	1,331
Profit for the year attributable to the owners of Structural Monitoring Systems plc	up	669%	to	1,331

Dividends
No dividends were paid for the year ended 30 June 2025.
It is not proposed to pay any dividends for the year ended 30 June 2026.

Comments
The profit for the Group after providing for income tax amounted to $1.3m (30 June 2025: $0.2m).

For further details refer to the financial statements and the review of operations that follows in this report.

REVIEW OF OPERATIONS

Structural Monitoring Systems Plc (“SMS," "the Company" or “the Group”) and its Canadian-based, wholly owned subsidiary, Anodyne Electronics Manufacturing Corp (“AEM”), recorded a profit after tax of $1.3m for the year ended 30 June 2026 (FY26) (2025: profit after tax $0.2m) representing a 669% improvement year-on-year. The Group delivered record revenue, improved profitability and strong cash generation during the year.

The result reflects continued growth in the Group’s higher-margin proprietary avionics business, disciplined management of its contract manufacturing operations and continued progress toward the commercialisation for its CVM™ structural health monitoring technology.

The financial performance of the Group for the year ended 30 June 2026 is summarised as follows:

	FY26	FY25	YoY%
Gross Revenue ($m)	32.5	28.1	16%
Net Profit After Tax ($m)	1.3	0.2	669%
Adjusted EBITDA* ($m)	6.4	4.7	36%
Free cashflow ($m)	5.0	(0.6)	-
Earnings per share (cents per share)	0.86	0.12	617%

*Adjusted EBITDA excludes unrealised losses on derivative contracts of $0.8m (2025: unrealised gain of $0.1m), and share-based payments of $0.5m (2025: $0.4m)

During the year, the Group repaid its remaining $1.0m term loan with Royal Bank of Canada and ended the year free of bank debt. The Group held cash at bank of $4.8m at 30 June 2026 (30 June 2025: $2.1m).

The improvement in financial performance was primarily driven by continued growth in the Avionics segment, improved manufacturing margins, disciplined cost management and a focus on working capital and cash generation.

Avionics

AEM Avionics was the principal driver of the Group’s growth during the year.

Avionics revenue increased by 40% to $22.2 million, compared with $15.8 million in FY25. This growth was supported by continued demand for AEM’s digital audio systems and radio products, increased customer engagement and broader market acceptance of AEM’s expanding proprietary avionics product portfolio.

Demand for the MTP136D aerial firefighting radio remained strong following its certification by the United States Forest Service and Department of the Interior. During FY26, the Company delivered a further 50 MTP136D radios to CAL FIRE under its fleet modernisation program.

AEM also broadened the installation opportunities for its radio products through additional Supplemental Type Certificates (“STCs”).

During FY26, AEM launched the MTP138 radio, extending its critical-mission radio offering into offshore oil and gas, wind farm and other marine-related aviation applications. STC approval was also secured for installation of the MTP136D and MTP138 radios on Bell 206 and 407 aircraft.

Radio sales increased to 322 units during FY26, representing growth of approximately 29% compared with FY25. Sales momentum strengthened during the second half of the year as the Company increased direct customer engagement and expanded STC coverage across additional aircraft platforms.

AEM continued to invest in its proprietary product portfolio, with two avionics research and development programs progressing during the second half of FY26.

The Avionics segment enters FY27 with an expanding installed base, broader aircraft certification coverage and a pipeline of new and upgraded proprietary products.

Contract Manufacturing

Contract manufacturing revenue for FY26 was approximately $10.3 million, compared with $12.2 million in FY25.

The reduction in revenue reflects the Group's strategy of focusing on contract manufacturing programs that generate acceptable margins and make effective use of AEM's manufacturing capacity and technical capabilities.

Notwithstanding the lower revenue, the segment continued to provide manufacturing scale, stable cash flow, operational support and overhead absorption while supporting continued investment in proprietary avionics products.

The Group will continue to manage the Contract Manufacturing segment with a focus on margin, operational efficiency and its strategic contribution to the broader business.

CVM™ Smart Sensor Solutions

The Group continued to progress the certification and commercialisation pathway for its Comparative Vacuum Monitoring ("CVM™") structural health monitoring technology during FY26.

During the September quarter, the CVM™ team met with FAA certification engineers for a demonstration of the Boeing 737NG Aft Pressure Bulkhead monitoring system and a review of associated certification documentation.

At that time, 64 Delta Air Lines aircraft and two aircraft operated by another major U.S. airline had been fitted with CVM™ sensor kits.

During the December quarter, the Group continued validating the technical documentation for the Boeing 737NG application. The remaining documentation required for the FAA submission package was provided to Boeing's Engineering Unit Member in December 2025, with final updates subsequently completed.

During the March quarter, the Boeing B737NG Certification Plan and Service **Bulletin** was validated by the Boeing Regulatory Administration Group prior to submission to the FAA. A scope issue identified during the Boeing review process required the Certification Plan to be revised. Both the revised B737NG Certification Plan and the Service Bulletin were submitted to the FAA in April 2026 for their review and approval.

The Company continued discussions with major aircraft operators regarding potential commercial arrangements and assessed additional CVM™ applications with a focus on securing original equipment manufacturer support.

In parallel with the Boeing program, Airbus continued to evaluate potential further applications for CVM™ technology. The Company also continued to assess opportunities for CVM™ within military aircraft structural integrity programs.

Corporate and Governance

During the year, the Company undertook a number of corporate and governance initiatives aimed at strengthening leadership capability and maintaining operational focus.

On 14 August 2025, Mr Anthony Faillace was appointed as a Non-Executive Director, bringing extensive global markets and investment management experience to the Board.

On 26 August 2025, Mr Rick Freeman was appointed Chief Executive Officer of the Company's wholly owned subsidiary, AEM. Mr Freeman brings more than 20 years' leadership experience in the aerospace sector, including experience in business transformation and strategic execution.

Mr Neville Bassett AM was appointed Non-Executive Chairman effective from the close of the Company's Annual General Meeting on 23 December 2025. Mr Bassett is a Chartered Accountant with more than 30 years' experience in corporate advisory, financial management and public company governance.

During the year, the Company was involved in Federal Court proceedings commenced by former director Mr Ross Love and Turton House Group Pty Ltd. In December 2025, the Federal Court declined to grant an injunction against the Company, discharged the temporary injunction previously in place and ordered that Mr Love and Turton House Group Pty Ltd pay the Company's costs of the injunction application. Following that decision, the Board resolved to remove Mr Love as a director and terminate the related executive services agreement.

On 13 March 2026, the Company announced that the parties had entered into a Deed of Settlement and Release, fully and finally resolving all matters relating to the proceedings without any admission of liability. A Notice of Discontinuance was filed with, and approved by, the Federal Court.

Subsequent to the end of the reporting date, and following four consecutive quarters of positive operating cash flow, ASX confirmed that the Company was no longer required to lodge Appendix 4C quarterly cash flow reports under Listing Rule 4.7B. The Company intends to continue lodging Quarterly Activities Reports and will continue to comply with its continuous disclosure obligations.

Subsequent Events

Subsequent to the end of the reporting date, Boeing advised the Company that the FAA had scheduled commencement of its review of the revised Certification Plan for 7 October 2026.

The FAA's review of the Boeing 737NG Service Bulletin is expected to commence on 24 October 2026. These dates are indicative and remain subject to the FAA's review process and priorities.

Outlook

The Group enters FY27 with a strengthened balance sheet, no bank debt and a growing proprietary avionics business.

The Group's priorities for FY27 include:

- continuing to grow sales of AEM's digital audio and radio products;
- securing further aircraft certifications and STCs;
- progressing new proprietary avionics development programs;
- increasing direct engagement with customers and original equipment manufacturers;
- maintaining a disciplined and margin-focused approach to Contract Manufacturing;
- progressing the Boeing 737NG CVM™ certification pathway; and
- evaluating additional commercial and military applications for CVM™ technology.

The Board and management remain focused on disciplined capital allocation, continued cash generation and investing in opportunities capable of delivering sustainable long-term growth.

The FY26 financial results contained in this report are preliminary and remain subject to completion of the audit process.

Future Developments

The Company will continue to focus on further expansion of its avionics business across North America and other global markets, whilst continuing to progress FAA certification and commercialisation of CVM™ technology.

Analysis Using Key Financial Performance Indicators and Milestones

As at 30 June 2026, the Group had approximately $4.8m cash at bank (2025: $2.1m).

The Group recorded a profit after tax for the 2026 financial year of $1.3m (2025: profit after tax $0.2m). The increase in profit resulted from a 40% increase in proprietary avionics products sales and an improved manufacturing margin whilst maintaining tight cost controls.

The Group recorded revenue during the year of $32.5m (2025: $28.1m), an increase of 16% year on year. Key expenses during the year were consumables and raw materials used of $15.6m (2025: $12.1m), depreciation and amortisation expenses of $2.4m (2025: $2.3m), employee costs of $6.8m (2025: $7.7m) and sales and marketing expenses of $1.1m (2025: $0.8m). In accordance with IAS 38 *Intangible assets* the Group has capitalised development expenses of $2.6m (2025: $1.0m) incurred in the internal development of products at the commercialisation stage of development. Income tax expense for the year increased to $0.9m (2025: $0.6m).

At the reporting date the Group had net assets of $23.3m (2025: $23.5m). The Group had trade receivables of $3.9m, inventory of $10.9m and intangible assets of $7.6m, including goodwill of $1.4m. The key movements during the year were an increase in cash at bank of $2.6m due to increased profitability and cash generation, an increase in accounts receivable of $1.1m, due to increase revenue, a reduction in inventory of $4.0m due to increased efficiency in inventory management.

Borrowings of $1.0m were repaid during the year eliminating all bank debt from the balance sheet and lease liabilities were reduced by $1.6m.

As a result of the CAD:AUD dollar spot rate declining by 9% during the year, a negative movement in the foreign currency translation reserve has been recorded under other comprehensive income for the year reflecting the decline in Canadian dollar denominated asset value when converted to AUD.

The Group's adjusted EBITDA* for the financial year was $6.4m. (2025: $4.7m).

Earnings per share for the financial year was 0.86 cents per share (2025: earnings per share 0.12 cents).

Net tangible assets at the reporting date were 10.06 cents per ordinary security (2025: 10.59 cents).

*Adjusted EBITDA excludes unrealised losses on derivative contracts of $0.8m and share-based payments of $0.5m

All financials are quoted in Australian dollars unless otherwise stated.

Statement of comprehensive income
For the year ended 30 June 2026

	Consolidated		Parent	
	2026	**2025**	**2026**	**2025**
	$000'	**$000'**	**$000'**	**$000'**
Continuing operations				
Revenue				
Sales	32,533	28,058	-	-
Cost of sales	(15,567)	(12,120)	-	-
Gross profit	16,966	15,938	-	-
Other income	270	64	894	1,112
Loss on disposal of equipment	-	(2)	-	-
Depreciation and amortisation	(2,430)	(2,332)	-	-
Employee expenses	(6,799)	(7,684)	(728)	(643)
Impairment charges	-	-	(329)	(343)
Research and development expenses	-	(320)	-	-
Restructure costs	-	(390)	-	-
Royalty fees	(132)	(125)	-	-
Sales and marketing expenses	(1,138)	(795)	(157)	(116)
Share-based payments expenses	(501)	(439)	(34)	(439)
Administrative expenses	(2,758)	(2,362)	(676)	(669)
Operating profit/(loss) before finance costs and tax	3,478	1,553	(1,030)	(1,098)
Finance costs	(226)	(606)	(2)	(3)
Finance income	-	4	335	159
Unrealised (loss)/gain on derivative contracts	(844)	90	-	-
Foreign exchange gains/(losses)	(151)	(310)	-	(6)
Income tax expense	(926)	(558)	-	-
(Loss)/profit after finance costs and tax from continuing operations	1,331	173	(697)	(948)
Profit/(loss) attributable to members of the parent	1,331	173	(697)	(948)
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation	(2,033)	253	-	-
Total other comprehensive (loss)/income for the year	(2,033)	253	-	-
Total comprehensive (loss)/income attributable to owners of Structural Monitoring Systems Plc	(702)	426	(697)	(948)
Earnings per share (cents per share)				
Basic for profit from continuing operations	0.86	0.12		
Diluted for profit from continuing operations	0.86	0.12		

Statement of financial position
As at 30 June 2026

	Consolidated		Parent	
	2026	**2025**	**2026**	**2025**
	$000'	**$000'**	**$000'**	**$000'**
Assets				
Current assets				
Cash and cash equivalents	4,762	2,133	93	79
Trade receivables	3,870	2,793	-	-
Inventory	10,863	14,893	-	-
Derivative financial instruments	-	91	-	-
Prepayments and other receivables	498	514	88	101
Total current assets	19,993	20,424	181	180
Non-current assets				
Plant and equipment	997	1,181	-	-
Right-of-use assets	4,130	5,553	-	-
Intangible assets and goodwill	7,639	7,113	-	-
Deferred tax assets	423	419	-	-
Loans to subsidiaries	-	-	17,779	18,171
Total non-current assets	13,189	14,266	17,779	18,171
Total assets	33,182	34,690	17,960	18,351
Liabilities				
Current liabilities				
Trade and other payables	3,545	2,863	286	481
Borrowings	-	189	-	-
Lease liabilities	1,290	1,523	-	-
Derivative financial instruments	726	-	-	-
Provisions	205	301	-	-
Total current liabilities	5,766	4,876	286	481
Non-current liabilities				
Borrowings	-	813	-	-
Lease liabilities	3,655	4,988	-	-
Deferred tax liability	436	487	-	-
Total non-current liabilities	4,091	6,288	-	-
Total liabilities	9,857	11,164	286	481
Net assets	**23,325**	**23,526**	**17,674**	**17,870**
Equity attributable to equity holders of the parent				
Issued capital	31,980	31,979	31,980	31,979
Share premium reserve	53,568	53,068	53,568	53,068
Accumulated losses	(59,154)	(60,670)	(66,250)	(65,738)
Other reserves	(3,069)	(851)	(1,624)	(1,439)
Total equity	**23,325**	**23,526**	**17,674**	**17,870**

Statement of cash flows
For the year ended 30 June 2026

	Consolidated		Parent	
	2026	**2025**	**2026**	**2025**
	$000'	**$000'**	**$000'**	**$000'**
Cashflows from operating activities				
Receipts from customers	31,502	27,294	894	-
Payments to suppliers and employees	(23,150)	(25,581)	(1,744)	(1,352)
Interest received	-	4	335	4
Interest paid	(226)	(651)	(1)	(2)
Net cash provided by/(used in) operating activities before tax	8,126	1,066	(516)	(1,350)
Income tax	-	-	-	-
Net cash provided by/(used in) operating activities	**8,126**	**1,066**	**(516)**	**(1,350)**
Cashflows from investing activities				
Payments for development expenses capitalised	(2,592)	(1,052)	-	-
Payments for plant and equipment	(539)	(577)	-	-
Net cash (used in) investing activities	**(3,131)**	**(1,629)**	**-**	**-**
Cashflows from financing activities				
Proceeds from issue of shares	-	8,700	-	8,700
Issue costs	(135)	(568)	-	(660)
Repayment of borrowings	(1,002)	(5,382)	-	-
Repayment of lease liabilities	(1,178)	(1,297)	-	-
Proceeds of borrowings from subsidiaries	-	-	530	-
Repayment of borrowings to subsidiaries	-	-	-	(6,645)
Net cash provided by/(used in) financing activities	**(2,315)**	**1,453**	**530**	**1,395**
Net increase in cash held	2,680	890	14	45
Cash and cash equivalents at beginning of year	2,133	1,260	79	34
Effect of foreign exchange on balances	(51)	(17)	-	-
Cash and cash equivalents at end of year	**4,762**	**2,133**	**93**	**79**
Cash and cash equivalents	4,762	2,133	93	79
Borrowings	-	(1,002)	-	-
Cash and cash equivalents net of borrowings at end of year	**4,762**	**1,131**	**93**	**79**

Consolidated statement of changes in equity
For the year ended 30 June 2026

Consolidated	**Issued capital $000'**	**Accumulated losses $000'**	**Share premium reserve $000'**	**Share-based payments reserve $000'**	**Foreign currency translation reserve $000'**	**Total $000'**
At 1 July 2025	31,979	(60,670)	53,068	832	(1,683)	23,526
Profit for the year	-	1,331	-	-	-	1,331
Foreign currency translation	-	-	-	-	(2,033)	(2,033)
Total comprehensive income/(loss) for the year	-	1,331	-	-	(2,033)	(702)
Transactions with owners:						
Share-based payments: CDIs	1	-	500	-	-	501
Expiry of options	-	185	-	(185)	-	-
Total transactions with owners	1	185	500	(185)	-	501
At 30 June 2026	31,980	(59,154)	53,568	647	(3,716)	23,325
At 1 July 2024	31,962	(60,994)	44,612	977	(1,936)	14,621
Profit for the year	-	173	-	-	-	173
Foreign currency translation	-	-	-	-	253	253
Total comprehensive income for the year	-	173	-	-	253	426
Transactions with owners:						
Issue of CDIs for cash	16	-	8,684	-	-	8,700
Share-based payments: options	-	-	-	130	-	130
Share-based payments: CDIs	1	-	432	-	-	433
Share-based payments: accrual prior year	-	-	-	(124)	-	(124)
Expiry of performance rights	-	151	-	(151)	-	-
Share issue costs	-	-	(660)	-	-	(660)
Total transactions with owners	17	151	8,456	(145)	-	8,479
At 30 June 2025	31,979	(60,670)	53,068	832	(1,683)	23,526

Consolidated statement of changes in equity (continued)
For the year ended 30 June 2026

Parent	**Issued capital $000'**	**Accumulated losses $000'**	**Share premium reserve $000'**	**Share-based payments reserve $000'**	**Foreign currency translation reserve $000'**	**Total $000'**
At 1 July 2025	31,979	(65,738)	53,068	832	(2,271)	17,870
Loss for the year	-	(697)	-	-	-	(697)
Total comprehensive loss for the year	-	(697)	-	-	-	(697)
Transactions with owners:						
Share-based payments: CDIs	1	-	500	-	-	501
Expiry of options	-	185	-	(185)	-	-
Total transactions with owners	1	185	500	(185)	-	501
At 30 June 2026	31,980	(66,250)	53,568	647	(2,271)	17,674
At 1 July 2024	31,962	(64,941)	44,612	977	(2,271)	10,339
Loss for the year	-	(948)	-	-	-	(948)
Total comprehensive loss for the year	-	(948)	-	-	-	(948)
Transactions with owners:						
Issue of CDIs for cash	16	-	8,684	-	-	8,700
Share-based payments: options	-	-	-	130	-	130
Share-based payments: CDIs	1	-	432	-	-	433
Share-based payments: accrual prior year	-	-	-	(124)	-	(124)
Expiry of performance rights	-	151	-	(151)	-	-
Share issue costs	-	-	(660)	-	-	(660)
Total transactions with owners	17	151	8,456	(145)	-	8,479
At 30 June 2025	31,979	(65,738)	53,068	832	(2,271)	17,870

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	10.06	10.59

4. Control gained over entities

Name of entity	n/a
Date control gained	n/a

	$'000
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

5. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are in the process of being audited.

The results for the year have been prepared using the recognition and measurement principles of International Financial Reporting Standards as adopted by the UK. Whilst the financial information included in this preliminary announcement has been prepared in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRSs), as adopted for use in the UK, this announcement does not itself contain sufficient information to comply with IFRSs.

The audited financial information for the year ended 30 June 2025 is based on the statutory accounts for the financial year ended 30 June 2025 that have been filed with the Registrar of Companies. The auditor reported on those accounts: their report was (i) unqualified, (ii) did not include references to any matters to which the auditor drew attention by way of emphasis without qualifying the reports and (iii) did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The statutory accounts for the year ended 30 June 2026 are expected to be finalised on the basis of the financial information presented by the Directors in this preliminary announcement and signed following approval by the Board of Directors.

The financial information contained in this announcement does not constitute statutory accounts for the year ended 30 June 2026 or 2025 as defined by Section 434 of the Companies Act 2006.

6. Attachments

Details of attachments (if any))

n/a

7. Signed

As authorised by the Board of Directors

Signed ____________________ Date: 31st August 2026

Neville Bassett AM
Non-Executive Chair