

ASX ANNOUNCEMENT

ASX: SMN

28 February 2023

**STRUCTURAL
MONITORING
SYSTEMS**
plc



Resignation of UK auditor

Structural Monitoring Systems Plc ("SMS" or "the Company") (ASX: SMN) wishes to advise that the Company was notified overnight by its UK auditor that they had been forced to resign from their engagement with the Company due to the unexpected departure, at very short notice of the audit partner responsible for the Group's external audit function and a current lack of suitably experienced available replacement resources.

The attached letter of resignation from the UK auditor is attached by way of evidence.

As a result of this unexpected development, the Company's Interim Report for December 2022 will not be reviewed and signed before the lodgement deadline today and the Company's shares will be suspended from trading from tomorrow while we work to engage another suitably qualified UK registered auditor to review and sign the Company's Interim Report.

We would like to advise that we have prepared everything required for the audit on schedule with the work reviewed by our auditor in Australia to their satisfaction, however we are required as a UK PLC to have the Interim Report reviewed and signed by a UK registered auditor before it can be lodged with the Australian Securities Exchange.

We are very disappointed that this situation, which is beyond our control, has occurred and are endeavouring to do everything possible to secure a suitably qualified replacement as soon as possible.

We look forward to updating the market regarding the appointment of a new auditor as soon as possible.

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

For further details please contact:

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The Directors
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Australia

27 February 2023

Dear Sirs

Review of financial statements in accordance with International Standard on Review Engagements (UK) 2410 (ISRE(UK) 2410)

We write to advise that Sanjay Parmar, the audit principal responsible for the audit of the company's financial statements and the review of interim financial statements left Gravita Audit Limited earlier this month.

Although we have been undertaking a process of re-allocation of responsibilities for Mr Parmar's portfolio of assignments, none of the other audit principals in the firm have sufficient experience of ASX listing rules at this time in order to take over responsibility for the review of the interim financial statements and regretfully we have to inform you of our decision to resign from the engagement.

We are very sorry that we have found it necessary to take this action, particularly as such short notice, however it would be wrong and contrary to our Institute bye-laws and regulations for us to continue with the assignment without the appropriate skills and experience.



We hope that you understand our position and we will do all we can to introduce you to an alternative audit firm to take over responsibility as soon as possible.

Yours faithfully

James Lole

Partner

For and on behalf of Gravita Audit Limited

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