

ASX ANNOUNCEMENT

28 July 2022

JUNE 2022 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Signed first virtualplant cloud-based Software as a Service (SaaS) agreement.
- Commenced acquisition of background intellectual property (concluded 20 July 22)
- On track with the transition of virtualplant to a full enterprise grade solution.

RemSense Technologies Limited (ASX: REM) is pleased to provide an overview of the June 2022 quarter (Q4 FY22) activities and the associated cash flows and cash position in the Appendix 4C (attached).

The RemSense team continues to deliver the plan outlined in the last quarterly report and investor webinar with the engagement of leading global asset management solution providers.

Software as a Service (SaaS)

RemSense signed its first virtualplant cloud-based Software as a Service (SaaS) agreement with Woodside delivering an enterprise grade, scalable digital twin solution. The SaaS agreement includes the cloud service, licenses, and support for certain Woodside's existing assets, as well as agreed terms for potential future expansion with new assets and virtualplant features.

The SaaS based solution allows RemSense to deploy virtualplant at speed and scale with a typical operational digital twin live in 4 to 6 weeks for any major asset.

Acquisition of Background intellectual Property

RemSense commenced the acquisition of Virtual Plant background Intellectual Property (IP) previously owned by Woodside Energy Technologies Pty Ltd ("Woodside").

RemSense previously had a licence agreement with Woodside that enabled this IP developed in the system for Woodside to be used across the virtualplant platform. Pursuant to that licence agreement, RemSense had an unrestricted five-year licence to use the IP owned by Woodside in return for a 5% licence fee.

The ownership of the IP by RemSense is an important step in establishing our enterprise grade, scalable digital twin solution, simplifying our commercial model with our business partners and improving overall product profitability.

RemSense subsequently entered into the agreement to acquire the IP on 18 July 2022 for a total sum of AU\$400,000. This was fully funded with a number of directors and all founding shareholders exercising a total of 1,609,881 unlisted 30 June 2023 options (series A options) at 25c each.

Virtualplant Software Development

On track with the transition of virtualplant to a full enterprise grade solution with additional capabilities as identified by targeted partners and clients to optimise opportunities.

Version 2.0 is nearing completion with the successful conclusion of security testing, 2.0 will be the first virtualplant revision to achieve AWS certified software status.

Integration with both IBM Maximo Enterprise Asset Management package and data and visual analytics products has commenced. The integration of IBM visual analytics into virtualplant to automatically detect and classify corrosion was successfully demonstrated.

Integration with the SAP Ecosystem is scheduled to commence in the December quarter.

Business Development and Marketing

Business Development and marketing activities during the quarter included: -

- Identifying and marketing to potential customers in conjunction with partners.
- Ongoing development of the relationship with IBM and the cross selling of combined solutions.
- Demonstrating virtualplant at the APPEA conference with Qteq in Brisbane.
- Recruitment of marketing executive
- Preparation for launch of Matterport Marketplace sales channel (now delayed by Matterport until August).

ADDITIONAL APPENDIX 4C DISCLOSURES

The following information is provided as required under ASX Listing Rule 4.7C that has not been disclosed in the body of the quarterly activities report.

ASX Listing Rule 4.7C.2

The “use of funds” statement in the prospectus covers two years from date of listing. The table below details a list of the total amount estimated in the prospectus by category, and the amount spent and invested up to the quarter ending 30 June 2022:

Allocation of funds	Total as per prospectus \$,000	June Qtr. \$,000	Year to Date \$,000
Business development and marketing	2,100	154	424
Product improvements and ongoing development of virtual plant	500	330	412
Expenses of the Offer	506	-	485
Capital equipment for data collection and computing equipment	500	57	236
Working capital	1,796	147	1,466
	5,402	688	3,023

With our updated market strategy outlined in the last quarterly report and subsequent investor webinar, business development and marketing expenditure to date has been below original forecasts. With the development of virtualplant V2.0 nearing completion, business development and marketing activities will increase over the coming quarter.

The Group is on track to meet its business objectives that sit behind the “use of funds” statement.

ASX Listing Rule 4.7C.3

Payments to related parties totalling \$207,000 for the quarter, comprising director and key management personnel salaries and superannuation of \$201,000; and \$6,000 for premises leased from a director.

-ENDS-

This announcement has been approved for release by the Board of RemSense Technologies Limited.

For further information:

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WE CREATE SOLUTIONS

About RemSense

RemSense Technologies Limited (ASX: REM). is a technology service provider based in Perth, Australia.

RemSense supports multiple industry sectors on projects of all scales as well as helping clients reap the benefits that industry 4.0 can offer by constantly challenging the status quo in search of a better way.

Being Australian based, RemSense is accustomed to the challenges our clients face when operating in remote and isolated areas; that's why RemSense leverages cross-sector knowledge to solve clients' problems, developing fit-for-purpose offerings to ensure they get the maximum value and efficiency from their operation.

RemSense is a solutions company that through accurate insight driven data and innovative engineering solutions, is leading industrial digital transformation with virtualplant an operational photogrammic Digital Twin.

With our technologies, engineering skills and image and data capture services , RemSense is boosting productivity, creating safer workplaces, and increasing remote operational efficiency through integrated enterprise management systems.

Appendix 4C

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

Name of entity

RemSense Technologies Limited

ABN

50 648 834 771

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,335	4,459
1.2 Payments for		
(a) research and development	(6)	(22)
(b) product manufacturing and operating costs	(419)	(1,466)
(c) advertising and marketing	(45)	(153)
(d) leased assets	-	-
(e) staff costs	(838)	(3,555)
(f) administration and corporate costs	(257)	(1,307)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	4	(7)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1	81
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(223)	(1,968)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(57)	(270)
(d) investments	-	-
(e) intellectual property	(376)	(376)
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	2	2
	(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 (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(431)	(644)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5,000
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	-	(368)
3.5	Proceeds from borrowings	-	100
3.6	Repayment of borrowings	-	(420)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities right of use assets)	(34)	(93)
3.10	Net cash from / (used in) financing activities	(34)	4,219
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,828	533
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(223)	(1,968)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(431)	(644)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(34)	4,219
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,140	2,140

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	640	828
5.2	Call deposits	1,500	2,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,140	2,828

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amounts of payments to related parties and their associates included in item 1	207
6.2	Aggregate amounts of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

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 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(223)
8.2 Cash and cash equivalents at quarter end (item 4.6)	2,140
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	2,140
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	9.6
<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	
<i>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.</i>	

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: 28 July 2022

Authorised by: Steve Brown – Chief Executive Officer
(Name of body or officer authorising release – see note 4)

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.