

REMSENSE TECHNOLOGIES LIMITED

ACN 648 834 771

PROSPECTUS

For an offer of up to 25,000,000 Shares at an issue price of \$0.20 per Share to raise up to \$5,000,000 (**Offer**).

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.



Lead Manager



Legal Advisor



RemSense
WE CREATE SOLUTIONS

IMPORTANT NOTICE

This Prospectus is dated 10 September 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those set out below. Failure to comply with these restrictions may violate securities laws.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia.

US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Shares have not been, and will not be, registered under the United States Shares Act of 1933, as amended (the US Securities Act), and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the United States;
- (c) it has not and will not send this Prospectus or any other material relating to the Offer to any person in the United States; and
- (d) it will not offer or resell the Shares in the United States or in any other jurisdiction outside Australia.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.remsense.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by email.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is

incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section B of the Investment Overview as well as Section 6 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus

will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6.

Financial Forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the

Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 11.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact

the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary.



CORPORATE DIRECTORY

Directors

Christopher Glen Sutherland
Non-Executive Chair

Stephen Charles Brown
Managing Director and CEO

Ross Jeremy Taylor
Non-Executive Director

Nicole O'Connor
Non-Executive Director

Company Secretary

David Maxwell McArthur

Proposed ASX Code

REM

Registered Office

Suite 166, Level 3
580 Hay Street
PERTH WA 6000

Telephone: + 61 8 6118 5610

Email: rem@remsense.com.au

Website: remsense.com.au

Legal advisers

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Investigating Accountant

BDO Corporate Finance (WA)
Pty Ltd
38 Station Street
SUBIACO WA 6008

Auditor*

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

Lead Manager

Mac Equity Partners
7/29 The Avenue
NEDLANDS WA 6009

Share Registry*

Automatic Group
Level 2, 267 St Georges Terrace,
PERTH WA 6000
Telephone: 1300 288 664

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

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CHAIRMAN'S LETTER

Dear Investor

On behalf of the directors of RemSense Technologies Limited (**Company**), it gives me great pleasure to invite you to become a Shareholder of the Company.

The Company applies new and emerging technologies, including digital twins, Internet of things (IoT), aerial (drone) and terrestrial data capture and analytics, in the provision of engineering and data capture services to our clients, across the oil & gas, mining, power, telecommunications, construction and infrastructure sectors.

The Company is an Australian leader in deploying both aerial and terrestrial based scanning and imaging systems providing valuable data and insights for our customers to make better and quicker informed decisions, reducing risks, and saving costs.

The Company is preparing to introduce its own digital twin product 'Virtual Plant' to a global market and the role out of this product will be the primary use of funds raised under the Offer. A digital twin is a virtual re-creation of an existing real life area, asset or facility, that can enable the owner to operate more safely and efficiently.

Virtual Plant is built from a series of scanned digital images of an entire facility and allows the user to 'walk through' a facility and access historical data including specifications, maintenance, safety and other historical records from any location or specific equipment. It is intuitively simple to use without training and will operate on any device. No enhanced data networks or hardware is required.

With growing revenues from our existing services, we believe that the addressable market for Virtual Plant will position the Company for strong growth, in particular as the addressable market for products such as Virtual Plant continues to grow around the world.

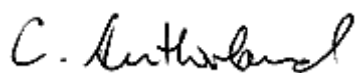
We have established an experienced Board with a breadth of global, technology and asset experience.

The purpose of the Capital Raising Offer is to raise \$5,000,000 (before associated costs) by the issue of 25,000,000 Shares at an issue price of \$0.20 per Share. The Lead Manager of the Offer is Mac Equity Partners (refer to Section 8.1 for further details).

The Prospectus contains detailed information about the Offer and the current and future plans for the Company, as well as the risks pertaining to an investment in the Company. Potential Investors in the Company should carefully consider those risks (detailed in Section 8).

On behalf of the Board, I invite you to become a Shareholder in RemSense and share in this exciting investment opportunity.

Yours sincerely



Christopher Sutherland

Non-Executive Chair

KEY OFFER INFORMATION

INDICATIVE TIMETABLE¹

Lodgement of Prospectus with the ASIC	10 September 2021
Exposure Period begins	10 September 2021
Opening Date	18 September 2021
Closing Date	1 October 2021
Issue of Shares under the Offer	8 October 2021
Despatch of holding statements	8 October 2021
Expected date for quotation on ASX	12 October 2021

1. The above dates are indicative only and may change without notice. Unless otherwise indicated, all time given are WST. The Exposure Period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. The Company reserves the right to extend the Closing Date or close the Offer early without prior notice. The Company also reserves the right not to proceed with the Offer at any time before the issue of Shares to applicants.
2. If the Offer is cancelled or withdrawn before completion of the Offer, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their applications as soon as possible after the Offers open.

KEY STATISTICS OF THE OFFER

	Minimum Subscription (\$5,000,000)
Offer Price per Share	\$0.20
Shares on issue in the Company at the date of this Prospectus	54,593,751
Options currently on issue at date of this Prospectus	10,718,622
Shares to be issued under the Offer	25,000,000
Gross Proceeds of the Offer	\$5,000,000
Shares on issue at listing^{2, 3}	79,593,751
Options on issue at listing^{3, 4}	15,518,622
Market capitalisation at listing (undiluted)⁵	\$15.9 million
Market Capitalisation at listing (fully diluted)⁵	\$19.0 million

Notes:

1. Certain Shares and Options on issue post-listing will be subject to ASX-imposed escrow.
2. Refer to Section 9.3 for the terms of the Options.
3. Calculated as the number of Shares on issue multiplied by a share price of \$0.20 per Share.

1. INVESTMENT OVERVIEW

This Section is a summary only and is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. Introduction		
Who is the issuer of this Prospectus?	RemSense Technologies Limited (ACN 648 834 771) (Company or RemSense).	
Who is the Company?	The Company is an Australian unlisted public company, incorporated in March 2021 to act as the listing entity and parent company of the business operated by RemSense Pty Ltd, a company 100% owned by the Company.	Section 4.1
Who is RemSense Pty Ltd?	RemSense Pty Ltd is a company that has been operating since 2012 (originally trading as Altitude Imaging). In 2018, the Company expanded to providing engineering solutions built upon its core technical knowledge in remote sensing and imaging both in the air and on the ground. In the same year the Company rebranded as 'RemSense' to better reflect the broader activities and technology focus of the business. In 2019, 'Virtual Plant' was conceived to provide a solution to a client (Woodside) who wanted to enable asset knowledge/visibility anywhere, any time and from any device for all its employees and contractors. The Company has invested further into developing Virtual Plant and is now ready to make this solution available to all asset and facility operators across the globe.	Section 4.1
What does the Company do?	RemSense operates as three business units: (a) Engineering and Innovation – provision of engineering services to solve unique problems or develop new technology for clients to improve productivity, reduce risks and lower costs. (b) Data Capture and Insights – provision of data, analytics and related solutions derived from both aerial and terrestrial based scanning and imaging platforms to reduce costs, improve productivity and make better informed decisions. (c) Virtual Plant – a productive and scalable photographic fabric environment that enables visual information from remote or distributed assets to be securely available to all users using existing hardware (desktop or mobile).	Section 4.2
What is the Company's business model and how does it generate revenue?	The Company currently generates revenue through the provision of services within its engineering and innovation, and data capture and insights business units. In addition, the Company is now positioned to commence additional revenue generation from the further development and release of its Virtual Plant product. Currently Virtual Plant has one customer and thus represents a very small share of the Company's existing revenues. The Company's plan is for Virtual Plant to be a significant driver for new business and growth over the next few years.	Section 4.8

Item	Summary	Further information
Where are the Company's key markets located?	The Company's key markets are currently all major asset/facility operators in the resources and infrastructure sectors in Australia with the potential to offer Virtual Plant to similar operators globally.	Section 3.5
Who are the Company's customers?	The Company's customers (actual and potential) are the major LNG operators; oil and gas producers; iron ore, copper, nickel and gold miners; water and electricity utilities and other general industrial companies	Section 4.4
Who are the Company's competitors?	Some global technology companies such as Siemens, IBM, Microsoft and General Electric provide various components to formulate an industrial Digital Twin. No single company has established any significant market penetration for data capture which is currently provided by a diverse range of companies from surveyors to drone service providers. Competitors in the drone services space include Australian UAV, National Drones, Measure Australia and Aightsight Australia.	Section 3.6
What are the Company's key objectives post listing?	The Company's main objectives on completion of the Offer and ASX listing are: (a) provide capital to resource and deliver a major sales and marketing campaign for Virtual Plant to all potential customers (see above); (b) provide capital to invest further in the development of value adding enhancements to Virtual Plant; (c) provide capital to buy new drone, imaging and scanning technology (d) enhance its public profile in the digital and technology sectors as a result of becoming an ASX listed entity; (e) provide Shareholders with access to a liquid market for Shares; (f) provide the Company with access to equity capital markets for potential future capital raising; and (g) provide working capital for the Company.	Section 4.4
B. Key risks		
What are the key risks facing the Company?	The key risks identified by the Company and outlined in this Prospectus are outlined below. A full summary of the various risks that the Company has identified are set out in Section 6.	Section 6
	Ownership of intellectual property Certain intellectual property used or developed by the Company will be owned by third parties. If the Company loses the right to use that intellectual property, it may be required to make changes to its business.	

Item	Summary	Further information
	Privacy and data collection risk The Company's businesses involve the storage, transmission, and processing of data from clients in order to provide services to those clients. Personal privacy, information security, and data protection are significant issues. The regulatory framework governing the collection, processing, storage, and use of business information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations or contractual obligations may adversely affect the Company's business.	
	Protection of intellectual property rights The commercial value of the Company's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained.	
	Critical failure Given the nature of the products and services that the Company provides, any critical failure of any of its products has the potential to cause damage to the Company brand and reputation.	
	Rapid growth risk The Company aims to experience rapid growth in the scope of its operating activities as set out in this Prospectus, which may expand operations in new regions and countries. This growth is anticipated to result in an increased level of responsibility which, if unable to be managed, will result in the Company not being able to take advantage of market opportunities and execute its business plan or respond to competitive pressure.	
	Competition The industry in which the Company operates is subject to competition, in particular as a result of the nature of the contracts available. Current or future competitors may come up with new, better or cheaper products and solutions. The Company's competitors include both small and medium enterprises and large, established corporations or multinationals	
	Counterparty risk The Company depends on contractual agreements with third parties, including suppliers and customers, should a third-party contract fail (such as due to third party insolvency, fraud and management failure), there is the potential for negative financial and brand damage.	
	Reliance on key personnel The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.	
	Supplier relationships The Company relies on a small number of key suppliers and third-party products in connection with the delivery of its products and services. Any inability of those suppliers to supply may put at risk the ability of the Company to perform its customer contracts or to expand its services in the manner than the Company expects.	

Item	Summary	Further information
	Branding The Company branding is critical for the long-term success of the businesses. Negative commentary or complaints may have a damaging impact on its business objectives.	
	Sales cycle The Company primarily market its products and services to large enterprise companies. The nature of doing business with these entities is that the sales cycle can be long, and it can take months to close significant transactions or to receive payment for invoices issued.	
	Covid-19 risk The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown.	
C. Financial Information		
What is the key financial information I need to know about the Company's financial position, performance and prospects?	The historical financial information, together with the pro forma financial information showing the impact of the Offer on the Company is set out in Section 5	Section 5
What is the Company's dividend policy and when will first dividends be paid?	Although the Company will continue to generate revenues from its existing operations and as it grows its client base with Virtual Plant, the Company expects that there will be significant expenditures on growing the business in the period after listing. These activities are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not consider that it is appropriate to speculate on when its first dividends will be paid. Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.	Section 4.12

Item	Summary	Further information															
D. Directors and Key Management Personnel																	
Who are the Directors and key management personnel involved in the Company?	The Board of the Company comprises: (a) Christopher Sutherland – Non-Executive Chair; (b) Stephen Brown – Managing Director and CEO; (c) Nicole O'Connor – Non-Executive Director; and (d) Ross Taylor – Non-Executive Director. The profiles of each of the Directors are set out in Section 7.1. In addition, Ms Jillian Rosich serves as the Company's Chief Financial Officer.	Section 7.1															
E. Interests of Key People and Related Party Transactions																	
What are the interests of Directors in the securities of the Company?	<table> <tr> <th>Director</th><th>Shares</th><th>Options</th></tr> <tr> <td>Christopher Sutherland</td><td>146,795</td><td>1,747,861</td></tr> <tr> <td>Stephen Brown</td><td>12,597,362</td><td>2,074,499</td></tr> <tr> <td>Nicole O'Connor</td><td>Nil</td><td>250,000</td></tr> <tr> <td>Ross Taylor</td><td>146,795</td><td>1,747,861</td></tr> </table>	Director	Shares	Options	Christopher Sutherland	146,795	1,747,861	Stephen Brown	12,597,362	2,074,499	Nicole O'Connor	Nil	250,000	Ross Taylor	146,795	1,747,861	Section 7.2
Director	Shares	Options															
Christopher Sutherland	146,795	1,747,861															
Stephen Brown	12,597,362	2,074,499															
Nicole O'Connor	Nil	250,000															
Ross Taylor	146,795	1,747,861															
What significant benefits are payable to the Directors and other key persons connected to the Company or the Offer?	The remuneration of the Directors in the Company are set out in Section 7.2 of this Prospectus.	Section 7.2															
F. Offer																	
What is the Offer?	The Offer is an offer of 25 million Shares at an issue price of \$0.20 per Share to raise \$5 million (before costs).	Section 2.1															
Is there a minimum subscription under the Offer?	The minimum amount to be raised under the Offer is \$5 million.	Section 2.2															
What are the purposes of the Offer?	The purposes of the Offer is to facilitate an application by the Company for admission to the Official List and to position the Company to seek to achieve the objectives stated at Section A of this Investment Overview.	Section 2.7															
Is the Offer underwritten?	No, the Offer is not underwritten.	Sections 2.4															
Who is the lead manager to the Offer?	The Company has appointed Mac Equity Partners (International) Pty Ltd (Lead Manager) as lead manager to the Offer. The Lead Manager will receive a cash fee equal to 6% of the funds raised under the Offer together with 4.8 million Series A Options.	Section 2.5															

Item	Summary	Further information
Who is eligible to participate in the Offer?	This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.	Section 2.13
How do I apply for Shares under the Offer?	Applications for Shares under the Offer must be made by completing the Application Form attached to this Prospectus in accordance with the instructions set out in the Application Form.	Section 2.9
What is the allocation policy?	This Prospectus represents an offer to apply for Shares under the Offer, not a commitment to issue an Applicant those Shares. The Company retains an absolute discretion to allocate Shares under the Offer and will be influenced by the factors set out in Section 2.10. There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied.	Section 2.10
What will the Company's capital structure look like on completion of the Offer?	The Company's capital structure on a post-Offer basis is set out in Section 4.9.	Section 4.9
What are the terms of the Shares offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 9.2.	Section 9.2
Will any Shares be subject to escrow?	None of the Shares issued under the Offer will be subject to escrow. However, subject to the Company complying with Chapters 1 and 2 of the ASX Listing Rules and completing the Offer, it is anticipated that certain Shares and other Securities already on issue will be subject to escrow imposed by ASX. Prior to listing the Company will announce the Securities subject to escrow.	Section 4.11
Will the Shares be quoted on ASX?	Application for quotation of all Shares to be issued under the Offer will be made to ASX no later than 7 days after the date of this Prospectus.	Section 2.11
What are the key dates of the Offer?	The key dates of the Offer are set out in the indicative timetable in the Key Offer Information Section.	Key Offer Information
What is the minimum investment size under the Offer?	Applications under the Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 2.9

Item	Summary	Further information
Are there any conditions to the Offer?	The Offer is conditional on: (a) the Minimum Subscription to the Offer being reached; and (b) ASX granting conditional approval for the Company to be admitted to the Official List, (together, the Conditions). The Offer will only proceed if all Conditions are satisfied. Further details are set out in Section 2.6.	Section 2.6
G. Use of funds		
How will the proceeds of the Offer be used?	The Offer proceeds and the Company's existing cash reserves will be used for: (a) business development and marketing of the Company's products, in particular Virtual Plant; (b) product development and ongoing development of Virtual Plant; (c) working capital; (d) acquisition of capital equipment for data collection and computing; and (e) expenses of the Offer, further details of which are set out in Section 2.8 .	Section 2.8
Will the Company be adequately funded after completion of the Offer?	The Directors are satisfied that on completion of the Offer, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus.	Section 2.8
H. Additional information		
Is there any brokerage, commission or duty payable by applicants?	No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.	Section 2.14
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue or transfer of Shares to successful applicants. If the Offer does not proceed, application monies will be refunded (without interest).	Section 2.17
What are the tax implications of investing in Shares?	Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.	Section 2.16

Item	Summary	Further information
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations). In addition, the Company's full Corporate Governance Manual is available from the Company's website.	Section 7.4
Where can I find more information?	(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser; (b) by contacting the Company Secretary on 08 9435 3200; or (c) by contacting the Share Registry on 1300 288 664.	

2. DETAILS OF THE OFFER

2.1 THE OFFER

The Offer is an initial public offering of 25 million Shares at an issue price of \$0.20 per Share to raise \$5 million (**Maximum Subscription**).

The Shares issued under the Offer will be fully paid and will rank equally with all other existing Shares currently on issue. A summary of the material rights and liabilities attaching to the Shares is set out in Section 9.2.

2.2 MINIMUM SUBSCRIPTION

The minimum subscription for the Offer is \$5 million (25 million Shares) (**Minimum Subscription**).

If the Minimum Subscription has not been raised within four (4) months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

2.3 OVERSUBSCRIPTIONS

No oversubscriptions above the Maximum Subscription will be accepted by the Company under the Offer.

2.4 UNDERWRITER

The Offer is not underwritten.

2.5 LEAD MANAGER

The Company has appointed Mac Equity Partners (AFS Rep No. 001233008) (**Lead Manager**) as lead manager to the Offer.

In consideration for its services, the Company has agreed to pay the following fees to the Lead Manager:

- (a) a cash fee of 6% of the funds raised under the Offer;
- (b) 4.8 million Series A Options.

2.6 CONDITIONS OF THE OFFER

The Offer is conditional upon the following events occurring:

- (a) the Minimum Subscription to the Offer being reached; and
 - (b) ASX granting conditional approval for the Company to be admitted to the Official List,
- (together the **Conditions**).

If these Conditions are not satisfied then the Offer will not proceed and the Company will repay all application monies received under the Offer within the time prescribed under the Corporations Act, without interest.

2.7 PURPOSE OF THE OFFER

The primary purposes of the Offer is to:

- (a) assist the Company to meet the admission requirements of ASX under Chapters 1 and 2 of the ASX Listing Rules; and
- (b) provide the Company with additional funding for:
 - (i) expansion of the marketing and promotion of the Company's services, including the promotion of Virtual Plant;
 - (ii) improvement and ongoing development of Virtual Plant; and
 - (iii) the Company's working capital requirements while it is implementing the above.

2.8 USE OF FUNDS

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-admission, over the first two years following admission of the Company to the Official List of ASX as follows:

Funds available	Amount (\$)	Percentage of Funds (%)
Existing cash reserves ¹	\$401,681	7.4
Funds raised from the Offer	\$5,000,000	92.6
Total	\$5,401,681	100.00
Allocation of funds		
Business development and marketing ²	\$2,100,000	38.9
Product improvements and ongoing development of Virtual Plant ³	\$500,000	9.2
Expenses of the Offer ⁴	\$505,717	9.5
Capital equipment for data collection and computing equipment ⁵	\$500,000	9.2
Working capital ⁶	\$1,795,964	33.2%
Total	\$5,401,681	100

Notes:

1. Refer to the Financial Information set out in Section 5 for further details. The Company intends to apply these funds towards the purposes set out in this table, including the payment of the expenses of the Offer of which various amounts will be payable prior to completion of the Offer.
2. These costs relate to the establishment of a marketing and sales team, marketing materials and the expansion of the Company's business, in particular around its Virtual Plant product.
3. These costs relate to further and new developments of the Virtual Plant features, including a revised user interface for the product.
4. Refer to Section 9.8 for further details.
5. Costs include the costs of acquiring new scanning and computer equipment to support the anticipated growth in Virtual Plant implementation and the upgrading of existing inspection equipment.
6. Administration costs include the general costs associated with the management and operation of the Company's business including administration expenses, management salaries, directors' fees, rent and other associated costs.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

It is anticipated that the funds raised under the Offer will enable 2 years of full operations. In addition, the Company reasonably expects to continue to generate revenues from its business, revenues that will also be used to support the Company in its strategy outlined in this Prospectus.

The Directors consider that following completion of the Offer, the Company will have sufficient working capital to carry out its stated objectives.

2.9 APPLICATIONS

If you wish to apply for Shares under the Offer, you may:

- using an online Application Form at <https://investor.automic.com.au/#/ipo/remsense> and pay the application monies electronically; or
- completing a paper-based application using the relevant Application Form attached to, or accompanying, this Prospectus or a printed copy of the relevant Application Form attached to the electronic version of this Prospectus.

The Application Form must be completed in accordance with the instructions set out on that Application Form.

Applications for Shares under the Offer must be for a minimum of \$2,000 worth of Shares (10,000) Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (a) agrees to be bound by the terms of the relevant Offer;
- (b) declares that all details and statements in the Application Form are complete and accurate;
- (c) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (d) declares that they have personally received the Application Form together with a complete and unaltered copy of the Prospectus;
- (e) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Securities to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (f) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Securities are suitable for them given their investment objectives, financial situation or particular needs; and
- (g) acknowledges that the Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

2.9.1 How to Apply

(a) Online Application Form with BPAY® or EFT

Applicants in Australia may apply for Shares by applying online by following the instructions at **<https://investor.automic.com.au/#/ipo/remsense>** and completing a BPAY® or EFT payment. If payment is not made via BPAY® or EFT, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® or EFT payment must be completed and received by no later than the Closing Date. For online applications, investors can apply online with payment made electronically via BPAY® or EFT. Investors applying online will be directed to use an online Application Form and make payment by BPAY® or EFT.

An Applicant must comply with the instructions on the website. An Applicant will be given a BPAY® biller code and a customer reference number (CRN) or the payment instructions unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian financial institution. Using these BPAY® details, you must:

- (i) access your participating BPAY® financial institution either through telephone or internet banking;
- (ii) select to use BPAY® and follow the prompts;
- (iii) enter the supplied biller code and unique customer reference number;
- (iv) enter the total amount to be paid which corresponds to the value of Shares you wish to apply for under each Application;
- (v) select which account you would like your payment to come from;
- (vi) schedule your payment to occur on the same day that you complete your online Application Form. Applications without payment will not be accepted; and
- (vii) record and retain the BPAY® receipt number and date paid.

You should be aware that your own financial institution may implement earlier cut-off times with regard to BPAY® or other electronic payments and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® or other electronic payments are received by 3.00pm (WST) on the Closing Date.

(b) Paper Application

Complete the hard copy of the Application Form accompanying the hard copy of this Prospectus and mail or hand deliver the completed Application Form with cheque or bank draft to the Share Registry at the relevant address shown on the Application Form so it is received before 5.00 pm (WST) on the Closing Date.

An original, completed and lodged Application Form, whether online or in hard copy, together with payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid.

If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final. If your cheque, BPAY® or EFT payment for the Application Money is different to the amount specified in your Application Form then the Company may accept your Application for the amount of Application Money provided.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

No brokerage, stamp duty or other costs are payable by Applicants.

The Company reserves the right to close the Offer early.

2.10 ALLOCATION POLICY UNDER THE OFFER

This Prospectus represents an offer to apply under the Offers, not a guarantee to be issued any Shares.

The Company retains an absolute discretion to allocate Shares under the Offer and reserves the right, in its absolute discretion, to allot to an applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by the Directors, in consultation and conjunction with the Lead Manager, will be determined by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offer;
- (c) the desire for a spread of investors, including institutional investors; and
- (d) the desire for an informed and active market for trading Shares following completion of the Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

2.11 ASX LISTING

Application for Official Quotation by ASX of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. However, applicants should be aware that ASX will not commence Official Quotation of any Shares until the Company has complied with Chapters 1 and 2 of the ASX Listing Rules and has received the approval of ASX to be admitted to the Official List. As such, the Shares may not be able to be traded for some time after the close of the Offer.

If the Shares are not admitted to Official Quotation by ASX before the expiration of three (3) months after the date of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Securities now offered for subscription.

2.12 ISSUE

Subject to the to the Conditions set out in Section 2.6 being met, the issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each applicant waives the right to claim interest.

The Directors (in conjunction with the Lead Manager) will determine the recipients of the issued Shares in their sole discretion in accordance with the allocation policy detailed in Section 2.10). The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the applicant as soon as practicable after the Closing Date.

Holding statements for Shares issued to the issuer sponsored subregister and confirmation of issue for Clearing House Electronic Subregister System (CHES) holders will be mailed to applicants being issued Shares pursuant to the Offer as soon as practicable after their issue.

2.13 APPLICANTS OUTSIDE AUSTRALIA

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any of these restrictions, including those outlined below. In particular, this Prospectus may not be distributed in the United States or elsewhere outside Australia. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that you have complied with these restrictions.

2.14 COMMISSIONS PAYABLE

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

The Lead Manager will be responsible for paying all commission that they and the Company agree with any other licensed securities dealers or Australian financial services licensees out of the fees paid by the Company to the Lead Manager under the Lead Manager Mandate.

2.15 SECONDARY OFFER – LEAD MANAGER OPTIONS

This Prospectus also includes an offer of 4,800,000 Series A Options to be issued to the Lead Manager (or its nominees).

The Series A Options offered to the Lead Manager under the Lead Manager Offer will be issued on the terms and conditions set out in Section 9.3. The Lead Manager Options will not be quoted, but the Company will apply for quotation of all Shares issued upon exercise of the Lead Manager Options.

Only the Lead Manager (or its designated nominees) may accept the Lead Manager Offer and subscribe for Lead Manager Options. A personalised Application Form in relation to the Lead Manager Offer will be issued to the Lead Manager (or its nominees) together with a copy of this Prospectus.

The Lead Manager Offer will only proceed where the Offer is completed.

2.16 TAXATION

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus or the reliance of any applicant on any part of the summary contained in this Section.

No brokerage, commission or duty is payable by applicants on the acquisition of Shares under the Offer.

2.17 WITHDRAWAL OF OFFER

The Offer may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

3. INDUSTRY AND MARKET OVERVIEW

The Company operates in the industrial technology sector. Its services are particularly relevant as entities and businesses, both in Australia and overseas are looking to new and developing technologies for ways to improve their businesses and the ways that they have traditionally managed those businesses.

Initially, the Company was able to use its experience and expertise in aerial and terrestrial imaging, to provide businesses with ways of capturing images and information that had previously not been possible, or which had been prohibitive due to cost.

Subsequently, the Company has grown its skill sets through the integration and development of its Engineering and Innovation business unit, which has in turn provided the opportunity that now presents itself with the launch and promotion of the Virtual Plant digital twin product and business unit.

3.1 WHAT IS 'DIGITAL TRANSFORMATION'?

It is anticipated that much of the Company's growth will come from providing support and solutions to customers who are engaged in the Digital Transformation of their business.

'Digital Transformation' is the process of using digital technologies to create new business processes, or otherwise modify existing business processes, to meet changing business and market requirements. Fundamentally, it involves the changing of the methods and processes used in existing businesses.

Digital Transformation is a rapidly growing market space and involves the application of many new and emerging technologies. In providing engineered solutions, RemSense is particularly focused on the Digital Twin, Internet of Things (IoT) and Data Capture and Analytics technologies as a means of assisting its clients with Digital Transformation.

Enabler technologies for Digital Transformation, such as Augmented Reality (AR), Virtual Reality (VR), IoT, machine learning, blockchain, big data analytics, and Artificial Intelligence (AI), coupled with the rising penetration of the internet are changing the productivity of various industries.

The services and solutions developed by the Company have global application across multiple industry sectors with a focus on managing and understanding widely distributed and often remote assets within many industries, including:



OIL & GAS



MINING



UTILITIES



TELECOMMUNICATIONS



INDUSTRIAL



INFRASTRUCTURE

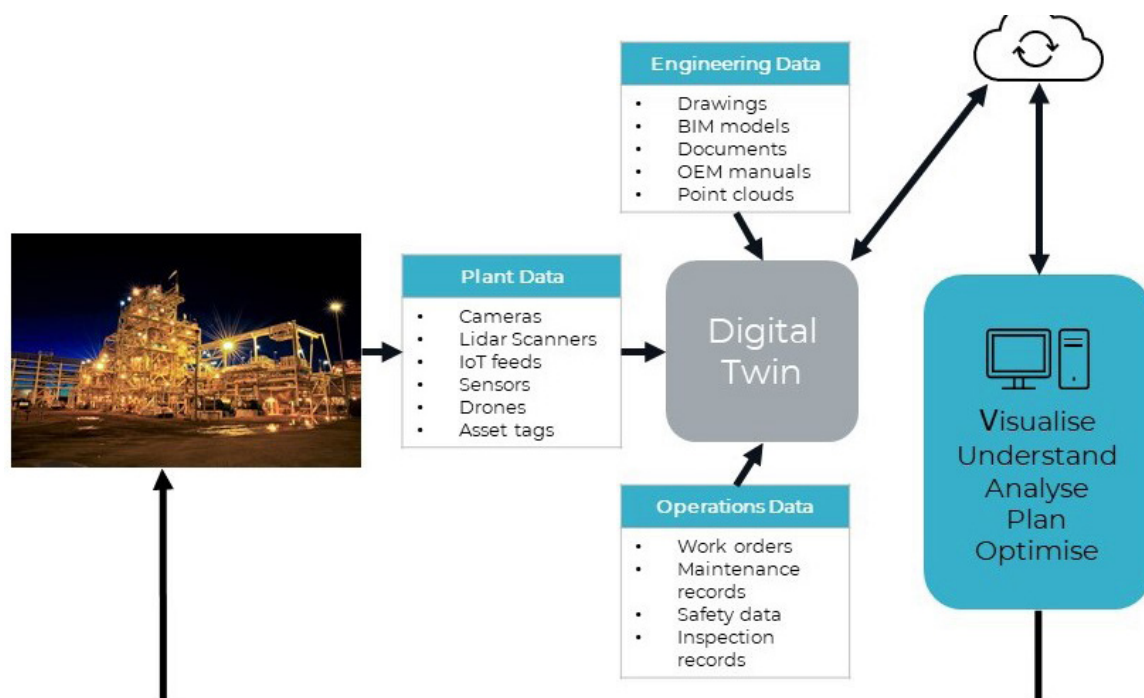
3.2 DIGITAL TWINS

'Digital Twins' are a virtual replica of a physical facility, which enables an operator to derive actionable insights on both the performance and health of physical assets. The Digital Twin bridges the gap between the physical and virtual world. The scope of a Digital Twin can encompass all aspects, components, and subcomponents of a facility.

Companies investing in Digital Twin technology may receive long-term benefits, including greater revenue opportunities, lower costs, reduced workplace injuries, increased productivity, and improved operations.

In Industry, IoT connected assets can be replicated digitally, enabling simulations, modelling, testing, and monitoring based on data collected by sensors and with advanced visualisation through 3D, VR and AR being applied to industrial assets, operators can take a more holistic and strategic approach to asset management across a network of widely distributed assets.

The following diagram explains the components of a Digital Twin.



The Digital Twin market is driven by innovations in various technologies and platforms. Market players are categorised as technology & platform (software focused) or digital & automation (hardware focused).

Prominent players in the Digital Twin market are investing in innovation and new technology to improve Digital Twin solutions for client enterprises across various industries. Technology & platform players are offering to create digital twins as a service on their platforms to their clients. Prominent players are also focusing on strategic mergers, acquisitions, and partnerships with other players to leverage their technology and improve their offerings.

Future technological trends, such as 6G networks, AI and blockchain, will enhance and add to the many applications for Digital Twins across all industries.

RemSense's Digital Twin product, "Virtual Plant" enables clients to access data more easily in a visual environment and without substantial replacement or reinvestment in existing asset management systems.

3.3 DATA CAPTURE

A key element of Digital Transformation is the need to capture and analyse data. Data types range from Industrial IoT device outputs to laser and photographic imaging and scanning. Capturing, presenting, and analysing meaningful data is a key element to our clients' Digital Transformation journey and integral to a successful Digital Twin.

Traditionally the industry sees data capture, visualisation, and analysis to be separate functions involving companies who focus on their specific area of expertise. The drive to utilise technology in this manner is well documented, with numerous successes and failures highlighting the growth in this area, as well as the potential benefits and pitfalls.

Where adopters usually 'get stuck' in this process is in the analysis of options, succumbing to the desire to negate risk by collecting a huge amount of data, and planning the roll-out with all the jigsaw pieces fitting perfectly together. Data collection and storage of unnecessary data is unproductive and costly. RemSense estimates that data capture accounts for approximately 40% of the global digital twin expenditure and represents a viable opportunity for RemSense to value add.

RemSense believes that the capture of relevant and meaningful data is the key starting point to successful Digital Transformation. RemSense have been deploying leading edge aerial drone and terrestrial based data capture technologies for over nine years leveraging our engineering skills to deliver, end-to-end solutions that capture, process, and create insight driven data sets and visualisations.

3.4 DRONE DATA CAPTURE

The commercial drone industry is rapidly developing, particularly when it comes to industrial applications of drone technology and, despite the industry being operational since 2012, it is still considered in its infancy.

The Commonwealth Department of Infrastructure, Transport, Regional Development and Communication in October 2020 issued a comprehensive report into the Economic Benefit Analysis of Drones in Australia. This report summarised that:

- There is a wide range of 'compelling use cases' for drones in the nation
- The potential for drones to achieve cost savings and other benefits will 'drive' the use cases
- Incremental growth in the Australian drone industry and cost savings for end use industries over the period 2020 to 2040 was estimated to be \$31b to \$51b.

(Department of Infrastructure, Transport, Regional Development and Communication, Economic Benefit Analysis of Drones in Australia October 2020).

As the market matures the use cases are growing requiring drone service providers to focus on areas of expertise.

RemSense categorises these expertise areas as:

- Urban / regional air mobility
- E-commerce and deliveries
- Agriculture
- Government Emergency Services
- Defence
- Mining, Industrial and Construction

RemSense focuses on delivering inspection and mapping services across Mining, Industrial and Construction sectors and has been working in these sectors since 2013.

3.5 MARKET

The global Digital Twin market is predicted to grow at a CAGR of 36.3% between 2021 and 2027, with the Asia Pacific market projected to grow with a CAGR of 39.0% over the same period (*Global Market Insights Digital Twin Market Report, 2027*). Growth is underpinned by supportive government initiatives enabling the recovery of regional economies from the COVID-19 induced economic slump.

Global Digital Twin Market Estimates & Forecast by Region, 2021-2027, (USD Million)								
Segment	2021	2022	2023	2024	2025	2026	2027	CAGR
North America	\$ 2,917	\$ 3,919	\$ 5,253	\$ 7,047	\$ 9,441	\$ 12,655	\$ 16,981	34.1%
Europe	\$ 2,131	\$ 2,912	\$ 3,973	\$ 5,431	\$ 7,424	\$ 10,157	\$ 13,915	36.7%
Asia Pacific	\$ 2,226	\$ 3,105	\$ 4,320	\$ 6,014	\$ 8,359	\$ 11,623	\$ 16,178	39.2%
Latin America	\$ 925	\$ 1,248	\$ 1,681	\$ 2,260	\$ 3,026	\$ 4,053	\$ 5,435	34.3%
Total	\$ 8,199	\$ 11,184	\$ 15,227	\$ 20,751	\$ 28,250	\$ 38,488	\$ 52,509	36.3%

The above market forecasts cover a wide application of Digital Twins in diverse market sectors including manufacturing, medicine, construction, and urban planning through smart cities.

RemSense's focus with Virtual Plant is the industrial, resource and infrastructure sectors where clients typically have geographically distributed assets.

Virtual Plant has an international growth opportunity with an addressable market projected to be greater than \$1 billion representing less than 2% of the total market size in 2027 per table above).

RemSense's market opportunity is linked to the growth in inspection and maintenance requirements for existing aging infrastructure, and to projected growth in new infrastructure.

RemSense has commenced securing an international position through partnerships and relationships with other market players where Virtual Plant offers improvements in the way digital twin data is displayed and used.

Whilst the international market reflects a large opportunity base, the Australian market is experiencing substantive growth in new infrastructure. The 2020-21 Budgets delivered by Australia's Federal, State and Territory Governments have responded decisively to the COVID-19 crisis, with \$225 billion allocated for general government sector infrastructure funding over the four years to FY2023-24. This is nearly a \$46 billion or 26 per cent increase over last year's Budgets. (Australian Industry Budget Monitor, 2020-21).

Private new capital expenditure in Australia in 2019/2020 was \$116b with 22% spent in Western Australia, the resource sector investment was \$35b with 54% spent in Western Australia. (Western Australian Mineral and Petroleum Digest, 2019-20).

3.6 COMPETITIVE LANDSCAPE

3.6.1 Digital Twins

Australian and international markets are dominated by a mix of large multinationals and smaller specialist technology and service providers who all provide various components to form a Digital Twin.

The top 10 companies including, Siemens AG, Dassault Systems, Microsoft, IBM, and General Electric had a global market share in 2019 of circa 58% (Global Market Insights Digital Twin Market Report, 2016). Whilst these companies may compete within aspects of the markets RemSense operates within; they also offer partnership opportunities for RemSense with the potential to incorporate Virtual Plant into their ecosystems.

3.6.2 Data Capture

No single company in Australia has yet developed significant market penetration for data capture, with many data capture services provided by a diverse range of companies from surveyors to drone service providers.

RemSense's approach is to provide an end-to-end service with aerial and terrestrial data capture of meaningful and useful data.

There are a range of other companies that provide similar commercial drone services in the Australian market including Australian UAV, National Drones, Measure Australia and Airsight Australia.

4. COMPANY OVERVIEW

4.1 OVERVIEW



RemSense Pty Ltd commenced operating in 2012 (originally as Altitude Imaging), originally to provide commercial drone operations across Western Australia.

In 2018, it expanded its business offering to provide engineering solutions built around its technical knowledge in remote sensing and imaging in both the air and on the ground.

The company rebranded in 2019 as RemSense to better reflect the broader activities and technology focus of the business.

Virtual Plant was conceived in 2019 to provide a solution to an oil and gas client who wanted to enable asset knowledge and visibility for all its employees and contractors. RemSense has invested further into developing Virtual Plant and is now ready to make this solution available to all asset and facility operators across the resources and infrastructure sectors.

RemSense Pty Ltd is now ready to offer Virtual Plant as a solution to all asset and facility operators across the industrial, resources and infrastructure sectors within Australia, and overseas.

In 2021, the Company was incorporated to acquire RemSense Pty Ltd and to act as the listing vehicle for the Company's listing on the ASX. RemSense Pty Ltd is the Company's sole subsidiary.

4.2 BUSINESS UNITS

The Company now operates three distinct business units:

Three Integrated Business Units

Engineering and Innovation

Provision of engineering services to solve unique problems and develop new technology for clients to improve productivity, reduce risks and lower costs.

Data Capture and Insights

Provision of data and analytics derived from both aerial and terrestrial based scanning and imaging platforms to reduce costs, improve productivity, and make better informed decisions.

Virtual Plant

A productive and scalable photographic digital twin environment that enables visual information from remote or distributed assets to be securely available to all users on existing hardware.

The three business units utilise all use new and emerging technologies to engineer assistance and ongoing services to entities engaged in the digital transformation of their business. These technologies include the creation of Digital Twins, Internet of Things (IoT), aerial and terrestrial data capture and analytics.

4.3 FINANCIAL HISTORY

RemSense Pty Ltd has successfully achieved ongoing business and revenue growth since its inception in 2012, mainly through the operations within its data capture and insights, and engineering and innovation business units.

Importantly, the Company has built and operated its Virtual Plant business for a single client, and therefore the growth opportunity presented with the roll out and ongoing marketing and promotion of the benefits of the Company's Virtual Plant business, alongside its other business units, presents an exciting opportunity for the Company. It is for this reason that a significant portion of the funds being raised under the Offer are allocated to promotional and marketing costs associated with the increased roll out of the Company's Virtual Plant business unit.

Refer to Section 5 for details of the Company's historical and pro forma financial statements for the financial years ending 30 June 2019, 30 June 2020 and 30 June 2021.

4.4 COMPANY STRATEGY

The Company's operational history has provided the Company with significant experience in the processes and requirements of operating and rolling out new technologies for clients and assisting them with the introduction of these new technologies to their businesses.

Utilising this experience with these technologies, the Company strategy is to continue to promote and develop their existing historical business units, while at the same time rolling out and promoting its newest technology business unit, Virtual Plant to increase its client base and revenues.

The Company intends to target asset and facility operators within Australia and overseas through partnerships and relationships with other market players. These asset and facility operators include the owners and operators of significant and often remote plants, such as entities and operators within the:

- Oil and gas sector;
- Mining sector;
- Utility sector;
- Telecommunications sector;
- Industrial sector; and
- Infrastructure sector.

The Company's main objectives on completion of the Offer and ASX listing are:

- (a) provide capital to resource and deliver a major sales and marketing campaign for Virtual Plant to all potential customers (see above);
- (b) provide capital to invest further in the development of value adding enhancements to Virtual Plant;
- (c) provide capital to buy new drone, imaging and scanning technology;
- (d) enhance its public profile in the digital and technology sectors as a result of becoming an ASX listed entity;
- (e) provide Shareholders with access to a liquid market for Shares;
- (f) provide the Company with access to equity capital markets for potential future capital raising; and
- (g) provide working capital for the Company.

4.5 THE BUSINESS

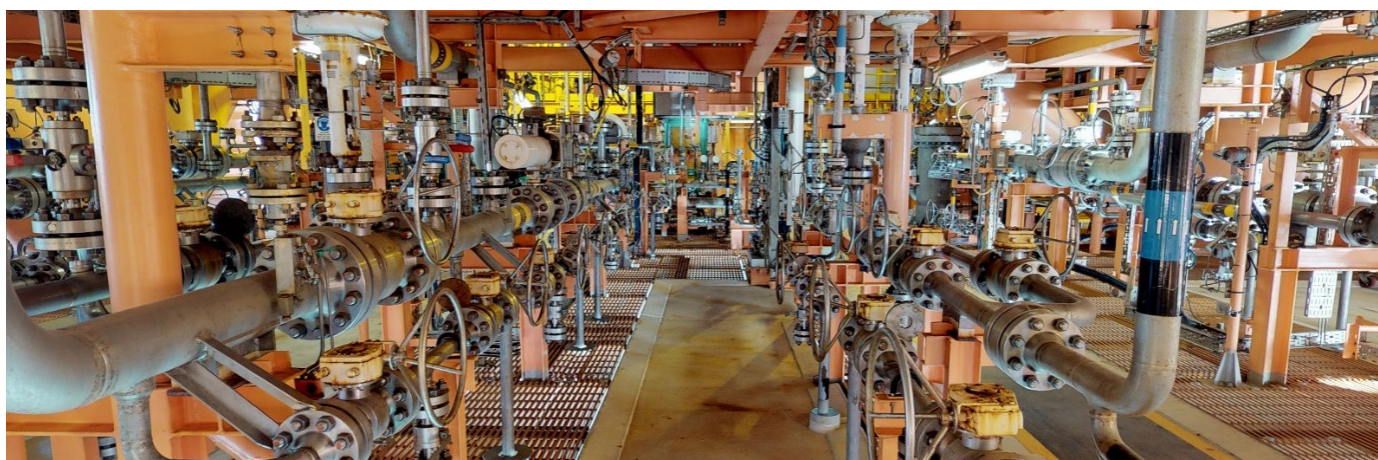
4.5.1 Virtual Plant

The Company Virtual Plant business unit was developed in response to the needs of a client, seeking a solution to enable asset knowledge and visibility “anytime, anywhere and from any device” for all its relevant employees and contractors. That client was Woodside.

The Company initially developed Virtual Plant in collaboration with Woodside and holds a licence to utilise background intellectual property developed for Woodside. The Company has further invested and developed the product resulting in a new, versatile and feature enhanced digital twin. The intellectual property associated with this is owned by the Company.

What is Virtual Plant?

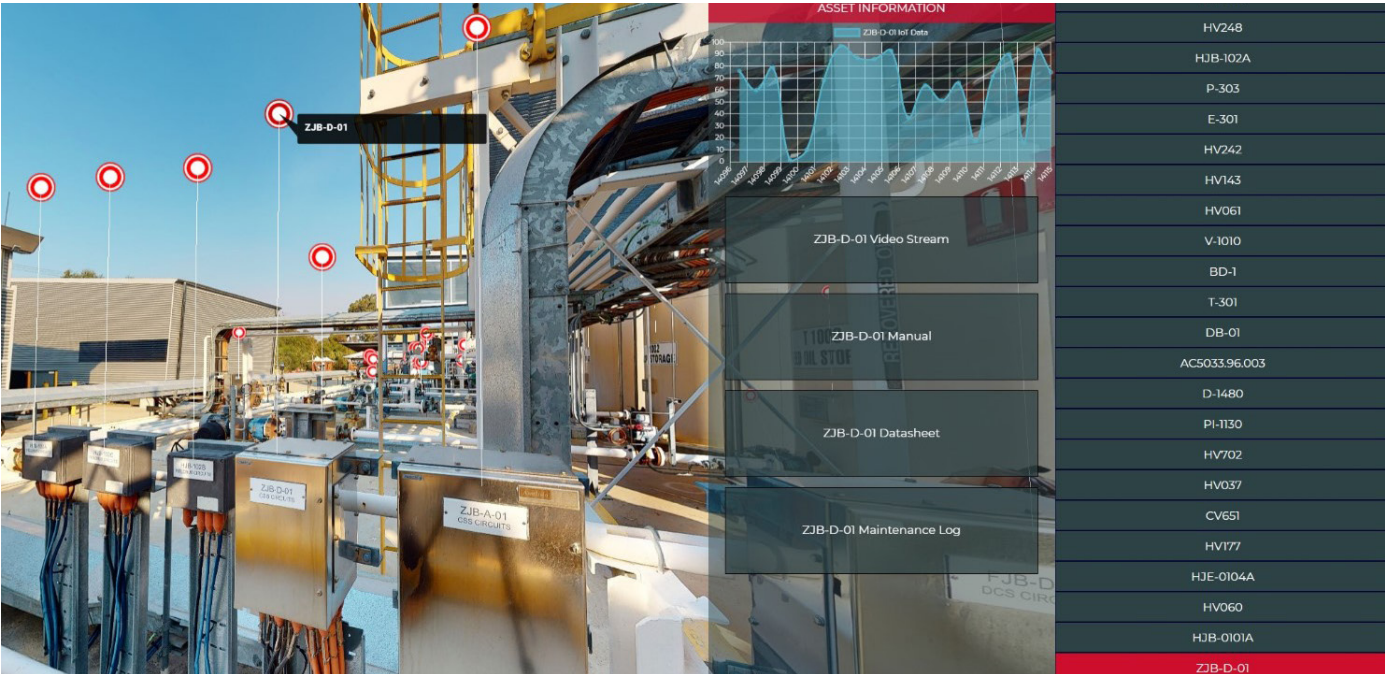
Virtual Plant is a digital twin built from a series of scanned digital images of an entire facility that allows the user to undertake a virtual ‘walk through’ of the facility in high detail from a location that is removed from the physical facility. The digital twin concept is described in more detail in Section 3.2 above.



Virtual Plant is a high-resolution visual environment that captures existing conditions accurately and allows for a close ‘zoomed in’ view, whilst navigating around the facility.



Virtual Plant enables users to access historical or live data including video and any Industrial IoT sensor, maintenance, safety and other records from any location or specific equipment by simply clicking the tag pointing to the equipment item or using the search or screen menus.

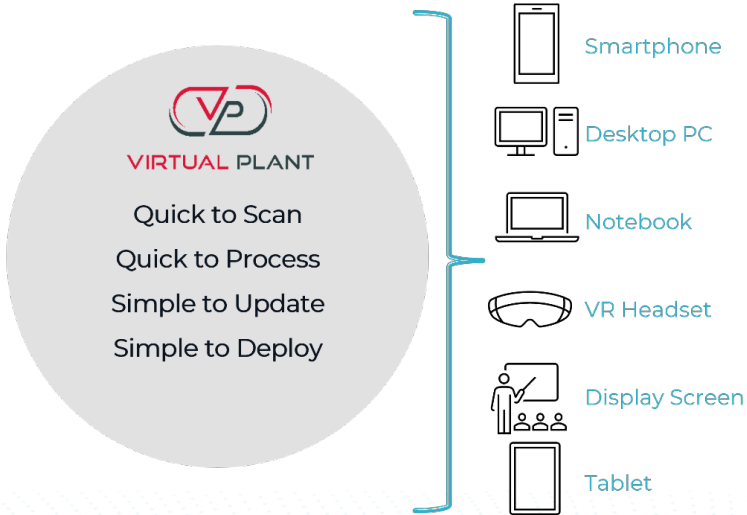


Advanced Virtual Plant features developed by the Company enables the automatic identification and tagging of individual equipment items using software algorithms to examine the complete environment and read equipment nameplate or identification tags.

This feature enables a complete asset audit to be undertaken by automatically comparing current results with historical facility asset data maintained by the operator. With many aging facilities having inaccurate equipment lists that are out of date, this task is often a labour-intensive manual exercise, taking days to complete. Virtual Plant therefore offers a significant time saving to operators in comparison to these existing processes.

Virtual Plant’s photographic environment is accurate and will provide a distance measurement between any two points located on the screen enabling work and safety planning to be undertaken.

Importantly, Virtual Plant is intuitively simple to use without training and will operate on any internet capable device. No enhanced data networks or hardware are required. This enables all employees or contractors who need information about the asset to be provided controlled access to view and find the information they require. For these reasons, Virtual Plant could be used as a tool for facility inductions and training as well as job cost estimating and planning. It is an intuitive way to deliver hazard information or emergency response procedures within a 3D view of the actual physical environment.



What is the strategy for Virtual Plant?

After successfully running Virtual Plant for Woodside over the past 2 years, the company is now ready to market Virtual Plant to all major industrial, resource and infrastructure sector companies.

RemSense has a licence agreement with Woodside Energy Ltd that enables some background IP developed in the system for Woodside to be used across the platform. Pursuant to that agreement, RemSense has an unrestricted five year licence to use background intellectual property owned by Woodside in return for a 5% licence fee. The licence also provides for the retention by RemSense of all intellectual property further developed by RemSense.

The Virtual Plant system is built upon Matterport 3D software (a leading global 3D software company) which forms a base for our own software to provide all the unique user interface and business solutions. RemSense has recently become a global licenced partner with Matterport which will provide RemSense and Virtual Plant global recognition in the virtual 3D space. As a global licensed partner, RemSense has access to Matterport's international market and enhanced technical features and support.

Virtual Plant fully integrates with all RemSense imaging and scanning systems which enables Virtual Plant to be up and running within weeks of receipt of order. We can complete the digital scan of a major facility in a few days, not months.

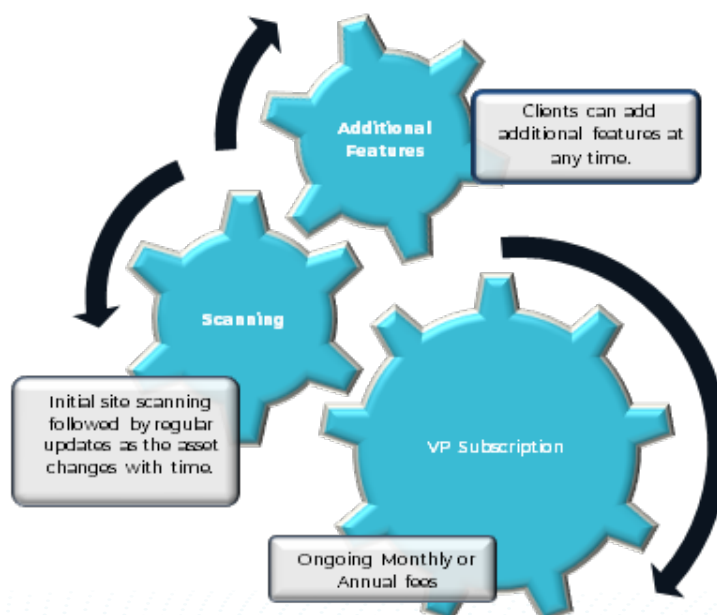
A significant share of funds raised by the IPO will go towards building a team to deliver the sales and marketing of Virtual Plant to all major asset owners including LNG operators; oil and gas producers; mining companies; water and electricity utilities and industrial manufacturers. The company has engaged a major advertising and marketing firm as part of building the Virtual Plant marketing plan and will greatly enhance the online presence of Virtual Plant and the demonstration of its capabilities and business use cases for the market in the first few months after a successful IPO.

Our history with one Virtual Plant customer has shown that there are many business use cases yet to be identified and developed for Virtual Plant and often a simple use case can deliver savings that are a multiple of the customer's Virtual Plant costs. Our plan is for Virtual Plant to be a significant driver for growth in RemSense over the next few years.

The company has in recent months undertaken some soft marketing of Virtual Plant with selected oil and gas and mining companies which we expect will lead to some positive results.

What is the Commercial Model for Virtual Plant?

The commercial model is an upfront fee for setting up Virtual Plant including the scanning dependent upon the size and complexity of an individual facility, with asset recognition and other value adding services being offered for additional fees. After which an ongoing subscription fee is paid per month for the provision of the Virtual Plant software system, general support, security, and hosting. Additionally, new client specific technical solutions to be adapted into Virtual Plant or other non-general support would be charged on an hourly basis.



4.6 DATA CAPTURE AND INSIGHTS (DCI)

In addition to the expansion of the Company's Virtual Plant business unit, the Company intends to continue to operate its historical business units and to continue to grow and develop the markets for those business units, using the Company's new market opportunities provided through Virtual Plant.

The Company is already an Australian leader in deploying both aerial and terrestrial based scanning and imaging systems providing valuable data and insights for its customers to make better and quicker informed decisions, reducing risks, and saving costs.

RemSense owns and operates a suite of drones and other leading edge remote system and imaging technologies and is fully certified to all required Australian regulatory standards. This includes being certified by the Civil Aviation Safety Authority through an RPA Operator's Certificate (ReOC 0669).



The DCI services includes:

- construction support;
- corrosion monitoring; and
- digital image comparison over time;
- electricity pole top inspection;
- beach erosion inspection;
- aerial video and photography;
- mineral exploration;
- emergency support;
- agriculture inspection, and
- new road route surveys.

The DCI business represents 12% of the Company existing FY2021 revenues. All image scanning required for Virtual Plant operations are undertaken by the same personnel that operate our drones and imaging /scanning technology used within the DCI business. The linking of services between Virtual Plant and DCI provides RemSense with significant control over quality and timely delivery.

The DCI business receives revenue from either long-term service agreements or short-term project-based purchase orders issued by our clients. Services are typically rendered on a day rate basis with expenses reimbursed by the client. RemSense holds a multi-year frame agreement to provide these services to Woodside.

4.7 ENGINEERING AND INNOVATION (EI)

The Company's EI business provides engineering services and assists customers in developing and implementing new technology to improve productivity, reduce risks and lower costs within their businesses.

The EI business operates as a development partner with a customer to solve unique problems with bespoke solutions. This builds on our foundational knowledge and engineering expertise in remote systems, automation and imaging that arise from our DCI (including operating drones) business capabilities.

EI has developed a unique approach to technology development and systems engineering, incorporating a commercial operating model that is attractive to clients whilst offering future commercial opportunities for RemSense.

Projects are undertaken in stages from concept through to certification and operational trials. Projects are diverse in nature including: -

- The development of washers to replace worn sealing washers for cable glands without removing the cable and gland.
- A new fire suppression system for use in safety critical industrial electrical cabinets.
- Development of a new antenna controller for high-speed data transfer and alignment from a moving vessel to a land-based installation.
- Cameras for operation in high temperature and pressure hydrocarbon environments.



To provide the capability to undertake diverse projects EI provides a range of services and expertise including: -

- Systems Engineering & Integration
- Prototyping and 3D printing
- Program Management
- Technology Evaluation
- Consulting
- Certification
- IP & Technology Commercialisation

Importantly, the development of Virtual Plant originated from the engineering services work provided by the EI business unit, and other opportunities for potential commercialisation will continue to arise out of the work we undertake within this business. Our personnel within this business also support the ongoing software improvements to Virtual Plant as well as provide engineering support to the DCI business.

The EI business is currently the largest revenue earner representing about 82% of our 2021 revenue and therefore is expected to remain a strong revenue generator for the Company moving forward.

4.8 KEY FACTORS TO ACHIEVING BUSINESS PLAN

The Company has: -

- a proven and scalable business model;
- an established revenue base with multiple clients across the three business units;
- established an experienced Board with a breadth of global, technology and asset experience
- identified and will recruit senior experienced C level operations and business development personnel;
- a proven digital twin solution with Virtual Plant that is currently in daily use by Woodside and their key contractors;
- been accredited to ISO9001, ISO14001 and ISO45001. These international quality, environmental and safety standards assist the company to qualify for opportunities;
- commenced the establishment of an international partner program with an agreement with US headquartered Matterport Inc.

4.9 CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offer (assuming both Minimum Subscription and Maximum Subscription under the Offer) is summarised below:

Shares¹

	Minimum Subscription
Shares currently on issue ¹	54,593,751
Shares to be issued pursuant to the Offer	25,000,000
Total Shares on completion of the Offer	79,593,751

Options

	Minimum Subscription
Options currently on issue:	
Series A Options exercisable at 25 cents on or before 30 June 2023 ^{2 3}	8,718,622
Series C Options exercisable at 30 cents on or before 30 June 2024 ²	2,000,000
Options to be issued pursuant to the Offer	Nil
Options to be issued to the Lead Manager ⁴	4,800,000
Total Options on completion of the Offer^{3 5}	15,518,622

Notes:

1. The rights attaching to the Shares are summarised in Section 9.2.
2. The terms and conditions of these Options are set out in Section 9.3.
3. Upon the exercise of each Series A Option, the holder will be issued a new Series B Option exercisable at \$0.40 on or before 30 June 2025 and otherwise on the terms and conditions set out in Section 9.3. If all Series A Options are exercised and new Series B Options issued, it would result in 13,518,622 Series B Options being issued.

4. *Exercisable at 25 cents on or before 30 June 2023 and otherwise on the terms and conditions set out in Section 9.3. The Company also notes that, as set out in Section 9.3, upon the exercise of each Series A Option, the holder will be issued a new Series B Option exercisable at \$0.40 on or before 30 June 2025.*
5. *In addition to these Options on issue, the Company notes that, as set out in the Prospectus, the Company is continuing to look to expand its business development and marketing, which may include the employment of new executives. It is likely that any appointment will include the issue of Options to those new executives under the Company PROP (summarised in Section 9.4).*

4.10 SUBSTANTIAL SHAREHOLDERS

As at the date of this Prospectus, the following parties hold 5% or more of the total number of Shares on issue and will hold 5% or more on completion of the Offer (assuming they do not subscribe for any Shares under the Offer).

As at the date of the Prospectus

Shareholder	Shares	Current %	Shares following ASX Listing	% at ASX Listing
Valrich Superannuation Pty Ltd	15,291,998	28%	15,291,998	19.2%
Adrian John Hollis	12,830,435	23.5%	12,830,435	16.1%
Trench Super Pty Ltd	12,597,362	23.1%	12,597,362	15.8%
Omnivest Pty Ltd	7,694,859	14.1%	7,694,859	9.7%

Notes:

1. *Trench Super Pty Ltd is a company associated with Mr Stephen Brown.*

The Company will announce to the ASX details of its top-20 Shareholders following completion of the Offer prior to the Shares commencing trading on ASX.

4.11 RESTRICTED SECURITIES

Subject to the Company being admitted to the Official List and completing the Offer, certain Shares will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of Official Quotation. During the period in which these Shares are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of his or her Shares in a timely manner.

The number of Shares that are subject to ASX imposed escrow are at ASX's discretion in accordance with the ASX Listing Rules and underlying policy.

The Company will announce to the ASX full details (quantity and duration) of the Shares required to be held in escrow prior to the Shares commencing trading on ASX (which admission is subject to ASX's discretion and approval). However, the Company's free float at the time of listing on ASX, being the percentage of Shares not subject to escrow and not held by affiliated Shareholders, will be not less than 20%.

4.12 DIVIDEND POLICY

The Company anticipates that significant expenditure will be incurred in the evaluation and development of the Company's Assets. These activities, together with the possible acquisition of interests in other projects, are expected to dominate at least, the first two-year period following the date of this Prospectus. Accordingly, the Company does not expect to declare any dividends during that period.

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

5. FINANCIAL INFORMATION

REMSSEN TECHNOLOGIES LIMITED
Independent Limited Assurance Report

7 September 2021

7 September 2021

The Directors
RemSense Technologies Limited
Suite 166, 580 Hay Street
PERTH WA 6000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT

1. Introduction

BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) has been engaged by RemSense Technologies Limited (**'RTL'** or **'the Company'**) to prepare this Independent Limited Assurance Report (**'Report'**) in relation to certain financial information, for the Initial Public Offering of shares in RTL, for inclusion in the prospectus. Broadly, the prospectus will offer up to 25 million shares at an issue price of \$0.20 each to raise up to \$5 million before costs (**'the Offer'**).

RTL was incorporated on 19 March 2021 and acquired RemSense Pty Ltd (**'RemSense'**) on 14 April 2021. RemSense was previously called Altitude Imaging Pty Ltd and officially changed its name to RemSense on 17 June 2019.

Expressions defined in the Prospectus have the same meaning in this Report. BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) holds an Australian Financial Services Licence (AFS Licence Number 316158) and our Financial Services Guide (**'FSG'**) has been included in this report in the event you are a retail investor. Our FSG provides you with information on how to contact us, our services, remuneration, associations, and relationships.

This Report has been prepared for inclusion in the prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

2. Scope

You have requested BDO to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the prospectus.

2

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 AFS Licence No 316158 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

The historical and pro forma historical financial information is presented in the prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001.

You have requested BDO to review the following historical financial information (together the ‘**Historical Financial Information**’) included in the prospectus:

- the audited historical Statements of Profit or Loss and Other Comprehensive Income and Statements of Cash Flow of Remsense for the years ended 30 June 2019 and 2020;
- the audited historical Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flow of RTL for the year ended 30 June 2021; and
- the audited historical Statement of Financial Position of RTL as at 30 June 2021.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company’s adopted accounting policies. The Historical Financial Information has been extracted from the financial report of RTL for the year ended 30 June 2021 and of RemSense for the years ended 30 June 2019, and 2020, which were audited by BDO Audit (WA) Pty Ltd (‘**BDO Audit**’) in accordance with the Australian Auditing Standards. BDO Audit’s audit opinion contained an emphasis of matter relating to going concern however the audit opinion was not modified in respect of this matter.

The audited consolidated financial statements of RTL for the year ended 30 June 2021 represent a continuation of RemSense’s financial statements. The consolidated results reflect a full year of Remsense plus RTL from the effective date of acquisition, 14 April 2021, to 30 June 2021

Pro Forma Historical Financial Information

You have requested BDO to review the following pro forma historical financial information (the ‘**Pro Forma Historical Financial Information**’) of RTL included in the Prospectus:

- the pro forma historical Statement of Financial Position as at 30 June 2021.

The Pro Forma Historical Financial Information has been derived from the historical financial information of RTL, after adjusting for the effects of the pro forma adjustments described in Section 7 of this Report. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the events or transactions to which the pro forma adjustments relate, as described in Section 7 of this Report, as if those events or transactions had occurred as at the date of the historical financial information. Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position or financial performance.

The Pro Forma Historical Financial Information has been compiled by RTL to illustrate the impact of the events or transactions described in Section 7 of the Report on RTL’s financial position as at 30 June 2021. As part of this process, information about RTL’s financial position has been extracted by the Company from RTL’s financial statements for the year ended 30 June 2021.

3. Directors’ responsibility

The directors of RTL are responsible for the preparation and presentation of the Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and

included in the Pro Forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Historical Financial Information are free from material misstatement, whether due to fraud or error.

4. Our responsibility

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and the Pro Forma Historical Financial Information. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the financial information.

5. Conclusion

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in the Appendices to this Report, and comprising:

- the consolidated Statement of Profit or Loss and Other Comprehensive Income for the years ended 30 June 2019, 2020 and 2021; and
- the consolidated Statement of Financial Position of RTL as at 30 June 2021,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

Pro Forma Historical Financial information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information as described in the Appendices to this Report, and comprising:

- the consolidated pro forma historical Statement of Financial Position of RTL as at 30 June 2021,

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 2 of this Report.

6. Subsequent Events

Having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no material transaction or event outside of the ordinary business of RTL has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

7. Assumptions Adopted in Compiling the Pro-forma Statement of Financial Position

The pro forma historical Statement of Financial Position is shown in Appendix 2. This has been prepared based on the financial statements as at 30 June 2021 and the following transactions and events relating to the issue of Shares under this Prospectus:

- The issue of 25 million shares at an offer price of \$0.20 each to raise \$5 million before costs pursuant to the Prospectus;
- Costs of the Offer which are estimated to be \$505,717. The costs directly attributable to the capital raising, being \$364,615, are to be offset against the contributed equity with the remaining costs of the Offer expensed through accumulated losses; and
- The issue of 4,800,000 options to Mac Equity Partners with an expiry date of 30 June 2023 and exercisable at \$0.25 (“the **Lead Manager Options**”). The Lead Manager Options have been valued at \$393,600 using the Black-Scholes option pricing model. The value of the Broker Options has been reflected as a cost of the capital raising.

8. Independence

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the proposed capital raising other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. BDO Audit (WA) Pty Ltd is the auditor of RTL and from time to time, BDO may also provide RTL with certain other professional services for which normal professional fees are received.

9. Disclosures

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 2 of this Report, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

Yours faithfully

BDO Corporate Finance (WA) Pty Ltd



Sherif Andrawes

Director

APPENDIX 1

REMSSENSE TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Year ended 30-Jun-21 \$	Year ended 30-Jun-20 \$	Year ended 30-Jun-19 \$
Revenue			
Rendering of services transferred over time	3,768,315	1,780,679	684,000
Rendering of services transferred at a point in time	543,349	390,871	433,757
Government grants	370,463	209,580	-
Other income	2,625	16,493	17,100
Total revenue	4,684,752	2,397,623	1,134,857
Cost of sales	(3,509,703)	(1,561,650)	(780,337)
Expenses			
Marketing and business development	(218,529)	(42,596)	(15,226)
Personnel expenses	(1,031,925)	(270,644)	(243,693)
General and Administration	(209,950)	(169,564)	(104,127)
Professional fees	(155,517)	(88,700)	(26,122)
Depreciation	(146,924)	(148,730)	(19,503)
Amortisation	(729)	-	-
Amortisation - right of use assets	(82,640)	(43,508)	-
Company reconstruction costs	-	(214,823)	-
Other gains/(losses)	23	(43,277)	-
Other operating expenses	(7,456)	(5,093)	(9,196)
Finance costs	(50,025)	(57,013)	(7,689)
Loss before income tax expense	(728,623)	(247,975)	(71,036)
Income tax benefit/(expense)	-	-	-
Net Loss for the period	(728,623)	(247,975)	(71,036)

This consolidated statement of profit or loss and other comprehensive income shows the historical financial performance of Company and is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4. Past performance is not a guide to future performance.

The pro-forma statement of financial position after the Offer shown in Appendix 2 is as per the statement of financial position before the Offer adjusted for the transactions relating to the issue of shares pursuant to this Prospectus. The statement of financial position is to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 2

REMSSENSE TECHNOLOGIES LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Audited as at 30-Jun-21 \$	Pro-forma adjustments \$	Pro-forma after issue \$
CURRENT ASSETS				
Cash and cash equivalents	3	533,304	4,494,283	5,027,587
Trade and other receivables		526,475	-	526,475
Inventory		5,000	-	5,000
Prepayments		41,721	-	41,721
TOTAL CURRENT ASSETS		1,106,500	4,494,283	5,600,783
NON CURRENT ASSETS				
Property plant & equipment		93,833	-	93,833
Right of use assets		201,726	-	201,726
Intangible assets		6,201	-	6,201
Other financial assets		18,581	-	18,581
TOTAL NON CURRENT ASSETS		320,341	-	320,341
TOTAL ASSETS		1,426,841	4,494,283	5,921,124
CURRENT LIABILITIES				
Trade and other payables		463,055	-	463,055
Borrowings		57,552	-	57,552
Lease liabilities		113,058	-	113,058
Employee benefits		181,865	-	181,865
TOTAL CURRENT LIABILITIES		815,530	-	815,530
NON CURRENT LIABILITIES				
Borrowings		262,745	-	262,745
Lease liabilities		98,960	-	98,960
Employee benefits		51,459	-	51,459
TOTAL NON CURRENT LIABILITIES		413,164	-	413,164
TOTAL LIABILITIES		1,228,694	-	1,228,694
NET ASSETS/(LIABILITIES)		198,147	4,494,283	4,692,430
EQUITY				
Contributed equity	4	1,421,784	4,241,785	5,663,569
Reserves	5	(235)	393,600	393,365
Accumulated losses	6	(1,223,402)	(141,102)	(1,364,504)
TOTAL EQUITY		198,147	4,494,283	4,692,430

APPENDIX 3
REMSSENSE TECHNOLOGIES LIMITED
STATEMENT OF CASH FLOWS

Statement of Cash Flows	Year ended 30-Jun-21 \$	Year ended 30-Jun-20 \$	Year ended 31-Dec-19 \$
Cash flows from operating activities			
Receipts from customers	4,116,638	1,820,083	635,440
Government grants	370,963	197,079	-
Payments to suppliers and employees	(4,678,077)	(2,243,345)	(1,098,876)
Interest paid	(49,746)	(51,468)	(1,915)
Net cash flows from operating activities	(240,222)	(277,651)	(465,351)
Cash flows from investing activities			
Payment for property, plant and equipment	(12,399)	(87,445)	(156,950)
Payments for intangible assets	(1,530)	(400)	-
Net cash flows (used in) investing activities	(13,929)	(87,845)	(156,950)
Cash flows from financing activities			
Payment for issue of shares and options	1,005,170	66,915	-
Proceeds from bank loans	-	250,000	-
Proceeds from related entity loans	-	185,863	661,420
Proceeds from director loans	44,579	275,718	172,917
Repayment of director loans	(25,000)	(279,083)	(178,790)
Proceeds from shareholder loans	23,545	140,000	-
Repayment of shareholder loans	-	(98,046)	(28,753)
Repayment of premium funding facilities	(73,851)	(61,391)	-
Repayment of chattels and mortgages	(105,491)	(37,646)	(4,892)
Repayment of right of use lease liabilities	(77,425)	(38,431)	-
Payment of capital raising costs	(44,100)	-	-
Payment of transaction costs related to loans	(2,367)	(1,717)	(3,478)
Net cash flows (used in)/from financing activities	745,060	402,182	618,424
Net increase/(decrease) in cash and cash equivalents	490,909	36,686	(3,877)
Cash and cash equivalents at the beginning of the period	42,395	5,709	9,586
Cash and cash equivalents at the end of the period	533,304	42,395	5,709

This statement of cash flows shows the historical cash flows of the Company and are to be read in conjunction with the notes to and forming part of the historical financial information set out in Appendix 4.

APPENDIX 4
REMSSENSE TECHNOLOGIES LIMITED
NOTES TO AND FORMING PART OF THE HISTORICAL FINANCIAL INFORMATION

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the historical financial information included in this Report have been set out below.

a) Basis of preparation of historical financial information

The historical financial information has been prepared in accordance with the recognition and measurement, but not all the disclosure requirements of the Australian equivalents to International Financial Reporting Standards ('AIFRS'), other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial information has also been prepared on a historical cost basis, except for derivatives and available-for-sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged are adjusted to record changes in the fair value attributable to the risks that are being hedged. Non-current assets and disposal group's held-for-sale are measured at the lower of carrying amounts and fair value less costs to sell.

b) Going Concern

The historical financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. On 30 June 2021, the Group had net assets of \$198,147, a working capital surplus of \$290,970 and cash at bank of \$533,304.

The directors are aware that the Group's ability to continue as a going concern, and thereby pay its debts as and when they fall due, is contingent on the Company securing further working capital, which will be met through the successful capital raising under this Prospectus. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

On 4 June 2021, the Company obtained In-Principal advice from the ASX to proceed with an IPO to raise \$5 million (before costs) and listing. The directors are therefore of the opinion that the use of the going concern basis is appropriate in the circumstances. Notwithstanding this assessment, there is material uncertainty regarding the outcomes of the future funding alternatives.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the historical financial information.

The historical financial information does not contain any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern

c) Reporting Basis and Conventions of Capital Re-organisation

On 14 April 2021, RemSense Technologies Limited (RTL) completed a transaction with the shareholders of RemSense Pty Ltd to acquire 100% of the share capital of Remsense in exchange for 50,000,000 shares. In accordance with Australian Accounting Standards, the acquisition does not meet the definition of a business combination as RTL was established for the sole purpose of facilitating the listing process and to acquire Remsense by way of an equity swap. The shareholders of Remsense received the same proportion of equity instruments in RTL.

Consequently, the historical financial information presents:

- the results of RemSense for the years ended 30 June 2019 and 30 June 2020 and for the period from 1 July 2020 to 13 April 2021
- the results of the consolidated Group for the period from 14 April 2021 to 30 June 2021, and
- the consolidated Group's financial position as at 30 June 2021.

The historical financial information is prepared on an accrual basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the historical financial information. The accounting policies have been consistently applied, unless otherwise stated.

d) Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entity controlled by the Company (its subsidiary) made up to 30 June each year.

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability, to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Predecessor accounting

Business combinations involving entities under common control are accounted for using the predecessor accounting method. Under this method:

- carrying values are not restated in the accounts of the acquiring entity, rather prior book values are maintained. As a result, no fair value adjustments are recorded on acquisition; and
- the carrying value of net assets acquired or liabilities assumed is recorded as a separate element of equity on consolidation.

e) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits, or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probably that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities, and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

f) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalent also includes, bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

g) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 14 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

h) Revenue Recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods and services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Contract assets

Contract assets are recognised when the Group has transferred goods and services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

j) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

k) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index

or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following:

- future lease payments arising from a change in an index, or a rate used
- residual guarantee
- lease term, or
- certainty of a purchase option and termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Incremental borrowing rate (IBR)

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security, and economic environment. The Group uses an IBR of between 4.40% and 8.50%.

l) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

m) Property, Plant and Equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on diminishing balance basis to write off the net cost of each item of property, plant, and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	2 – 5 years
Mobile equipment and motor vehicles	8 years
Communication and computer equipment	2 – 6 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained earnings / accumulated losses.

n) Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except when included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

o) Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Non-Financial Assets

The carrying amounts of the non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount

of any goodwill allocated to the units and then to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

p) Contributed Equity and Reserves

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The predecessor accounting reserve arises from the capital reorganisation and records the net liabilities of RemSense Technologies Limited as at the acquisition date of 14 April 2021.

q) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liabilities for annual and long service leave not expected to settle within 12 months of the reporting date is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

r) Share Based Payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that considers the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase inequity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether that market condition has been met or not, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee, and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

s) Accounting estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, revenue, and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. Judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below:

Determination of variable consideration

Judgement is exercised in estimating variable consideration where services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, and forward-looking

information that is available. The allowance for expected credit losses, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received, and the Group will comply with the attached conditions. In respect of COVID related government grants received during the year, the Group was deemed to be eligible to receive the grants under the conditions attached to the grants and have complied with the relevant conditions in order to recognise them as income during the year.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes model.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been accounted for.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of business development and the geographic regions in which the Group operates particularly the trials for the Virtual Reality Plant. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Capital Reorganisation

The acquisition of 100% of the issued capital of RemSense Pty Ltd by the Company, by way of issuing the shareholders of RemSense Pty Ltd fully paid shares in the Company, has been determined by management to be a capital reorganisation as the transaction does not meet the definition of a business. Capital reorganisation transactions are a complex accounting area because there are no specific applicable accounting standards to these types of transactions. In the absence of specific guidance, management has used the guidance in AASB 108 'Accounting Policies, Change in Accounting Estimates and Errors' (para. 10) whereby management have used its judgement in developing and applying a relevant and reliable accounting policy using pre-combination book values to account for this transaction as no substantive economic change has occurred.

NOTE 2: ACQUISITION OF REMSENSE PTY LTD

On 14 April 2021, the Company completed a transaction with the shareholders of RemSense Pty Ltd under common control to acquire 100% of the share capital in RemSense Pty Ltd in exchange for 50,000,000 ordinary shares in the Company.

As at the date of acquisition, the assets and liabilities of the Company were as follows:

	\$
Assets and liabilities at Acquisition Date	
Prepayments	2,380
Intercompany loan payable	(11,054)
Net liabilities of RemSense Technologies Limited at acquisition date	(8,674)
Predecessor Accounting Reserve	
Net liabilities of RemSense Technologies Limited at acquisition date	(8,674)
Predecessor Accounting Reserve	(8,674)

	Audited 30-Jun-21	Pro-forma after Offer
NOTE 3. CASH AND CASH EQUIVALENTS	\$	\$
Cash and cash equivalents	533,304	5,027,587
<i>Adjustments to arrive at the pro-forma balance:</i>		
Audited balance of RTL at 30 June 2021		533,304
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued under this Prospectus		5,000,000
Capital raising costs		(505,717)
		4,494,283
Pro-forma Balance		5,027,587

	Audited 30-Jun-21 \$	Pro-forma after Offer \$
NOTE 4. CONTRIBUTED EQUITY		
Contributed equity	-	5,663,569
	Number of shares	\$
<i>Adjustments to arrive at the pro-forma balance:</i>		
Fully paid ordinary share capital	54,593,751	1,421,784
<i>Pro-forma adjustments:</i>		
Proceeds from shares issued under this Prospectus	25,000,000	5,000,000
Capital raising costs	-	(364,615)
Issue of options to Lead Managers	-	(393,600)
	25,000,000	4,241,785
Pro-forma Balance	79,593,751	5,663,569

	Audited 30-Jun-21 \$	Pro-forma after Offer \$
NOTE 5. RESERVES		
Reserves	(235)	393,365
Audited balance of RTL at 30 June 2021		(235)
		(235)
<i>Pro-forma adjustments:</i>		
Issue of options to Lead Managers		393,600
		393,600
Pro-forma Balance		393,365

	Audited 30-Jun-21 \$	Pro-forma after Offer \$
NOTE 6. ACCUMULATED LOSSES		
Accumulated losses	(1,223,402)	(1,364,504)
Audited balance of RTL at 30 June 2021		(1,223,402)
		(1,223,402)
<i>Pro-forma adjustments:</i>		
Costs of the Offer not directly attributable to the capital raising		(141,102)
		(141,102)
Pro-forma Balance		(1,364,504)

NOTE 7: SHARE BASED PAYMENTS

Prior to admission to the ASX the Company intends to issue 4,800,000 options to Mac Equity Partners with an expiry date of 30 June 2023 and exercisable at \$0.25 (“the **Lead Manager Options**”);

The Lead Manager Options vest immediately upon issue. As such they have been valued and a pro-forma adjustment has been made in arriving at the pro-forma Statement of Financial Position

Item	Lead Manager Options
Number of Options	4,800,000
Underlying share price	\$0.200
Exercise price	\$0.250
Expected volatility	95%
Life of the Options (years)	1.75
Expected dividends	Nil
Risk free rate	0.015%
Value per Option (A\$)	\$0.082
Total Fair Value (A\$)	\$393,600

The following options will be on issue following admission to the ASX:

Grant Date	Expiry Date	Exercise Price (cents)	Number of Options
19 March 2021	30 June 2023	25	8,718,622
20 April 2021	30 June 2024	30	1,250,000
	Number on issue as at 30 June 2021		9,969,622
2 August 2021	30 June 2024	30	750,000
	Number on issue as at the date of this Prospectus		10,718,622
At IPO Date	30 June 2023	25	4,800,000
	Number on issue following the IPO		15,518,622

NOTE 8: SUBSEQUENT EVENTS

On 3 August 2021, the Board approved the issue of 750,000 options to employees on the following terms and conditions:

Exercise price	30 cents	Vesting date	30-Jun-23
Volatility	95%	Expiry date	30-Jun-24
Risk free rate	0.16%	Share price on grant date	16 cents
Fair value on grant date	7.17 cents		

The vesting date of the options is 30 June 2023. Pursuant to IFRS 2: Share based payment, the value of the options will be expensed over the vesting period. As such, as at the pro forma date there is no financial adjustment for the issue of these securities.

For disclosure purposes, the fair value of the options is shown above. However, we note that no financial adjustment has been made for the issue of these securities on the basis that their fair value will be recognised over their vesting period rather than at grant date

NOTE 9: RELATED PARTY DISCLOSURES

Transactions with Related Parties and Directors Interests are disclosed in the Prospectus.

NOTE 10: COMMITMENTS AND CONTINGENCIES

At the date of the report no material commitments or contingent liabilities exist that we are aware of, other than those disclosed in the Prospectus.

APPENDIX 5

FINANCIAL SERVICES GUIDE

7 September 2021

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by RemSense Technologies Limited ('the Company') to provide an Independent Limited Assurance Report ('ILAR' 'our Report') for inclusion in this Prospectus.

Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ('FSG'). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our internal and external complaints handling procedures and how you may access them.

Information about us

BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our Report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide an ILAR in connection with the financial product of another entity. Our Report indicates who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our Report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this Report. These fees are negotiated and agreed with the client who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$17,000 (exclusive of GST).

BDO Audit (WA) Pty Ltd is the independent auditor and tax advisor of RemSense Technologies Limited. Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the Report.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from RemSense Technologies Limited for our professional services in providing this Report. That fee is not linked in any way with our opinion as expressed in this Report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, 38 Station Street, Subiaco, Perth WA 6008.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA'). AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 931 678
Website: www.afca.org.au

Contact details

You may contact us using the details set out on page 1 of our Report.

6. RISK FACTORS

6.1 INTRODUCTION

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors.

The risks factors set out in this Section 6, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 6 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 6, together with all other information contained in this Prospectus.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 6 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

6.2 COMPANY SPECIFIC RISKS

Risk Category	Risk
Ownership of intellectual property	Under the Company's agreements with Woodside and Matterport, certain intellectual property is owned by those counterparties and not by the Company. While the Company has licences in place to utilise that intellectual property, should the Company lose the right to use intellectual property in its everyday business, it may need to modify or change its business operations to avoid breaching intellectual property laws. The Company is also developing its own intellectual property which it considers should mitigate any risk of losing access to intellectual property owned by other parties.
Privacy and data collection risk	The Company's businesses involve the storage, transmission, and processing of data from clients in order to provide services to those clients. Personal privacy, information security, and data protection are significant issues. The regulatory framework governing the collection, processing, storage, and use of business information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations or contractual obligations may adversely affect the Company's business.

Risk Category	Risk
Protection of intellectual property rights	The commercial value of the Company's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications. It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.
Critical failure	Given the nature of the products and services that the Company provides, any critical failure of any of its products has the potential to cause damage to the Company brand and reputation. In order to mitigate this risk, the Company undertakes thorough assessment of its products, including the hardware used in providing its services to ensure any such risk is minimised.
Rapid growth risk	The Company aims to experience rapid growth in the scope of its operating activities as set out in this Prospectus, which may expand operations in new regions and countries. This growth is anticipated to result in an increased level of responsibility which, if unable to be managed, will result in the Company not being able to take advantage of market opportunities and execute its business plan or respond to competitive pressure.
Competition	The industry in which the Company operates is subject to competition, in particular as a result of the nature of the contracts available. Current or future competitors may come up with new, better or cheaper products and solutions. The Company's competitors include both small and medium enterprises and large, established corporations or multinationals. Those may decide to enter the Company's target markets and be able to fund aggressive marketing strategies. They may also have stronger financial capabilities than the Company which may negatively affect the operating and financial performance of the business.
Counterparty risk	The Company depends on contractual agreements with third parties, including suppliers and customers, should a third-party contract fail (such as due to third party insolvency, fraud and management failure), there is the potential for negative financial and brand damage.

Risk Category	Risk
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment. The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.
Supplier relationships	The Company relies on a small number of key suppliers and third-party products in connection with the delivery of its products and services. Any inability of those suppliers to supply may put at risk the ability of the Company to perform its customer contracts or to expand its services in the manner than the Company expects. Further, the Company's financial performance may be affected if third-party providers were to raise the cost of their products and/or services. The Company considers these risks when identifying its suppliers.
Branding	The Company branding is critical for the long-term success of the businesses. Negative commentary or complaints may have a damaging impact on its business objectives. Further, as part of the business model is based on recurring revenue arising from Virtual Plant, poor user experiences may result in loss of customers, adverse publicity, litigation, regulatory enquiries, and reduction of use of its products and services.
Sales cycle	The Company primarily markets its products and services to large enterprise companies. The nature of doing business with these entities is that the sales cycle can be long, and it can take months to close significant transactions or to receive payment for invoices issued. The Company mitigates these risks through its diversified business model and client base to ensure that it has a mix of ongoing revenue.
COVID-19 risk	The outbreak of the coronavirus disease (COVID-19) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.

6.3 INDUSTRY SPECIFIC RISKS

Risk Category	Risk
Product liability	As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.

Risk Category	Risk
Disputes	The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes. Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date of this Prospectus.
Loss of customers	The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.
Litigation	The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.
Data loss, theft or corruption	The Company will store data in its own systems and networks and also with a variety of third party service providers. Exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers. The Company has not been hacked, but it is possible that the Company may experience negative publicity if their systems are able to be hacked at some point in the future.
Foreign exchange	If the Company is successful in expanding its services with Virtual Plant to foreign jurisdictions, it may be required to accept payment, or pay local service providers or staff in foreign currencies. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.
Insurance coverage	The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company proposes to arrange and maintain insurance coverage for its employees, as well as directors' and officers' liability insurance, however it does not currently propose to arrange and maintain business interruption insurance or insurance against claims for certain property damage. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected. The Company considers that it has sufficient insurance policies in place in respect of its business and assets. However, the occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

6.4 GENERAL RISKS

Risk Category	Risk
Additional requirements for capital	The Company's capital requirements depend on numerous factors. The Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its expenditures as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.
Economic conditions and other global or national issues	General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.
Currently no market	There is currently no public market for the Company's Shares, the price of its Shares is subject to uncertainty and there can be no assurance that an active market for the Company's Shares will develop or continue after the Offer. The price at which the Company's Shares trade on ASX after listing may be higher or lower than the issue price of Shares offered under this Prospectus and could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which the Directors and the Company have no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors. There can be no guarantee that an active market in the Company's Shares will develop or that the price of the Shares will increase. There may be relatively few or many potential buyers or sellers of the Shares on ASX at any given time. This may increase the volatility of the market price of the Shares. It may also affect the prevailing market price at which Shareholders are able to sell their Shares. This may result in Shareholders receiving a market price for their Shares that is above or below the price that Shareholders paid.

Risk Category	Risk
Market conditions	Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology or defence stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company. The value of the Shares may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.
Taxation risk	The acquisition and disposal of Shares will have tax consequences for investors, which will vary depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Securities from a taxation viewpoint and generally.

6.5 INVESTMENT SPECULATIVE

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

7. BOARD, MANAGEMENT AND CORPORATE GOVERNANCE

7.1 DIRECTORS AND KEY PERSONNEL

The Board of the Company consists of:

(a) **Christopher Sutherland** – *Non-Executive Chair*

Mr Sutherland is an experienced executive who has held senior management positions in various engineering, maintenance and contracting businesses with operations in Australia, Asia, Europe and the USA. He holds a Bachelor of Engineering (UWA) and completed the Advanced Management Program at Harvard Business School in 2001.

For 20 years, Mr Sutherland was in various engineering and management roles with leading engineering companies including Clough and WorleyParsons, and had significant involvement with the construction and maintenance of major oil and gas facilities on the North-West Australia and South East Asia. In 2006 Chris was appointed CEO of Integrated Group, an ASX listed company that was subsequently acquired by Programmed in 2007.

Mr Sutherland was appointed Managing Director and Group CEO of Programmed from January 2008 until his retirement in September 2019. Programmed was a major public listed ASX company until October 2017 when it was acquired (for an enterprise value of \$1 billion) by the major Japanese company, Persol, a company listed on the Tokyo Stock Exchange. Programmed is a leading staffing maintenance and facility management services provider with revenue in excess of \$2.4 billion and more than 25,000 employees across Australia and New Zealand.

Mr Sutherland is currently a Non-Executive Director of ASX listed Matrix Composites and Engineering Limited.

The Board considers that Mr Sutherland is an independent Director.

(b) **Stephen Brown** – *Managing Director and CEO*

Mr Brown was a founder of RemSense in 2012.

Commercially astute, results driven and focused strategic leader with a proven track record in orchestrating strong organisational and revenue growth. Extensive expertise in establishing and articulating company direction, high level strategy, evaluating complex operating environments, emerging market trends and aligning corporate culture. Repeated success in building outstanding professional teams to support high growth organisations.

Mr Brown had various roles in European company, DOF Subsea, from 2005 to 2013, including group CEO responsible for the global business based in Europe and was Executive Vice President responsible for Australia and Asia with directorships on all group companies in Australia, Singapore, Indonesia, Malaysia and Brunei.

Mr Brown was previously the CEO and Director of Covus Corporation, a subsidiary of Clough Group from 1998 to 2005.

The Board considers that Mr Brown is not an independent Director.

(c) **Nicole O'Connor** – *Non-Executive Director*

Ms O'Connor is an accomplished executive with proven strategic, digital and transformational capability. She has more than 20 years' experience in the technology sector having worked for some of the world's largest corporations.

Currently, as Director of Research at Curtin University, Ms O'Connor oversees the operations of approximately \$150 million of research projects. In prior roles, she led the successful growth of SAP in WA, transitioning from the provision of on-premise software to becoming a cloud-led services provider; and held a variety of roles at IBM culminating in managing their regional infrastructure business.

The Board considers that Ms O'Connor is an independent Director.

(d) **Ross Taylor** – *Non-Executive Director*

Mr Taylor is a Chartered Accountant and an investment banking consultant with a thorough knowledge of international financial markets gained while working in Australia, London, New York

and Tokyo. He has extensive experience in the global investment banking sector and has held senior positions with Deutsche Bank, Bankers Trust and Barclays Capital.

Mr Taylor is Non-Executive Chairman of ASX listed Lodestar Minerals Limited.

The Board considers that Mr Taylor is an independent Director.

Key management

(a) Jillian Rosich – Chief Financial Officer

Ms Rosich is a qualified accounting and finance professional, experienced in group accounting functions, financial forecasting and business consulting. Previously held roles in corporate finance and investment banking both locally and in the United Kingdom.

Ms Rosich holds a Bachelor of Science in mathematics and post graduate qualifications in Applied Finance and Investment and Professional Accounting.

The Company is aware of the need to have sufficient management to properly supervise its operations and the Board will continually monitor the management roles in the Company. The Board will look to appoint additional management and/or consultants when and where appropriate to ensure proper management oversight of the Company's activities.

7.2 DISCLOSURE OF INTERESTS

Remuneration

Details of the Directors' remuneration for the previous two completed and the current financial year (on an annualised basis) are set out in the table below:

Director	Remuneration for the year ended 30 June 2020	Remuneration for the year ended 30 June 2021	Proposed remuneration for the year ending 30 June 2022
Directors			
Christopher Sutherland	\$Nil	\$61,220	\$96,250
Stephen Brown	\$Nil	\$275,058	\$295,625
Nicole O'Connor	\$Nil	\$10,600	\$72,187
Ross Taylor	\$Nil	48,678	\$72,187

Interests in Securities

As at the date of this Prospectus

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a Director. As at the date of this Prospectus, the Directors have relevant interests in securities as follows:

Director	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Christopher Sutherland ¹	146,795	1,747,861 ²	0.27%	2.9%
Stephen Brown ³	12,597,362	2,074,499 ⁴	23.0%	22.46%
Nicole O'Connor	Nil	250,000	0%	0.36%
Ross Taylor ⁵	146,795	1,747,861 ²	0.27%	2.9%

Post-completion of the Offer

Director	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Fully Diluted)
Christopher Sutherland ¹	146,795	1,747,861 ²	0.18%	1.99%
Stephen Brown ³	12,597,362	2,074,499 ⁴	15.8%	15.4%
Nicole O'Connor	Nil	250,000	0%	0.26%
Ross Taylor ⁵	146,795	1,747,861 ²	0.18%	1.99%

Notes:

1. These Shares and Options are held by Sutho One Pty Ltd ATF The Sutho One Superannuation Fund, a company controlled by Mr Sutherland.
2. Comprises 1,497,861 Series A Options and 250,000 Series C Options. Upon the exercise of the Series A Options, a further 1,497,861 Series B Options will be issuable to the holder.
3. These Shares are held by Trench Super Pty Ltd, a company controlled by Mr Brown.
4. Comprises 1,574,499 Series A Options and 500,000 Series C Options. Upon the exercise of the Series A Options, a further 1,574,499 Series B Options will be issuable to the holder.
5. These Shares are held by Jamanaro Pty Ltd, a company controlled by Mr Taylor.

The Company's constitution provides that the remuneration of non-executive Directors will be not more than the aggregate fixed sum determined by a general meeting. The aggregate remuneration for non-executive Directors is \$450,000 per annum although may be varied by ordinary resolution of the Shareholders in general meeting.

The remuneration of any executive director that may be appointed to the Board will be fixed by the Board and may be paid by way of fixed salary or consultancy fee.

7.3 AGREEMENTS WITH DIRECTORS AND RELATED PARTIES

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

7.3.1 Executive Services Agreement – Stephen Brown

The Company has entered into an employment agreement with Mr Stephen Brown pursuant to which has been appointed as the Company's Managing Director on a full time basis.

Mr Brown is entitled to a salary of \$275,000 per annum plus superannuation. The employment agreement may be terminated by the Company or Mr Brown, other than for cause, on 12 months' notice.

The employment agreement is otherwise on terms considered standard for this type of agreement.

7.3.2 Non-Executive Appointment Letters

The Company has entered into non-executive appointment letters with each of Mr Sutherland, Ms O'Connor and Mr Taylor pursuant to which each is appointed as a non-executive director of the Company and from then on, subject to the Constitution relating to retirement by rotation and re-election of directors.

Upon listing Mr Sutherland will receive a directors' fee of \$100,000 plus superannuation acknowledging his role as Chair of the Company. Upon listing Ms O'Connor and Mr Taylor will each receive remuneration of \$75,000 plus superannuation for services rendered as non-executive directors.

7.3.3 Deeds of Indemnity and Insurance

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, the Company will agree to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company.

The Company will also be required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

7.4 CORPORATE GOVERNANCE

(a) ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.remsense.com.au.

(b) Board of Directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (i) maintain and increase Shareholder value;
- (ii) ensure a prudential and ethical basis for the Company's conduct and activities consistent with the Company's stated values; and
- (iii) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (i) leading and setting the strategic direction, values and objectives of the Company;
- (ii) appointing the Chairman of the Board, Managing Director or Chief Executive Officer and approving the appointment of senior executives and the Company Secretary;
- (iii) overseeing the implementation of the Company's strategic objectives, values, code of conduct and performance generally;
- (iv) approving operating budgets, major capital expenditure and significant acquisitions and divestitures;
- (v) overseeing the integrity of the Company's accounting and corporate reporting systems, including any external audit (satisfying itself financial statements released to the market fairly and accurately reflect the Company's financial position and performance);
- (vi) establishing procedures for verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor, to ensure that each periodic report is materially accurate, balanced and provides investors with appropriate information to make informed investment decisions;
- (vii) overseeing the Company's procedures and processes for making timely and balanced disclosure of all material information that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (viii) reviewing, ratifying and monitoring the effectiveness of the Company's risk management framework, corporate governance policies and systems designed to ensure legal compliance; and
- (ix) approving the Company's remuneration framework.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

(c) Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting, subject to the following:

- (i) membership of the Board of Directors will be reviewed regularly to ensure the mix of skills and expertise is appropriate; and
- (ii) the composition of the Board has been structured so as to provide the Company with an adequate mix of directors with industry knowledge, technical, commercial and financial skills together with integrity and judgment considered necessary to represent Shareholders and fulfil the business objectives and values of the Company as well as to deal with new and emerging business and governance issues.

The Board currently consists of four Directors (three non-executive Directors and one executive Director) of which three are considered independent directors. The Board considers the current balance of skills and expertise to be appropriate given the Company's currently planned level of activity.

To assist in evaluating the appropriateness of the Board's mix of qualifications, experience and expertise, the Board intends to maintain a Board Skills Matrix to ensure that the Board has the skills to discharge its obligations effectively and to add value.

The Board undertakes appropriate checks before appointing a person as a Director or putting forward to Shareholders a candidate for election as a Director or senior executive.

The Board ensures that Shareholders are provided with all material information in the Board's possession relevant to a decision on whether or not to elect or re-elect a Director.

The Company shall develop and implement a formal induction program for Directors, which is tailored to their existing skills, knowledge and experience. The purpose of this program is to allow new directors to participate fully and actively in Board decision-making at the earliest opportunity, and to enable new directors to gain an understanding of the Company's policies and procedures.

The Board maintains oversight and responsibility for the Company's continual monitoring of its diversity practices. The Company's Diversity Policy provides a framework for the Company to achieve enhanced recruitment practices whereby the best person for the job is employed, which requires the consideration of a broad and diverse pool of talent.

(d) Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

(e) Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards and to conducting all of the Company's business activities fairly, honestly with integrity, and in compliance with all applicable laws, rules and regulations. In particular, the Company and the Board are committed to preventing any form of bribery or corruption and to upholding all laws relevant to these issues as set out in the Company's Anti-Bribery and Anti-Corruption Policy. In addition, the Company encourages reporting of actual and suspected violations of the Company's Code of Conduct or other instances of illegal, unethical or improper conduct. The Company and the Board provide effective protection from victimisation or dismissal to those reporting such conduct as set out in its Whistleblower Protection Policy.

(f) Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

(g) Remuneration arrangements

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

In accordance with the Constitution, the total maximum remuneration of non-executive Directors is initially set by the Board and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$450,000 per annum.

In addition, a Director may be paid fees or other amounts (for example, and subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having regard to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

(h) Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

(i) External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company. From time to time, the Board will review the scope, performance and fees of those external auditors.

(j) Audit committee

The Company's Audit Committee comprises 3 non- executive directors. The Audit Committee's duties include, but are not limited to:

- (i) monitoring and reviewing any matters of significance affecting financial reporting and compliance;
- (ii) verifying the integrity of those periodic reports which are not audited or reviewed by an external auditor;
- (iii) monitoring and reviewing the Company's internal audit and financial control system, risk management systems; and
- (iv) management of the Company's relationships with external auditors.

(k) Diversity policy

The Company is committed to workplace diversity. The Company is committed to inclusion at all levels of the organisation, regardless of gender, marital or family status, sexual orientation, gender identity, age, disabilities, ethnicity, religious beliefs, cultural background, socio-economic background, perspective and experience.

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

(I) Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will also be announced prior to admission to the Official List of the ASX.

8. MATERIAL CONTRACTS

Set out below is a brief summary of the certain contracts to which the Company is a party and which the Directors have identified as material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract, it would be necessary to review it in full and these summaries should be read in this light.

8.1 CAPITAL RAISING AGREEMENTS

8.1.1 Lead Manager Mandate

The Company has signed a mandate letter to engage Mac Equity Partners (International) Pty Ltd to act as lead manager of the Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

Fees	Under the terms of this engagement the Company will pay Mac Equity Partners (International) Pty Ltd (Lead Manager): (a) a cash fee equal to 6% of the funds raised under the offer (plus GST); (b) issue 4,8 million Series A Options; and (c) any reasonable disbursements and out of pocket expenses, which will be agreed upon between the Lead Manager and the Company prior to their incursion.
Termination Events	Either party may terminate the Lead Manager Mandate where there is a material breach of the terms and conditions of the Lead Manager Mandate, any warranty or representation provided is untrue, the other party becomes insolvent, or a court makes an administrative order with respect to the other party. In addition, the Lead Manager may terminate the Lead Manager Mandate where the S&P/ASX Small Ordinaries Index drops by 10% from the date of the Lead Manager Mandate over a period of 3 continuous business days, ASX fails to give approval to the listing of the Company or the Company fails to comply with its constitution, any Australian statute by which it is bound, or order of ASIC, ASX or any governmental agency or any material agreement entered into by the Company; ASIC gives a notice of intention to hold a hearing under section 739(2) of the Corporations Act, the occurrence of any calamity, crisis or pandemic or any other material adverse event or change in the Company.
Scope of Work/Services	Under the Lead Manager Mandate, the Lead Manager will assist to manage the IPO process, including marketing the Offer, and assisting in the procuring of investors in the Company and produce branded research reports to assist the Offer, as well as advise on the market strategy.

The Lead Manager Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

8.2 AGREEMENTS WITH DIRECTORS AND RELATED PARTIES

Summaries of the agreements and arrangements entered into with the Directors are summarised in Section 7.3 of this Prospectus.

9. ADDITIONAL INFORMATION

9.1 LITIGATION

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

9.2 RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may

determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

9.3 TERMS AND CONDITIONS OF SERIES A AND SERIES C OPTIONS

The Company's current Series A and Series C Options have the following expiry date and exercise price and are otherwise issued on the terms and conditions set out below:

	Exercise Price	Expiry Date
Series A	\$0.25	30 June 2023
Series C	\$0.30	30 June 2024

- (a) The Options will be unlisted.
- (b) The Series A Options have no vesting conditions.
- (c) The Series C Options vest on 30 June 2023 provided the option holder remains an employee of the Company.
- (d) The notice attached to the certificate has to be completed when exercising the Options (Notice of Exercise).

- (e) Options may be exercised by the holder completing and forwarding to the Company a Notice of Exercise and payment of the exercise price for each Option being exercised prior to the Expiry Date.
- (f) The Options do not confer voting rights upon the holder. Voting rights are received upon conversion of the Options into Shares.
- (g) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing Shares.
- (h) Shares issued pursuant to the exercise of Options will be issued not more than 15 business days after the receipt of a properly executed Notice of Exercise and payment for the Exercise Price of each Option being exercised. The Company will apply for official quotation on ASX of Shares issued pursuant to the exercise of Options.
- (i) The holder of Options cannot participate in new issues of securities to holders of Shares unless the Options have been exercised and the Shares have been issued and registered in respect of the Options before the record date for determining entitlements to the issue. The Company must give notice to the holder of the Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules. Options can only be exercised in accordance with these terms and conditions.
- (j) If the Company makes a bonus issue of Shares to existing shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment), then the number of Shares or other securities for which the holder of the Options is entitled to subscribe on exercise of the Options is increased by the number of Shares or other securities that the holder of the Options would have received if the Options had been exercised before the record date for the bonus issue. No change will be made to the Exercise Price.
- (k) If the Company makes a pro-rata issue of Shares to existing shareholders (except a bonus issue), the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New Exercise Price} = O - \frac{E [P - (S + D)]}{N + 1}$$

O = the old Exercise Price of the Option

E = the number of underlying Shares into which one option is exercisable

P = volume weighted average market price (as defined by ASX LRs) per share during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

- (l) If at any time the capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

In addition to the terms and conditions outlined above, each Series A Option exercised will entitle the holder to one Share in the capital of the Company and one Series B Option. Such new Series B Option will be exercisable at \$0.40 on or before 30 June 2025 and otherwise be on the terms and conditions outlined above.

9.4 PERFORMANCE RIGHTS AND OPTIONS PLAN

The Company adopted a Performance Rights and Option Plan (**PROP**), the key terms of which are as follows:

(a) Eligibility

Participants in the PROP consist of:

- (i) a Director (whether executive or non-executive) of any Group Company;
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
- (iv) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming and Eligible Participant under Rules (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Awards under the PROP.

(b) Offer

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the PROP and upon such additional terms and conditions as the Board determines.

(c) Limit on Offers

Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

(d) No Consideration

- (i) Performance Rights granted under the PROP will be issued for nil cash consideration.
- (ii) Unless the Options are quoted on the ASX, Options issued under the PROP will be issued for no more than nominal cash consideration.

(e) Exercise Price

The Board may determine the Option exercise price (if any) for an Option offered under the Offer in its absolute discretion. To the extent the ASX Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the ASX Listing Rules.

(f) Vesting Conditions

An award may be subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Offer for the Awards.

(g) Lapse of an Award

An award will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Award occurring;
- (ii) a vesting condition in relation to the Award is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the vesting condition and vest the Award;
- (iii) in respect of an unvested Award only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - (A) exercises its discretion to vest the Award; or
 - (B) in its absolute discretion, resolves to allow the unvested Award to remain unvested after the Relevant Person ceases to be an Eligible Participant.
- (iii) in respect of a vested Award only, a Relevant Person ceases to be an Eligible Participant and, where required by the Board in its absolute discretion, the vested Performance Right is not

exercised within a one (1) month period (or such other period as the Board determines) as notified by the Board to the Participant after the date the Relevant Person ceases to be an Eligible Participant;

- (iv) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (v) the Company undergoes a change of control or a winding up resolution or order is made, and the Award does not vest; and
- (vi) the Expiry Date of the Award.

(h) Not transferable

Awards are only transferable:

- (i) in special circumstances or a change of control, in either case with the consent of the Board (which may be withheld in its absolute discretion); or
- (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

(i) Shares

All Shares issued under the PROP will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

(j) Restriction of Dealing in Shares

The Board may, in its discretion, determine at any time up until exercise of an Award, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Awards (**Restricted Shares**), up to a maximum of five (5) years from the Grant Date of the Awards (**Restriction Period**).

(k) No participation rights

There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.

(l) Change in exercise price of number of underlying securities

An Award does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Award can be exercised.

(m) Reorganisation

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(n) Trust

The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust.

The maximum number of Shares proposed to be issued under the PROP is the maximum permitted under the ASIC Class Order

9.5 INTERESTS OF DIRECTORS

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or

(ii) the Offer; or

(c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

(d) as an inducement to become, or to qualify as, a Director; or

(e) for services provided in connection with:

(i) the formation or promotion of the Company; or

(ii) the Offer.

9.6 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in this Prospectus, no:

(a) person named in this Prospectus as performing a function in a professional, advisory, or other capacity in connection with the preparation or distribution of this Prospectus;

(b) promoter of the Company; or

(c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

(d) the formation or promotion of the Company;

(e) any property acquired or proposed to be acquired by the Company in connection with:

(i) its formation or promotion; or

(ii) the Offer; or

(f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offer.

BDO Corporate Finance (WA) Pty Ltd has acted as Investigating Accountant and has prepared the Investigating Accountant's Report which is included in Section 5. The Company estimates it will pay BDO Corporate Finance (WA) Pty Ltd a total of \$17,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Corporate Finance (WA) Pty Ltd has not received any other fees from the Company for corporate finance services.

BDO Audit (WA) Pty Ltd has been appointed as the Company's auditor. The Company estimates it will pay BDO Corporate Audit (WA) Pty Ltd a total of \$25,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Corporate Finance (WA) Pty Ltd has received \$30,000 in other fees from the Company for audit services.

Mac Equity Partners (International) Pty Ltd will receive 6% of the total amount raised under the Prospectus (plus GST) following the successful completion of the Offer for its services as Lead Manager to the Offer. Mac Equity Partners (International) Pty Ltd will be responsible for paying all capital raising fees that Mac Equity Partners (International) Pty Ltd and the Company agree with any other financial service licensees. Further details in respect to the Lead Manager Mandate with Mac Equity Partners (International) Pty Ltd are summarised in Section 8.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Mac Equity Partners (International) Pty Ltd has not received fees totalling \$insert for other capital raising services provided to the Company.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$80,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months

preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

9.7 CONSENTS

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offer or of the Shares), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

BDO Corporate Finance (WA) Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Investigating Accountant's Report in Section 5 in the form and context in which the information and report is included.

BDO Audit (WA) Pty Ltd has given its written consent to being named as auditor of the Company in this Prospectus and the inclusion of the audited financial information of the Company contained in the Investigating Accountants Report included in Section 5 of this Prospectus in the form and context in which it appears.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers to the Company in relation to the Offer in this Prospectus.

Mac Equity Partners (International) Pty Ltd has given its written consent to being named as the Lead Manager to the Company in this Prospectus.

Automatic Group has given its written consent to being named as the share registry to the Company in this Prospectus.

9.8 EXPENSES OF THE OFFER

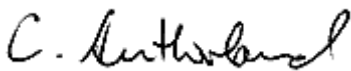
The total expenses of the Offer (excluding GST) are estimated to be approximately \$505,717 and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Minimum Subscription \$)
ASIC fees	3,206
ASX fees	80,511
Legal Fees	80,000
Lead Manager fees	300,000
Investigating Accountant's Fees	17,000
Auditor's Fees	25,000
TOTAL	505,717

10. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Christopher Sutherland

Non-Executive Chair

For and on behalf of

REMSSENSE TECHNOLOGIES LIMITED

11. GLOSSARY

Where the following terms are used in this Prospectus, they have the following meanings:

\$ means an Australian dollar.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offer.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Business Days means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

CHESS means the Clearing House Electronic Subregister System operated by ASX Settlement.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Key Offer Information Section (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company or **RemSense** means RemSense Technologies Limited (ACN 648 834 771).

Conditions has the meaning set out in Section 2.6.

Constitution means the constitution of the Company.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of the Company at the date of this Prospectus.

Exercise Period has the meaning given in Section 9.3.

Exercise Price has the meaning given in Section 9.3.

Expiry Date has the meaning given in Section 9.3.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act.

Lead Manager means Mac Equity Partners (International) Pty Ltd (ACN 606 342 910) (AFSL 338 731).

Lead Manager Mandate means the agreement with the Lead Manager summarised in Section 8.1.

Offer means the offer of Shares pursuant to this Prospectus as set out in Section 2.1.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Option holder means a holder of an Option.

PROP means the performance rights and options plan adopted by the Company and summarised in Section 9.4.

Prospectus means this prospectus.

Recommendations has the meaning set out in Section 7.4.

Section means a Section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

US means United States of America.

WST means Western Standard Time as observed in Perth, Western Australia.