RemSense

WE CREATE SOLUTIONS

ASX ANNOUNCEMENT

31 October 2023

SEPTEMBER 2023 QUARTERLY ACTIVITIES REPORT

QUARTERLY ACTIVITY

Following the successful delivery of virtualplant for several Chevron assets, RemSense delivered virtualplant scanning data of Chevron's Gorgon LNG Train 3 and Jansz-Io MEG regeneration inlet. Likewise for Woodside, where RemSense successfully delivered virtualplant for their Ngujima-Yin FPSO (Floating Production Storage and Offloading) vessel.

RemSense has been working with Programmed and Qteq on virtualplant trials for use in utility facilities. This included scanning and virtualplant configuration for numerous remote assets within SE Queensland for flood mitigation and monitoring.

RemSense undertook several drone services projects including:

- high resolution drone data capture for monitoring of new germination of canola crops.
- drone traffic monitoring for Western Australia's Main Roads.
- integration and testing of Raindance Systems incendiary deployment device for bushfire mitigation.
- developed and field-tested drone magnetometer suspension system.
- drone based remote water sampling in abandoned open pits for BHP.

RemSense completed work with Programmed to deliver virtualplant integration with IBM Maximo. Continued to develop virtualplant's Asset Audit AI technology to perform automated asset tag identification and auditing with Enterprise Asset Management systems such as SAP.

RemSense has refined its virtualplant technology roadmap to include strategic features additions such as an enhanced data security layer, maintenance planner and asset defect detection.

RemSense recruited a new CEO with 20+ years of related resources related software industry experience. The new CEO commenced 7 Sept 2023 replacing the retiring CEO Steve Brown.

The Company is in the process of seeking to raise capital and considering restructuring plan options to meet the short-term funding and future growth requirements of the Company. Additionally, in October 2023, the Company has secured a R&D rebate advance of $198,080 through Radium Capital.

OPPORTUNITIES

RemSense has provided firm pricing with a global Tier 1 resources company to adopt virtualplant across their global operations. The opportunity is valued at $6M with operations to be scanned and virtualplant deployed in 2024, if awarded.

RemSense has been building its business development capability which has resulted in a growing sales pipeline with opportunities across oil and gas, mining and utilities sectors.
RemSenses's growth strategy has always included service delivery partners and technology resellers for domestic and international projects. In preparation for virtualplant sales in North America, RemSense is establishing a data capture service delivery partnership with a service provider in the US. We are also in partnership negotiations with Malaysian based oil and gas services provider, Quarterback Services to resell virtualplant to the oil and gas majors in the region. Remsense and Quarterback Services have jointly provided preliminary pricing to deliver virtualplant to a Tier 1 oil and gas producer to assist with the ongoing decommissioning of their offshore assets.

ADDITIONAL APPENDIX 4C DISCLOSURES

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

ASX Listing Rule 4.7C.2

The "use of funds" statement in the prospectus covers two years from date of listing. The table below details a list of the total amount estimated in the prospectus by category, and the amount spent and invested for the quarter ending 31 December 2022:

Expenditure ($,000)	IPO use of funds 2 years	Actual to 30 September 2023	Remaining Balance	Material Variance Explanation
Business development and marketing	2,100	1,880	nil	Final
Product improvements and ongoing development of virtual plant	500	1,534	nil	Final
Expenses of the Offer	506	485	nil	Final
Capital Expenditure	500	762	nil	Final
Working Capital	1,796	1,910	nil	
TOTAL	**5,402**	**6,571**	**nil**	

ASX Listing Rule 4.7C.3

Payments to related parties totalling $146,000 for the quarter, comprising director and key management personnel salaries and superannuation.

-ENDS-

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

For further information:

Warren Cook
CEO
+61 8 6118 5610
rem@remsense.com.au

About RemSense

RemSense Technologies Limited (ASX: REM)

RemSense has developed virtualplant, a high-resolution 3D photographic asset visualisation platform that fulfills the promise of VR/AI technology as a digital representation of plant assets (visual twin). Virtualplant integrates with existing business operations and asset management systems to deliver greater productivity, increased safety, and reduced costs.

Appendix 4C

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

Name of entity	
RemSense Technologies Limited	
ABN	**Quarter ended ("current quarter")**
50 648 834 771	30 September 2023

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	620	620
1.2	Payments for		
	(a) research and development	(3)	(3)
	(b) product manufacturing and operating costs	(91)	(91)
	(c) advertising and marketing	(81)	(81)
	(d) leased assets	-	-
	(e) staff costs	(788)	(788)
	(f) administration and corporate costs	(170)	(170)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(4)	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(517)**	**(517)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(8)	(8)
	(d) investments	-	-
	(e) intellectual property	(154)	(154)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	7	7
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(155)**	**(155)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	341	341
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(32)	(32)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of equipment loan	(6)	(6)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities right of use assets)	(22)	(22)
3.10	**Net cash from / (used in) financing activities**	**281**	**281**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	790	790
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(517)	(517)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(155)	(155)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	281	281
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**399**	**399**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	399	399
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**399**	**399**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amounts of payments to related parties and their associates included in item 1	146
6.2	Aggregate amounts of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (advance on R&D rebate)	-	-
7.4	**Total financing facilities**	**-**	**-**
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	On 18 October 2023 the Company received funds of $198,080 from Radium Capital as an advance on 80% of the Company's estimated R&D claim for FY23. This loan is secured against the Company's ATO R&D claim. The loan has an interest rate of 16% and a maturity date of 31 December 2023. The maturity date can be extended depending on the expected timing of the payment from the ATO of the R&D rebate.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(517)
8.2	Cash and cash equivalents at quarter end (item 4.6)	399
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	**399**
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.77
	Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Yes	
	8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: RemSense is in the process of seeking to raise capital and considering restructuring plan options to meet the short-term funding and future growth requirements of the Company. Additionally, the Company has secured a R&D rebate advance of $198,080 through Radium Capital.	

	8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: Yes, the Company is confident that it can raise the funds or restructure in such a way as to meet the ongoing operational requirements of the Company. Additionally, the Company anticipates the realisation of a number of sales opportunities it is currently pursuing.
	Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2023.



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

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.