RemSense

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REMSENSE TECHNOLOGIES LIMITED

ABN 50 648 834 771

APPENDIX 4D and INTERIM FINANCIAL REPORT

For the half-year ended 31 December 2023

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APPENDIX 4D

Reporting period (current period)	Half-year ended 31 December 2023
Previous corresponding period	Half-year ended 31 December 2022

Results for announcement to the market

Results performance	6 months to 31 Dec 2023 $	6 months to 31 Dec 2022 $	Percentage Increase / (decrease)
Revenue from ordinary activities	1,122,136	990,473	13.29%
Loss after tax attributable to owners of the Company	(1,073,624)	(1,546,226)	30.56%
Net loss attributable to owners of the Company	(1,073,624)	(1,546,226)	30.56%

Dividend information

	Amount per share (cents)	Franked amount per share (cents)
Final 2023 dividend per share	Nil	Nil
Interim 2024 dividend per share	Nil	Nil

Net tangible assets / (liabilities)

	31 Dec 2023	31 Dec 2022
Net tangible assets / (liabilities) per ordinary share (cents)	0.151	1.330

Details of entities over which control has been gained or lost during the period

None.

Details of associates and joint venture entities

None.

Review of Results

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2023. This Interim Financial Report should be read in conjunction with the most recent annual financial report.

Review Report

This Interim Financial Report has been subject to review by the Company's external auditor and the review report is attached as part of the interim financial report.

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DIRECTORS' REPORT

The Directors present their Interim Financial Report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of RemSense Technologies Limited (referred to hereafter as the 'Company' or 'RemSense") and the entity it controlled at the end of, or during, the half-year ended 31 December 2023.

DIRECTORS

The following persons were directors of RemSense during the whole of the half-year and up to the date of this report, unless otherwise stated:

Steve Brown	Non-executive Director	Retired as Managing Director, effective 7 Sept 2023. Executive Director from 8 Sept until his retirement on 14 Dec 2023.
Chris Sutherland	Non-executive Chairman	Resigned 21 February 2024.
Sue Murphy	Non-executive Director	Resigned 21 February 2024.
Ross Taylor	Non-executive Chairman	Previously Non-Executive Director, appointed Chairman 21 February 2024.
Richard Pace	Non-executive Director	Appointed 21 February 2024.
John Clegg	Non-executive Director	Appointed 21 February 2024.

REVIEW OF OPERATIONS

Revenue for the six months totalled $1,122,136 (31 December 2022: $990,473), an increase of 13% over the prior six-month period. The Company focused its efforts on the further development and marketing of its virtualplant technology, scanning services and provision of virtualplant subscription contracts during the year. The gross margin on sales has improved from 59% for the six months to 31 December 2022 to 66% in this period.

The net loss for the period was $1,073,624 (31 December 2022: $1,546,226). As of 31 December 2023, the Company's cash position was $673,172 (31 December 2022: $594,804). Cash expenditure invested/incurred during the period included investment in product development of $285,405.

Virtualplant Foundations Built and Strengthened

- RemSense has refined and enhanced its virtualplant technology development roadmap to include strategic feature additions such as an enhanced data security layer, maintenance planner and asset defect detection such as corrosion detection.
- RemSense are working with partners on virtualplant trials for use in Utility facilities. This included scanning and virtualplant configuration for a few remote assets within Australia's Eastern states.
- Completed development of virtualplant's Asset Audit AI technology to perform automated asset tag identification and reconciliation with Enterprise Asset Management systems such as SAP.
- Added new feature in virtualplant (virtualplant *Air*) to process, display and interrogate aerial drone reality capture imagery alongside the ground-based imagery of the inside of facilities.

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New virtualplant Contracts Awarded and Executed

- Delivered reality capture imagery for Chevron's Jansz-Io inlet, northwest coast of Western Australia.
- RemSense successfully delivered virtualplant for Woodside's Ngujima-Yin FPSO (Floating Production Storage and Offloading) vessel.
- Received a contract from Woodside Energy Ltd to implement virtualplant creating a photographic visual twin of a third FPSO, Okha, with work scheduled to commence calendar Q1 2024.

Opportunity Update

- Following some initial work and the provision of virtualplant pricing (valued at total of $6M) with a global Tier 1 resources company for a range of global assets, RemSense has been awarded an initial contract just after quarter end to begin virtual data capture for one of their Western Australian assets with work commenced in January 2024.
- Establishing a reality capture service delivery and virtualplant reseller partnerships with service providers in the US and UK.
- In partnership negotiations with Malaysian based oil and gas services provider, to resell virtualplant to the oil and gas majors in the region. Preliminary pricing to deliver virtualplant to a Tier 1 oil and gas producer to assist with the ongoing decommissioning of their SE Asian offshore assets has been submitted.
- 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.

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CORPORATE

RemSense Technologies Limited is listed on the Australian Securities Exchange (ASX: REM), classified as a West Australian technology company developing asset visualisation and insight applications for oil and gas and mining and utilities, and has approximately 128.7 million shares on issue at the date of this report.

The principal activities of the Company are to provide innovation, data capture and insights, and virtualplant digital twin solutions across industrial, infrastructure and resource market sectors.

The Company has not reached a stage in its development where it is generating an operating profit.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as reported in the Review of Operations, there were no matters that significantly affected the affairs of the Group during the reporting period.

MATTERS SUBSEQUENT TO THE BALANCE DATE

Other than as disclosed in note 17 to the financial statements, there have been no other matters or circumstances that have arisen since the end of the financial period that have significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors.

ROSS TAYLOR
Non-Executive Chairman

28 February 2024
Perth, WA

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF REMSENSE TECHNOLOGIES LIMITED

As lead auditor for the review of RemSense Technologies Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of RemSense Technologies Limited and the entity it controlled during the period.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth

28 February 2024

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
As at 31 December 2023

	Note	31 December 2023 $	31 December 2022 $
Revenue	3	1,122,136	990,473
Government grants	4	143,057	63,111
Cost of sales	5	(380,924)	(406,678)
Marketing and business development		(125,119)	(126,567)
Personnel expenses		(1,194,181)	(1,556,050)
General and administration		(219,478)	(230,922)
Professional fees		(171,704)	(92,203)
Depreciation	7	(49,589)	(38,324)
Amortisation	8	(114,304)	(84,444)
Amortisation – right of use assets		(47,537)	(60,454)
Research and development costs		(23,796)	(2,584)
Other gains (losses)		4,209	(48)
Results from operating activities		**(1,057,230)**	**(1,544,690)**
Finance income		-	3,485
Finance costs	5	(16,394)	(5,021)
Net finance costs		(16,394)	(1,536)
Loss before income tax		(1,073,624)	(1,546,226)
Income tax expense			
Loss for the period		(1,073,624)	(1,546,226)
Total comprehensive loss for the period		(1,073,624)	(1,546,226)
Total comprehensive loss attributable to owners of the Company		**(1,073,624)**	**(1,546,226)**
Loss per share (cents per share)			
Basic and diluted	12	(1.06)	(1.89)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	31 December 2023 $	30 June 2023 $
Assets			
Cash and cash equivalents	6	673,172	789,652
Trade and other receivables		89,542	163,698
Contract assets		14,811	33,909
Prepayments		170,545	179,034
Other financial assets		60,000	60,000
Total current assets		1,008,070	1,226,293
Property, plant, and equipment	7	324,271	357,268
Right of use assets		134,688	182,225
Intangible assets	8	1,203,145	1,032,044
Other financial assets		47,236	47,236
Total non-current assets		1,709,340	1,618,773
Total assets		**2,717,410**	**2,845,066**
Liabilities			
Trade and other payables		224,021	359,034
Borrowings	13	305,484	18,371
Lease liabilities		95,885	90,930
Employee benefits		184,963	246,218
Contract liabilities	3	106,025	349,844
Total current liabilities		916,378	1,064,397
Borrowings	13	21,459	31,384
Lease liabilities		42,625	92,086
Employee benefits		85,818	78,675
Provisions		12,000	12,000
Deferred Income	4	241,585	137,635
Total non-current liabilities		403,487	351,780
Total liabilities		1,319,865	1,416,177
Net assets		**1,397,545**	**1,428,889**

The above statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 December 2023

	Note	31 December 2023 $	30 June 2023 $
Equity			
Issued capital	9	8,173,577	7,204,024
Reserves	9	122,549	50,632
Accumulated losses		(6,898,581)	(5,825,767)
Total equity		1,397,545	**1,428,889**

The above statement of financial position should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Half- year ended 31 December 2023

	Issued capital $	Predecessor accounting reserve $	Options & Share Rights reserves	Accumulated losses $	Total equity $
Balance on 1 July 2022	5,652,655	(8,674)	505,729	(3,674,504)	2,475,206
Loss after income tax expense for the period	-	-	-	(1,546,226)	(1,546,226)
Total comprehensive loss for the period	-	-	-	(1,546,226)	(1,546,226)
Transactions with owners in their capacity as owners					
Contributions of equity	946,115	-	-	-	946,115
Share-based payment transactions (note 14)	-	-	259,270	-	259,270
Balance on 31 December 2022	**6,598,770**	**(8,674)**	**764,999**	**(5,220,730)**	2,134,365
Balance on 1 July 2023	7,204,024	(8,674)	59,306	(5,825,767)	1,428,889
Loss after income tax expense for the period	-	-	-	(1,073,624)	(1,073,624)
Total comprehensive loss for the period					
Transactions with owners in their capacity as owners					
Contributions of equity (note 9)	969,553	-	-	-	969,553
Transfer to accumulated losses on expiry and exercise of options	-	-	(810)	810	-
Share-based payment transactions (note 14)	-	-	72,727	-	72,727
Balance on 31 December 2023	**8,173,577**	**(8,674)**	**131,223**	**(6,898,581)**	1,397,545

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS
Half-year ended 31 December 2023

	Note	31 December 2023 $	31 December 2022 $
Cash flows from operating activities			
Receipts from customers		1,114,827	1,032,187
Government grants		101,526	(34,424)
Payments to suppliers and employees		(2,033,238)	(2,579,122)
Interest received		-	3,485
Interest paid		(16,394)	(5,021)
Payments for research and development		(23,796)	(2,584)
Net cash used in operating activities	10	(857,075)	(1,585,479)
Cash flows from investing activities			
Government grants		145,481	-
Proceeds from sale of property, plant, and equipment		10,989	-
Payments for property, plant, and equipment		(26,616)	(50,626)
Payments for intangible assets		(285,405)	(715,876)
Net cash used in investing activities		(155,551)	(766,502)
Cash flows from financing activities			
Proceeds from issue of shares and options		1,095,457	570,000
Proceeds from exercise of options		-	402,470
Repayment of premium funding facilities		(49,214)	(81,696)
Repayment of other short-term loans		(40,000)	-
Repayment of chattels and mortgages		(8,948)	-
Payment of lease liabilities		(44,506)	(57,808)
Payment of capital raising costs		(56,643)	(26,355)
Net cash provided by financing activities		896,146	806,611
Net (decrease)/ increase in cash and cash equivalents		(116,480)	(1,545,370)
Cash and cash equivalents on 1 July		789,652	2,140,174
Cash and cash equivalents on 31 December		673,172	594,804

The above statement of cash flows should be read in conjunction with the accompanying notes.

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NOTES TO THE INTERIM FINANCIAL REPORT
Half-year ended 31 December 2023

1 CORPORATE INFORMATION

The financial statements cover RemSense Technologies Limited ("the Company") as a Group consisting of RemSense Technologies Limited and the entity it controlled ("the Group") at the end of, or during the half-year. The financial statements are presented in Australian Dollars, which is RemSense Technologies Limited's functional and presentation currency.

RemSense Technologies Limited is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business is Suite 173, 580 Hay Street, Perth, WA, 6000.

A description of the nature of the Group's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 February 2024.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

This interim financial report for the half-year ended 31 December 2023 is a condensed general purpose financial report prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001.*

This interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the annual financial report.

The interim financial report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2023.

It is also recommended that the interim financial report be considered together with any public announcements made by RemSense Technologies Limited during the half-year ended 31 December 2023 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

2.2 Going Concern

The consolidated financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 31 December 2023, the Group had net assets of $1,397,545 (30 June 2023 $1,428,889), a working capital surplus of $91,692 (30 June 2023: $161,896) and cash at bank of $673,172 (30 June 2023: $789,652). For the six months ended 31 December 2023, the Group recorded a loss of $1,073,624 (31 December 2022: $1,546,226) and cash outflows from operating and investing activities of $1,012,626 (31 December 2022: $2,351,981).

These conditions indicate a material uncertainty that may cast a significant doubt about the Group'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.

Given the significance of the Company's existing customers and the number of opportunities currently under negotiation, the directors are satisfied the Group is a going concern as they expect virtualplant to derive significant future revenues and positive cash flows for the Company. The directors are also confident that they can raise funds as and when required.

The financial report 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.

2.3 Accounting policies

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

There were no new Accounting Standards and Interpretations relevant to the Group during the reporting period.

2.4 Segment information

For management purposes, the Company is organised into one operating segment, being technology development, digital engineering solutions and its virtualplant photogrammic software product, and services a range of markets and applications in Western Australia. All the Group's activities are interrelated, and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole. The accounting policies used by the Group in reporting segments internally are the same as those contained in note 2.3 to the accounts.

For the period ended 31 December 2023, revenues of approximately $607,290 and $305,401 were derived from two external customers (period to 31 December 2022: $392,483 and $316,212). These revenues are attributed to the provision of scanning services and software sales.

3 REVENUE

(i) The Group's disaggregation of revenue from contracts with customers is as follows:

	31 December 2023 $	31 December 2022 $
Timing of revenue recognition		
Rendering of services transferred over time *	168,064	315,022
Rendering of services transferred at a point in time **	954,072	675,451
	1,122,136	990,473

* Revenue from engineering services and virtualplant subscription contracts are recognised over time.
** Revenue from scanning jobs is recognised at a point in time.

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(ii) The Group's liabilities related to contracts with customers is as follows:

	31 December 2023 $	30 June 2023 $
Contract liabilities		
Unearned revenue *	106,025	349,844
	106,025	349,844

* $80,667 (30 June 2023: $84,800) relates to unearned revenue on four software subscription contracts (30 June 2023: three contracts) and $25,358 relates to unearned revenue on an annual retainer contract (30 June 2023: $69,328).

4 GOVERNMENT GRANTS

	31 December 2023 $	31 December 2022 $
R&D tax incentive	143,057	63,111
	143,057	**63,111**

An R&D refund of $247,007 (30 June 2023: $218,014) was received during the period. As per AASB 120, para 12, income is recognisable immediately for the portion of the claim relating to cost already expensed in profit and loss, as well as amortisation of capitalised expenditure over the life of the asset. A deferred income amount is recognised in the balance sheet for the portion of the R&D tax incentive relating to capitalised cost, and is unwound in line with the amortisation of the intangible asset as at 31 December 2023 as shown below:

	31 December 2023 $	30 June 2023 $
Deferred Income		
FY2022 R&D tax incentive (government grant) – deferred income	120,080	137,635
FY2023 R&D tax incentive (government grant) – deferred income	121,505	-
	241,585	137,635

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5 EXPENSES

Loss before income tax from continuing operations includes the following specific expenses:

	Note	31 December 2023 $	31 December 2022 $
Cost of sales			
Cost of sales		380,924	406,678
Finance costs			
Interest and finance charges paid / payable on borrowings		10,345	3,058
Interest and finance charges paid / payable on lease liabilities		6,049	1,963
		16,394	**5,021**
Superannuation expense			
Defined contribution superannuation expense – key management		39,690	44,189
Defined contribution superannuation expense - staff		107,231	106,837
		146,921	151,026
Share-based payment expense			
Key management personnel	14	48,262	204,445
Staff		-	54,825
		48,262	**259,270**

6 CASH AND CASH EQUIVALENTS

	31 December 2023 $	30 June 2023 $
Cash at bank	673,022	789,502
Cash on deposit	-	-
Other	150	150
Cash and cash equivalents in the statement of cash flows	**673,172**	**789,652**

7 PROPERTY, PLANT AND EQUIPMENT

	31 December 2023 $	30 June 2023 $
Plant and equipment – at cost	666,577	657,885
Less: accumulated depreciation	(401,477)	(364,834)
	265,100	293,051
Furniture and office equipment – at cost	38,836	40,897
Less: accumulated depreciation	(6,622)	(6,612)
	32,214	34,285
Communication and computer equipment – at cost	57,909	58,029
Less: accumulated depreciation	(39,553)	(37,953)
	18,356	20,076
Mobile equipment and motor vehicles – at costs	58,409	58,409
Less: accumulated depreciation	(49,808)	(48,553)
	8,601	9,856
Leasehold improvements – at costs	-	6,426
Less: accumulated depreciation	-	(6,426)
	-	-
	324,271	**357,268**

Reconciliation

Reconciliation of the written down values at the beginning and end of the current financial half-year are set out below:

	Plant & equipment $	Furniture & office Equipment $	Computer & comms Equipment $	Mobile Equipment & motor Vehicles $	Leasehold improve-ments $	Total $
Balance on 1 July 2023	293,051	34,285	20,076	9,856	-	**357,268**
Additions	13,692	-	4,483	-	-	**18,175**
Disposals	(5,000)	(2,061)	(4,603)	-	-	**(11,664)**
Depreciation on disposals	5,000	1,732	3,349	-	-	**10,081**
Depreciation expense	(41,643)	(1,742)	(4,949)	(1,255)	-	**(49,589)**
Balance on 31 December 2023	**265,100**	**32,214**	**18,356**	**8,601**	**-**	**324,271**

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8 INTANGIBLE ASSETS

	31 December 2023 $	30 June 2023 $
Patents and Trademarks – at cost	18,585	17,425
Less: accumulated amortisation	-	-
	18,585	17,425
virtualplant: Software – at cost	1,093,429	734,962
Less: accumulated amortisation	(192,376)	(118,291)
	901,053	616,671
virtualplant: IP * – at cost	400,000	400,000
Less: accumulated amortisation	(116,493)	(76,274)
	283,507	323,726
	1,203,145	**1,032,044**

* On 20 July 2022, the Company acquired the virtualplant background Intellectual Property (IP) previously owned by Woodside Energy Technologies Ltd (Woodside) for a total sum of $400,000. As a consequence, RemSense is no longer required to pay Woodside a 5% license fee for use of their IP.

Reconciliation

Reconciliation of the written down values at the beginning and end of the current financial half-year are set out below:

	Patents & Trademarks $	virtualplant Software $	virtualplant IP $	Total $
Balance on 1 July 2023	17,425	690,893	323,726	**1,032,044**
Additions	1,160	284,245	-	**285,405**
Disposals	-	-	-	**-**
Amortisation expense	-	(74,085)	(40,219)	**(114,304)**
Balance on 31 December 2023	**18,585**	**901,053**	**283,507**	**1,203,145**

9 ISSUED CAPITAL

	Ordinary shares	
	Number of shares	**Amount in $**
Balance on 1 July 2022	**79,593,751**	**5,652,655**
Issue of fully paid shares on conversion of options [1]	1,609,881	402,470
Issue of fully paid shares under SPP [2]	3,562,500	570,000
Issue of fully paid shares - Peak placement [3]	6,333,333	475,000
Issue of fully paid shares – Entitlement Offer [4]	2,670,624	200,297
Capital raising costs	-	(96,398)
Balance on 30 June 2023	**93,770,089**	**7,204,024**
Balance on 1 July 2023	**93,770,089**	**7,204,024**
Issue of fully paid shares - Peak placement [5]	4,540,000	340,500
Issue of fully paid shares – Liquidity placement [6]	7,373,250	294,930
Issue of fully paid shares – Entitlement Offer [7]	23,001,348	460,027
Capital raising costs	-	(125,904)
Balance on 31 December 2023	**128,684,687**	**8,173,577**

(1) Certain current and past Directors of the Company converted 1.6m A class options to raise $402,470 of funds used to acquire the virtualplant IP from Woodside.
(2) The Company issued 3,562,500 fully paid ordinary shares under a Share Placement Plan in November 2022.
(3) the Company raised funds through a placement in April 2023, with 6,333,333 fully paid ordinary shares issued.
(4) An Entitlement Offer followed in May 2023 which resulted in the issue of a further 2,670,624 fully paid ordinary shares.
(5) The Company raised funds through the placement of 4,540,000 shares with the assistance of Peak Asset Management in August 2023. Shares were issued at 7.5c each with one free attaching option exercisable at 15c issued for each share applied for.
(6) The Company raised $294,930 through a placement in November 2023 with assistance from Liquidity Technology Pty Ltd. 7,373,250 shares were issued at 4c with one free attaching option exercisable at 4c on or before 9 November 2026.
(7) An Entitlement Offer followed in December 2023 which resulted in the issue of a further 23,001,348 shares. The issue also included one free attaching option for every 2 shares acquired.

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9 ISSUED CAPITAL (continued)

Reserves

The following table shows the movement in reserves during the year.

	31 December 2023 $	30 June 2023 $
(a) Predecessor accounting reserve	(8,674)	(8,674)
(b) Options & share rights reserves	131,223	59,306
	122,549	50,632

(a) 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.

(b) Options & share rights reserves

	Options & share rights	
	Number	Amount in $
Balance on 1 July 2022	**16,018,622**	**505,729**
Issue of options (exercisable at 25 cents), expiring 30-Jun- 25 to KMPs of the Company	2,750,000	148,610
Issue of options (exercisable at 25 cents), expiring 30-Jun- 25 to employees of the Company	1,085,000	58,633
Expensing of options issued in prior periods over vesting period	-	87,098
Issue of free attaching listed options (exercisable at 15 cents), expiring 15-Dec-25	9,003,957	-
Issue of new Director options (exercisable at 15 cents), expiring 10-Dec-25.	9,000,000	221,310
Cancellation of options on employee terminations	(3,750,000)	(228,064)
Expired and exercised 7m A Director & founder options issued 19-Mar-21	(7,108,741)	(332,682)
Expiry of 4.8m A Broker options issued 29-Oct-21	(4,800,000)	(401,328)
Balance on 30 June 2023	**22,198,838**	**59,306**
Balance on 1 July 2023		
Issue of placement listed options (exercisable at 15 cents), expiring 15-Dec-25	4,540,000	-
Issue of broker options (exercisable at 15 cents), expiring 15-Dec-25	2,446,500	24,465
Cancellation of options on employee termination	(15,000)	(810)
Issue of share rights, expiring on 24-Aug-25 to CEO	2,000,000	23,022
Issue of options (exercisable at 15 cents), expiring 10-Dec-25 to CEO on commencement of employment	2,000,000	25,240
Issue of placement listed options (exercisable at 4 cents), expiring 09 Nov-26	7,373,250	-
Issue of Entitlement Offer options (exercisable at 4 cents), expiring 09 Nov-26	11,500,683	-
Balance on 31 December 2023	**52,044,271**	**131,223**

10 RECONCILIATION OF LOSS TO NET CASH FROM OPERATING ACTIVITIES

The carrying amounts of receivables and payables are considered a reasonable approximation of their fair value.

	31 December 2023 $	31 December 2022 $
Cash flows from operating activities		
Loss for the period	(1,073,624)	(1,546,226)
Adjustments for:		
Finance expense		-
Depreciation and amortisation	211,430	183,222
Other income	-	(63,111)
Equity-settled share-based payments	48,262	259,270
Annual and long service leave expense	(91,242)	(67,315)
Gain on sale of property, plant, and equipment	(6,108)	-
Change in trade and other receivables	72,027	77,586
Change in prepayments	204,983	120,517
Change in contract assets	19,098	(72,748)
Change in trade and other payables	6,320	(374,205)
Change in contract liabilities and deferred income	(285,350)	(125,870)
Change in employee benefits provision	37,129	23,401
Net cash used in operating activities	(857,075)	(1,585,479)

11 FINANCIAL INSTRUMENTS

The carrying amounts of receivables and payables are considered a reasonable approximation of their fair value.

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12 LOSS PER SHARE

	31 December 2023 $	31 December 2022 $
Basic and diluted loss per share from continuing operations		
Loss after income tax attributable to owners of the Company	(1,073,624)	(1,546,226)
	Cents	**Cents**
Basic loss and diluted loss per share	(1.06)	(1.89)
	Number	**Number**
Weighted average number of ordinary shares		
Issued ordinary shares on 1 July	93,770,089	79,593,751
Effect of shares issued	7,596,100	2,375,288
Weighted average number of ordinary shares used in calculating basic and diluted loss per share	101,366,189	81,969,039

13 LOANS AND BORROWINGS

	Book value 31 December 2023 $	Fair value 31 December 2023 $	Book value 30 June 2023 $	Fair value 30 June 2023 $
Current				
Chattel mortgage	19,348	19,348	18,371	18,371
Financing of premium funding facility	147,280	147,280	-	-
Financing of ATO payment plan	138,856	138,856	-	-
Balance	**305,484**	**305,484**	**18,371**	**18,371**
Non-current				
Chattel mortgage	21,459	21,459	31,384	31,384
Balance	**326,943**	**326,943**	**49,755**	**49,755**

Financing arrangements
There were no lines of credit at the reporting date.

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13 LOANS AND BORROWINGS (continued)

	Chattel mortgage $	Premium funding $	ATO payment plan $	R&D rebate advance $	Total $
Balance on 1 July 2022	-	-	-	-	-
Financing of chattel mortgage	58,311	-	-	-	58,311
Financing of premium funding facility	-	215,352	-	-	215,352
Interest charged	2,342	7,503	-	-	9,845
Less: repaid (1)	(10,898)	(222,855)	-	-	(233,753)
Balance on 30 June 2023	**49,755**	**-**	-	-	**49,755**
Financing of premium funding facility	-	196,494	-	-	196,494
Financing of ATO payment plan (2)	-	-	178,856	-	178,856
Loan advance from Radium Capital (R&D) (3)	-	-	-	198,080	198,080
Interest charged	2,396	2,713	-	5,236	10,345
Less repaid (1)	(11,344)	(51,927)	(40,000)	(203,316)	(306,587)
Balance on 31 December 2023	**40,807**	**147,280**	**138,856**	**-**	**326,943**

(1) Amounts repaid include interest and loan establishment costs

(2) The Company entered a payment plan with the ATO in November 2023 for the September and October BAS and PAYGW payments for RemSense Pty Ltd totalling $178,856. Repayments of $20,000 per month are being made with interest charged on payout of the loan in August 2023. At 31 December 2023, $40,000 has been repaid and the balance outstanding is $138,856.

(3) The Company secured a loan of $198,080 through Radium Capital in October 2023 as an advance on 80% of the Company's estimated ATO R&D claim and inclusive of accrued interest at 16% per annum. $203,316 was repaid on 15 December 2023 (including interest accrued of $5,236) upon receipt of the R&D refund from the ATO.

14 SHARE-BASED PAYMENTS

The share-based payment expense included within the consolidated financial statements can be broken down as follows:

	31 December 2023 $	31 December 2022 $
Expensed in personnel expenses		
Options and share rights issued to directors and key management personnel	48,262	204,445
Options issued to employees	-	54,825
Capital raising costs within equity		
Options issued to broker	24,465	-

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14 SHARE-BASED PAYMENT PLANS (continued)

Share-based payment programme

The Company has adopted an Employee Share Option Scheme ("ESOS"). Under the ESOS, once issued, the Company may grant options and rights to Group eligible employees and consultants to acquire securities to a maximum of 10% of the Company's total issued ordinary shares at the date of the grant. The fair value of share options granted is measured using the Black Scholes option pricing model.

The options and rights vest on a time scale as specified in the ESOS and are granted for no consideration. Options and rights granted under the plan carry no dividend or voting rights. When exercisable, each option is converted into one ordinary share. The maximum term of an option is five years from grant date and the exercise price is settled in cash.

Options will not be transferable and will not be listed on the ASX unless the offer provides otherwise or the Board in its absolute discretion approves.

Options

On 31 December 2023, a summary of the Group options issued and not exercised under the share-based payment programme are as follows. Options are settled by the physical delivery of shares:

Grant date	Vesting date	Expiry date	Exercise Price (cents)	Balance at the start of the year	Granted during the period	Exercised during the period	Expired / forfeited during the period	Balance at the end of the period	Vested and exercisable at the end of the period
20-Apr-21	30-Jun-23	30-Jun-24	30	1,000,000	-	-	-	1,000,000	1,000,000
02-Aug-21	30-Jun-23	30-Jun-24	30	500,000	-	-	-	500,000	500,000
20-Jul-22	20-Jul-22	30-Jun-25	40	1,020,000	-	-	-	1,020,000	1,020,000
15-Dec-22	15-Dec-22	30-Jun-25	25	1,085,000	-	-	(15,000)	1,070,000	1,070,000
28-Jun-23	28-Jun-23	10-Dec-25	15	9,000,000	-	-	-	9,000,000	9,000,000
02-Aug-23	02-Aug-23	15-Dec-25	15	-	2,446,500	-	-	2,446,500	2,446,500
24-Aug-23	07-Sep-23	10-Dec-25	15	-	2,000,000	-	-	2,000,000	2,000,000
Total				**12,605,000**	**4,446,500**	**-**	**(15,000)**	**17,036,500**	**17,036,500**
Weighted average exercise price (cents)				19.67	15.00	-	25.00	19.02	19.02

At the exercise date, the weighted average remaining contractual life of options outstanding on 31 December 2023 was 1.73 years.

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14 SHARE-BASED PAYMENT PLANS (continued)

Key valuation assumptions made at valuation date under the Black & Scholes option pricing model for the reporting period are summarised below:

	Number of Options	Exercise Price (cents)	Grant date	Expiry Date	Life of the Options (years)	Volatility	Risk free Rate	Fair value at grant date (cents)	Share price at grant date (cents)
Tranche 6	2,446,500	15	02-Aug-23	15-Dec-25	2.37	n/a	n/a	1.000	n/a
Tranche 7	2,000,000	15	24-Aug-23	10-Dec-25	2.30	90%	3.90%	1.262	4.9

During the reporting period, no options expired. However, 15,000 tranche 4 options were cancelled on termination of one employee's employment.

On the of August 2023, RemSense awarded 2,446,500 to Peak Asset Management as part of their fees for providing capital raising support. These are listed options valued as a share-based payment based on the current market price of the listed options on date of issue.

On the 24th of August 2023, 2,000,000 15c options were granted to Company's new CEO, Warren Cook on his appointment. Warren was also issued with 2,000,000 share rights on commencement of his employment which vested immediately.

At the reporting date, there are a total of 50,044,271 options on issue in RemSense Technologies Limited (12,420,000 options relating to KMP), exercisable between 15 and 40 cents per share, and expiring between 30 June 2024 and 15 December 2025.

Share Rights

On the 24th of August 2023, RemSense granted 2,000,000 share rights to new CEO, Warren Cook. These rights will convert to free shares, half on the 7th of September 2024 and the other half on the 7th of September 2025 being the date of commencement of employment provided Warren remains employed by the Company at those dates.

The share rights have been valued at the current market price at the date of issue ($4.9 cents).

15 RELATED PARTY TRANSACTIONS

No KMP's had any related party transactions with the Group over this reporting period.

Key management personnel compensation comprises the following:

	31 December 2023 $	31 December 2022 $
Short-term employee benefits	340,578	458,773
Long-term employee benefits	(57,325)	5,942
Post-employment benefits	34,544	44,192
Share-based payments – options and share rights	48,262	204,445
	366,059	713,352

16 COMMITMENTS AND CONTINGENCIES

As at 31 December 2023, the Company has not identified any commitments and contingencies.

17 MATTERS SUBSEQUENT TO THE BALANCE DATE

On the 21st of February 2024, the Company announced the resignation of Chris Sutherland and Sue Murphy as Non-Executive Directors of the Company. Two founding shareholders of the Company, Richard Pace and John Clegg were appointed in their place on 21 February 2024.

Other than as disclosed above, there have been no other matters or circumstances that have arisen since the end of the half-year that have significantly affected, or may significantly affect, the operations of the Group, the results of these operations, or the state of affairs of the Group in future financial years.

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DIRECTORS' DECLARATION
For the half-year ended 31 December 2023

In the opinion of the Directors of RemSense Technologies Limited (the 'Group'):

(a) the financial statements and notes set out on pages 11 to 24 are in accordance with the *Corporations Act 2001* including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the six months ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

ROSS TAYLOR
Non-Executive Chairman

28 February 2024
Perth

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of RemSense Technologies Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of RemSense Technologies Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2.2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

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Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

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

BDO Audit (WA) Pty Ltd

Ashleigh Woodley

Director

Perth, 28 February 2024

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CORPORATE DIRECTORY

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Mr Richard Pace
Mr John Clegg

Secretary

Mr David McArthur

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