RemSense

WE CREATE SOLUTIONS

ASX ANNOUNCEMENT

30 April 2024

MARCH 2024 QUARTERLY ACTIVITIES REPORT

QUARTERLY ACTIVITY

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Projects

During the quarter RemSense undertook reality capture scanning and delivered virtualplant for Woodside Energy Ltd's Okha FPSO (Floating Production Storage and Offloading) $246,440 in value. In addition to the terrestrial scanning, RemSense delivered virtualplant Air which included drone aerial capture and processing of high-resolution imagery of the complete exterior of the vessel including waterline for use in detailed inspections.

The Company is finalising the schedule for scanning of Chevron's Wheatstone LNG Train 2 and Gorgon LNG Train 2. Work is expected to be done in July and October 2024 respectively. This value of this work is $978,580. The Company is in discussion with one of Chevron's overseas Business Units which have expressed interest in the scanning of their onshore gas plants.

Captured high-resolution drone-based imagery of Newmont Boddington's primary crusher and 3km conveyor. This imagery was processed and modelled into a detailed 3D model for display and analysis in virtualplant Air. The Company continues to discuss the capture of other parts of Newmont Boddington's operation as access becomes available.

Continued regular drone based remote water sampling campaigns in abandoned open pits for BHP and Mine Waste Management and drone traffic monitoring for Western Australia's Main Roads

Product

Progressed the re-architecture of the virtualplant platform to provide a new and improved user interface and homepage, bolstered by advanced client configuration features and fortified data security measures. This initiative aims to offer increased flexibility to the management of user and group-based permissions.

Completed the seamless integration of virtualplant Air into our core virtualplant platform, enabling users to effortlessly analyse drone aerial reality capture imagery alongside ground-based facility imagery.

Enhanced our IoT capabilities to facilitate efficient integration of devices, enabling the real-time display of operational parameters within the virtualplant environment.

Researched requirements to identify enhancement opportunities for our maintenance planner and asset defect detection systems, particularly focusing on areas such as corrosion detection.

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Company

Board Changes

During the quarter, Non-Executive Chairman, Chris Sutherland and Non-Executive Director, Sue Murphy resigned. Non-Executive Director, Ross Taylor was appointed Non-Executive Chairman and founding shareholders, Richard Pace and John Clegg were appointed Non-Executive Directors.

The new board has immediately been proactive in contributing to sales initiatives by leveraging their extensive networks.

Finance

Following the raising of $460,026 through the Entitlement offer in the December 2023 quarter ($272,778 in applications and $187,248 in shortfall offers), an additional $423,500 was raised from placement of part of the shortfall on 11 March 2024. Shareholder approval is being sought at a meeting of shareholders on 10 May to issue $250,000 of shares to Richard Pace and $50,000 of shares to John Clegg.

Opportunities

Following a restructuring of our business development capabilities, our sales pipeline is showing growth, with emerging opportunities spanning the oil and gas, mining, and utilities sectors. The Company has engaged an external sales consulting agency, The Models Method, to enhance our sales messaging and communication methodology.

The Company is continuing to work with our current clients to identify the next assets in their portfolio who are candidates for virtualplant. The Company is also working with several companies in the critical minerals market, specifically lithium, who have expressed interest in virtualplant for their processing facilities and refineries to reduce at risk activities, increase maintenance planning efficiency and improve contractor estimates.

A key growth strategy for RemSense is through establishing strategic partnerships with innovative technology companies developing cutting-edge applications. One such company is a Perth-based technology company which develops an AI-driven electrical device monitoring and data platform. The Company believes the combination of RemSense's 3D asset visualisation platform (virtualplant) with the monitoring and data platform provides a compelling solution that delivers exceptional value and remarkable ROI.

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.3

Payments to related parties totalling $74,000 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:

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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.

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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	31 March 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	162	1,277
1.2	Payments for		
	(a) research and development	-	(24)
	(b) product manufacturing and operating costs	(49)	(214)
	(c) advertising and marketing	(29)	(145)
	(d) leased assets	-	-
	(e) staff costs	(408)	(1,760)
	(f) administration and corporate costs	(65)	(465)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(6)	(22)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	102
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(395)**	**(1,251)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(2)	(29)
	(d) investments	-	-
	(e) intellectual property	(144)	(428)
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	3	14
	(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)	-	145
2.6	**Net cash from / (used in) investing activities**	**(143)**	**(298)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)*	724	1,819
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	(36)	(93)
3.5	Proceeds from Director loans	-	-
3.6	Repayment of loans	(114)	(212)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities right of use assets)	(22)	(67)
3.10	**Net cash from / (used in) financing activities**	**552**	**1,447**

*Note: * includes $300,000 of funds received from directors. Shareholder approval is being sought at a meeting of shareholders on 10 May for the issue of shares for this investment.*

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	674	790
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(395)	(1,251)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(143)	(298)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	552	1,447
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**688**	**688**

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	688	673
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)**	**688**	**673**

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	74
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.

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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	-	-
7.4	**Total financing facilities**	**-**	**-**
7.5	**Unused financing facilities available at quarter end**		0
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(395)
8.2	Cash and cash equivalents at quarter end (item 4.6)	688
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	**688**
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	1.74
	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: No, the Company received $505,143 of payments from work completed in the March 2024 quarter already in April 2024.	
	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: The Company is negotiating contracts with new and existing customers. The Company has continued to significantly cut cost and retains the capacity to raise capital from the market via the issuance of shares if needed.	
	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, for the reasons set out in 8.6.2 above.	
	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.	

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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: 30 April 2024.

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.

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