



**REMSENSE TECHNOLOGIES LIMITED**

**ABN 50 648 834 771**

**APPENDIX 4D and  
FINANCIAL REPORT**

**For the half-year ended 31 December 2021**

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## APPENDIX 4D

Reporting period (current period)	Half-year ended 31 December 2021
Previous corresponding period	Half-year ended 31 December 2020

### Results for announcement to the market

Results performance	6 months to 31 Dec 2021	6 months to 31 Dec 2020	Percentage Increase / (decrease)
	\$	\$	
Revenue from ordinary activities	2,054,067	1,062,135	93.39
Loss after tax attributable to owners of the Company	(946,540)	(336,069)	(181.65)
Net loss attributable to owners of the Company	(946,540)	(336,069)	(181.65)

Results for the previous corresponding period have been adjusted to only disclose revenue and loss from continuing operations.

### Dividend information

	Amount per share (cents)	Franked amount per share (cents)
Final 2021 dividend per share	Nil	Nil
Interim 2022 dividend per share	Nil	Nil

### Net tangible assets / (liabilities)

	31 Dec 2021	31 Dec 2020
Net tangible assets / (liabilities) per ordinary share (cents)	4.922	(11.784)

### 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 2021. 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.

## DIRECTORS' REPORT

Your directors submit the Interim Report of the Group comprising RemSense Technologies Limited ("the Company", REM or "RemSense") and its controlled entity ("the Group") for the half-year ended 31 December 2021. To comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

### DIRECTORS

The names of the directors who held office during the whole of the interim period and until the date of this report are noted below. Directors were in office for the entire period unless otherwise stated.

Steve Brown	Managing Director
Chris Sutherland	Non-executive Chairman
Ross Taylor	Non-executive Director
Nicole O'Connor	Non-executive Director

### REVIEW OF OPERATIONS

#### HIGHLIGHTS

Revenue for the six months totalled \$2.054m an increase of 93% over the prior 6-month period.

The loss for the period was \$947k which includes the costs of transitioning the company to a listed entity with the ramping up of staff and resources to execute the business plan. Included in this loss are once off expenses associated with preparing the company for IPO of \$259k.

RemSense launched its prospectus on 10 September 2021 and commenced trading on the ASX on 2 November 2021 under the ticker code REM.

Commenced implementation of growth plan as outlined in the IPO Prospectus which was to fund:

- Expansion of the marketing and promotion of the Company's services, including the promotion of Virtual Plant;
- Improvement and ongoing development of Virtual Plant; and
- The Company's working capital requirements whilst it is implementing the above.

#### Data Capture and Insights

Completed a number of inspection and geophysical survey operations for multiple clients predominantly in the resources sector.

#### Engineering and Innovation

Continued to provide technology development services predominantly to the oil and gas sector.

#### Virtual Plant

Successfully completed offshore scanning of the Wheatstone platform ahead of schedule.

## **CORPORATE**

RemSense Technologies Limited is listed on the Australian Securities Exchange (ASX: REM), classified as a West Australian technology development and systems engineering services company, and has approximately 79.6 million shares on issue at the date of this report

The principal activities of the Group are to provide bespoke engineering and innovation, data capture and insights, and Virtual Plant digital twin solutions across industrial, infrastructure and resource market sectors.

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

## **REVIEW OF RESULTS AND FINANCIAL POSITION**

The net loss after income tax for the half-year was \$946,540 (31 December 2020: \$336,069).

At the end of the reporting period the Group had cash on hand of \$3,712,782 (30 June 2021: \$533,304).

## **DIRECTORS' REMUNERATION**

### **Non-Executive Directors**

The compensation for all non-executive directors, as approved by shareholders, is not to exceed \$500,000 per annum in total, and is set based on a comparison of fees paid to other directors of comparable companies.

The Board resolved that non-executive director fees would be reduced by 50% up until the date of admission to trading on the ASX which was 2<sup>nd</sup> of November 2021. All fees are exclusive of superannuation and include membership of subcommittees.

- Chris Sutherland's remuneration as non-executive Chair was \$50,000 for July 1 to November 1 when it increased back to \$100,000.
- Ross Taylor's remuneration as non-executive director was \$37,500 for July 1 to November 1 when it increased back to \$75,000.
- Nicole O'Connor's remuneration as non-executive director was \$37,500 for July 1 to November 1 when it increased back to \$75,000.

Non-executive directors do not receive cash performance related compensation.

### **Executive Director**

Steve Brown's executive director fee was increased to \$275,000 p.a. plus superannuation with effect from 1 November 2021.

Director's fees paid to Steve Brown are included as part of his service contract.

## Senior Executives

During the reporting period, the Company's recruitment of its Executive Management Team was finalised.

Remuneration and other terms of employment for key management personnel are formalised in employment contracts. Details for these agreements are as follows:

Name	Position	Terms of Agreement	Employee notice period	Employer notice period	Base salary *
Jillian Rosich	Chief Financial Officer	Ongoing from 9 August 2021	Three months	Three months	\$136,000 (80% FTE)
Darren Shanahan	Chief Operating Officer	Ongoing from 18 October 2021	Three months	Three months	\$300,000
Anthony Roe	Chief Digital Officer	Ongoing from 6 December 2021	Three months	Three months	\$300,000

\* Base salary is exclusive of the superannuation guarantee charge rate applicable at the time, currently 10% (31 December 2020: 9.50%).

In addition to base salary, the Company issued 250,000 options, vesting on 30 June 2023, exercisable at 30 cents on or before 30 June 2024 to each senior executive.

## Options granted as compensation

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

	Number of options granted	Grant date	Value per option at grant date cents	Value of options at grant date \$	Vesting and first exercise date	Exercise Price Per option cents	Expiry date
Jillian Rosich	250,000	02-Aug-21	7.175	17,937	30-Jun-23	30.0	30-Jun-24
Darren Shanahan	250,000	02-Sep-21	7.035	17,587	30-Jun-23	30.0	30-Jun-24
Anthony Roe	250,000	17-Sep-21	9.691	17,415	30-Jun-23	30.0	30-Jun-24

All options were granted over unissued fully paid shares in the Company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

No options granted as compensation in prior years were exercised, forfeited, lapsed, or cancelled (2020: nil).

## 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 14 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 9.

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.

A handwritten signature in blue ink, appearing to read 'S. Brown', is written over a faint, light-colored rectangular stamp or watermark.

**STEVE BROWN**  
Managing Director

25 February 2022  
Perth, WA

## DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF REMSENSE TECHNOLOGIES LIMITED

As lead auditor for the review of RemSense Technologies Limited for the half-year ended 31 December 2021, 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 entities it controlled during the period.



**Dean Just**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth, 25 February 2022

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**Half-year ended 31 December 2021**

		<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue	3	2,054,067	1,062,135
Government grants	4	80,559	285,000
Other income		-	2,625
Cost of sales	5	(1,418,113)	(802,929)
Other operating expenses		-	(4,904)
Marketing and business development		(86,610)	(98,978)
Personnel expenses		(1,018,234)	(497,050)
General and administration		(231,449)	(99,805)
Professional fees		(240,320)	(40,568)
Depreciation	7	(30,087)	(70,756)
Amortisation		(271)	(367)
Amortisation – right of use assets		(31,945)	(40,914)
Research and development costs		(15,835)	-
Other (losses) / gains		(133)	23
<b>Results from operating activities</b>		<b>(938,371)</b>	<b>(306,488)</b>
Finance income		863	-
Finance costs	5	(9,032)	(29,581)
Net finance costs		(8,169)	(29,581)
<b>Loss before income tax</b>		<b>(946,540)</b>	<b>(336,069)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(946,540)</b>	<b>(336,069)</b>
<b>Total comprehensive loss for the period</b>		<b>(946,540)</b>	<b>(336,069)</b>
<b>Total comprehensive loss attributable to owners of the Company</b>		<b>(946,540)</b>	<b>(336,069)</b>
<b>Loss per share (cents per share)</b>			
Basic and diluted	11	(1.50)	(9.71)

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2021**

	Note	31 December 2021 \$	30 June 2021 \$
<b>Assets</b>			
Cash and cash equivalents	6	3,712,782	533,304
Trade and other receivables		316,985	526,475
Inventory		5,000	5,000
Contract assets	3	184,410	-
Prepayments		170,527	41,721
Other financial assets		60,000	-
<b>Total current assets</b>		<b>4,449,704</b>	<b>1,106,500</b>
Property, plant, and equipment	7	207,996	93,833
Right of use assets		128,974	201,726
Intangible assets		5,930	6,201
Other financial assets		18,581	18,581
<b>Total non-current assets</b>		<b>361,481</b>	<b>320,341</b>
<b>Total assets</b>		<b>4,811,185</b>	<b>1,426,841</b>
<b>Liabilities</b>			
Trade and other payables		459,283	463,055
Borrowings		-	57,552
Lease liabilities		50,683	113,058
Employee benefits		233,249	181,865
<b>Total current liabilities</b>		<b>743,215</b>	<b>815,530</b>
Borrowings		-	262,745
Lease liabilities		87,944	98,960
Employee benefits		56,712	51,459
<b>Total non-current liabilities</b>		<b>144,656</b>	<b>413,164</b>
<b>Total liabilities</b>		<b>887,871</b>	<b>1,228,694</b>
<b>Net assets</b>		<b>3,923,314</b>	<b>198,147</b>

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

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2021**

		<b>31 December 2021</b>	<b>30 June 2021</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Equity</b>			
Share capital	8	5,652,655	1,421,784
Reserves		440,601	(235)
Accumulated losses		(2,169,942)	(1,223,402)
<b>Total equity</b>		<b>3,923,314</b>	<b>198,147</b>

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**Half-year ended 31 December 2021**

	Issued capital \$	Predecessor accounting reserve \$	Options reserve \$	Accumulated losses \$	Total equity \$
Balance on 1 July 2020	226,995	-	-	(494,779)	(267,784)
Loss for the period	-	-	-	(336,069)	(336,069)
<b>Total comprehensive loss for the period</b>	-	-	-	(336,069)	(336,069)
<i>Transactions with owners in their capacity as owners</i>					
Contributions of equity	195,002	-	-	-	195,002
<b>Balance on 31 December 2020</b>	<b>421,997</b>	-	-	<b>(830,848)</b>	<b>(408,851)</b>
Balance on 1 July 2021	1,421,784	(8,674)	8,439	(1,223,402)	198,147
Loss for the period	-	-	-	(946,540)	(946,540)
<b>Total comprehensive loss for the period</b>	-	-	-	(946,540)	(946,540)
<i>Transactions with owners in their capacity as owners</i>					
Contributions of equity (note 8)	4,230,871	-	-	-	4,230,871
Share-based payment transactions (note 12)	-	-	440,836	-	440,836
<b>Balance on 31 December 2021</b>	<b>5,652,655</b>	<b>(8,674)</b>	<b>449,275</b>	<b>(2,169,942)</b>	<b>3,923,314</b>

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**Half-year ended 31 December 2021**

	31 December 2021	31 December 2020
Note	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	2,356,017	1,113,004
Government grants	12,000	297,500
Cash paid to suppliers and employees	(3,292,182)	(1,328,640)
Interest paid	(9,032)	(27,375)
Payments for research and development	(15,835)	-
<b>Net cash (used in) / from operating activities</b>	<b>(949,032)</b>	<b>54,489</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant, and equipment	(148,516)	(5,289)
Payments for intangible assets	-	(1,000)
<b>Net cash used in investing activities</b>	<b>(148,516)</b>	<b>(6,289)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares and options	5,000,000	45,002
Proceeds from director loans	-	23,547
Proceeds from other short-term loans	100,000	-
Repayment of bank loans	(250,000)	-
Repayment of other short-term loans	(100,000)	-
Repayment of premium funding facilities	-	(28,327)
Repayment of chattels and mortgages	(70,297)	(47,052)
Repayment of right of use lease liabilities	(34,875)	(37,474)
Payment of capital raising costs	(367,802)	-
Payment of transaction costs related to loans	-	(1,441)
<b>Net cash from / (used in) financing activities</b>	<b>4,277,026</b>	<b>(45,745)</b>
Net increase in cash and cash equivalents	3,179,478	2,455
Cash and cash equivalents on 1 July	533,304	42,395
<b>Cash and cash equivalents on 31 December</b>	<b>3,712,782</b>	<b>44,850</b>

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

## **NOTES TO THE FINANCIAL REPORT**

### **Half-year ended 31 December 2021**

#### **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 25 February 2022.

#### **2 SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of preparation**

This financial report for the half-year ended 31 December 2021 is a condensed general purpose financial report prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the 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 half-year financial report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2021.

It is also recommended that the half-year financial report be considered together with any public announcements made by RemSense Technologies Limited during the half-year ended 31 December 2021 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

##### **2.2 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.

### 2.3 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.

### 2.4 Segment information

For management purposes, the Group is organised into one operating segment, being technology development and systems engineering services across 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 2.2 to the accounts.

## 3 REVENUE

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

	31 December 2021 \$	31 December 2020 \$
<b>Timing of revenue recognition</b>		
Rendering of services transferred over time	1,746,548	811,120
Rendering of services transferred at a point in time	307,519	251,015
	<b>2,054,067</b>	<b>1,062,135</b>
	<b>31 December 2021 \$</b>	<b>30 June 2021 \$</b>
<b>Contract assets</b>		
Accrued income	184,410	-

#### 4 GOVERNMENT GRANTS

	31 December 2021 \$	31 December 2020 \$
R&D tax incentive	80,559	-
JobKeeper Payments	-	247,500
PAYG cash flow boost	-	37,500
	<b>80,559</b>	<b>285,000</b>

#### 5 EXPENSES

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

	31 December 2021 \$	31 December 2020 \$
<b>Cost of sales</b>		
Cost of sales	1,418,113	802,929
<b>Finance costs</b>		
Interest and finance charges paid / payable on borrowings	6,412	21,455
Interest and finance charges paid / payable on lease liabilities	2,620	8,126
	<b>9,032</b>	<b>29,581</b>
<b>Superannuation expense</b>		
Defined contribution superannuation expense – key management	35,475	18,906
Defined contribution superannuation expense - staff	104,646	64,178
	<b>140,121</b>	<b>83,084</b>
<b>Share-based payment expense</b>		
Key management personnel	31,736	-
Staff	7,772	-
	<b>39,508</b>	-

## 6 CASH AND CASH EQUIVALENTS

	31 December 2021 \$	30 June 2021 \$
Cash at bank	1,208,005	435,902
Cash on deposit	2,500,000	97,352
Other	4,777	50
	<b>3,712,782</b>	<b>533,304</b>

## 7 PROPERTY, PLANT AND EQUIPMENT

Plant and equipment – at cost	445,257	329,807
Less: accumulated depreciation	(282,568)	(268,194)
	<b>162,689</b>	<b>61,613</b>
Furniture and office equipment – at cost	13,918	2,062
Less: accumulated depreciation	(1,737)	(1,045)
	<b>12,181</b>	<b>1,017</b>
Communication and computer equipment – at cost	30,315	17,939
Less: accumulated depreciation	(16,028)	(8,619)
	<b>14,287</b>	<b>9,320</b>
Mobile equipment and motor vehicles – at costs	58,409	58,409
Less: accumulated depreciation	(43,028)	(40,792)
	<b>15,381</b>	<b>17,617</b>
Leasehold improvements – at costs	6,425	4,266
Less: accumulated depreciation	(2,967)	-
	<b>3,458</b>	<b>4,266</b>
	<b>207,996</b>	<b>93,833</b>

## 7 PROPERTY, PLANT AND EQUIPMENT (continued)

### 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 2021	61,613	1,017	9,320	17,617	4,266	93,833
Additions	117,859	11,856	12,376	-	2,159	144,250
Disposals	(2,408)	-	-	-	-	(2,408)
Depreciation on disposals	2,408	-	-	-	-	2,408
Depreciation expense	(16,783)	(692)	(7,409)	(2,236)	(2,967)	(30,087)
<b>Balance on 31 December 2021</b>	<b>162,689</b>	<b>12,181</b>	<b>14,287</b>	<b>15,381</b>	<b>3,458</b>	<b>207,996</b>

## 8 ISSUED CAPITAL

### Ordinary shares

	Number of shares		Amount in \$	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021
<b>Balance on 1 July</b>	<b>54,593,751</b>	<b>3,453,390</b>	<b>1,421,784</b>	<b>226,995</b>
Issue of fully paid shares for cash	25,000,000	4,720,905	5,000,000	1,005,170
Issue of fully paid shares in satisfaction of shareholder loans <sup>(1)</sup>	-	89,965	-	233,719
Less: adjustment for predecessor accounting	-	(3,670,510)	-	-
Issue of shares to RPL shareholders	-	50,000,000	-	-
Share issued on incorporation of REM	-	1	-	-
Capital raising costs	-	-	(769,129)	(44,100)
<b>Balance on 31 December</b>	<b>79,593,751</b>	<b>54,593,751</b>	<b>5,652,655</b>	<b>1,421,784</b>

## 9 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 2021 \$	31 December 2020 \$
<b>Cash flows from operating activities</b>		
Loss for the period	(946,540)	(336,069)
Adjustments for:		
Finance expense	-	4,293
Depreciation and amortisation	62,303	112,037
Equity-settled share-based payments	39,508	-
Annual and long service leave expense	27,970	-
Gain on sale of property, plant, and equipment	-	(23)
Change in trade and other receivables	212,217	(49,104)
Change in prepayments	(128,806)	(37,463)
Change in contract assets	(184,410)	78,300
Change in other operating assets	(60,000)	-
Change in trade and other payables	59	109,218
Change in interest bearing liabilities	-	82,794
Change in employee benefits provision	28,667	90,506
<b>Net cash (used in) / from operating activities</b>	<b>(949,032)</b>	<b>54,489</b>

## 10 FINANCIAL INSTRUMENTS

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

## 11 LOSS PER SHARE

	31 December 2021 \$	31 December 2020 \$
<i>Basic and diluted loss per share from continuing operations</i>		
Loss after income tax attributable to owners of the Company	(946,540)	(336,069)
	<b>Cents</b>	<b>Cents</b>
Basic loss and diluted loss per share	(1.50)	(9.71)
	<b>Number</b>	<b>Number</b>

<i>Weighted average number of ordinary shares</i>		
Issued ordinary shares on 1 July	54,593,751	3,453,390
Effect of shares issued	8,695,652	7,674
<b>Weighted average number of ordinary shares used in calculating basic and diluted loss per share</b>	<b>63,289,403</b>	<b>3,461,064</b>

## 12 SHARE-BASED PAYMENTS

On 31 December 2021, the Group has the following share-based payment arrangements:

	<b>31 December 2021 \$</b>	<b>31 December 2020 \$</b>
<b>Expensed in personnel expenses</b>		
Options issued to directors and key management personnel	31,736	-
Options issued to employees	7,772	-
<b>Capital raising costs within equity</b>		
Options issued to broker	401,328	-

## 12 SHARE-BASED PAYMENT PLANS (continued)

### *Share-based payment programme*

The Company adopted a Performance Rights and Option Plan effective 30 June 2021. Under this plan, the Company may grant over a period of three years the ability for employees to acquire securities up to a maximum of 5% of the Company's total issued ordinary shares at the date of the grant.

The fair value of share options issued to employees and consultants is estimated using the Black and Scholes option pricing model and expensed over the expected vesting period. If no vesting criteria is present for a tranche of options, the fair value of the options is expensed in full upon allotment. The value of shares and performance rights issued is based upon the share price at grant date.

### *Options*

The following table illustrates the share-based payment arrangements in place, and the number and weighted average exercise prices of and movements in, share options:

Grant date	Vesting date	Expiry date	Exercise Price (cents)	Balance at the start of the year <sup>1</sup>	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
19-Mar-21	19-Mar-21	30-Jun-23	25	4,450,000	-	-	-	4,450,000	4,450,000
20-Apr-21	30-Jun-23	30-Jun-24	30	1,250,000	-	-	-	1,250,000	-
02-Aug-21	30-Jun-23	30-Jun-24	30	-	750,000	-	-	750,000	-
02-Sep-21	30-Jun-23	30-Jun-24	30	-	250,000	-	-	250,000	-
10-Sep-21	29-Oct-21	30-Jun-23	25	-	4,800,000	-	-	4,800,000	4,800,000
17-Sep-21	30-Jun-23	30-Jun-24	30	-	250,000	-	-	250,000	-
<b>Total</b>				<b>5,700,000</b>	<b>6,050,000</b>	-	-	<b>11,750,000</b>	<b>9,250,000</b>
Weighted average exercise price (cents)				26.10	26.03	-	-	26.06	25.00

At the exercise date, the weighted average remaining contractual life of options outstanding on 31 December 2021 was 1.71 years.

## 12 SHARE-BASED PAYMENT PLANS (continued)

Key valuation assumptions made at valuation date for options on issue at period end 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 1	4,450,000	25	19-Mar-21	30-Jun-23	2.28	95%	0.10%	7.476	16.00
Tranche 2	1,250,000	30	20-Apr-21	30-Jun-24	3.20	95%	0.10%	7.617	16.00
Tranche 3	750,000	30	02-Aug-21	30-Jun-24	2.91	95%	0.16%	7.175	16.00
Tranche 4	250,000	30	02-Sep-21	30-Jun-24	2.83	95%	0.15%	7.035	16.00
Tranche 5	4,800,000	25	10-Sep-21	30-Jun-23	1.80	95%	0.01%	8.361	20.00
Tranche 6	250,000	30	17-Sep-21	30-Jun-24	2.79	95%	0.15%	9.691	20.00

During the reporting period, no options expired and no shares were issued following the exercise of options.

No options were on issue during the period ended 31 December 2020.

At the reporting date, there are 16,018,622 options on issue in RemSense Technologies Limited, exercisable between 25 and 30 cents per share, and expiring between 30 June 2023 and 30 June 2024.

### 13 RELATED PARTY TRANSACTIONS

During the period two new KMPs were employed, Darren Shanahan as Chief Operating Officer and Anthony Roe as Chief Digital Officer. The terms of their appointment and the share based payments they received during the period are disclosed under Director's Remuneration on page 4 of this report. Neither had any related party transactions with the Group over this reporting period.

Key management personnel compensation comprises the following:

	<b>31 December 2021 \$</b>	<b>31 December 2020 \$</b>
Short-term employee benefits	379,926	213,773
Long-term employee benefits	8,653	2,582
Post-employment benefits	35,475	18,906
Share-based payments – options	31,736	-
	<b>455,790</b>	<b>235,261</b>

### 14 MATTERS SUBSEQUENT TO THE BALANCE DATE

The impact of the Coronavirus (COVID-19) pandemic is ongoing, and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than as disclosed above, there have been no matters or circumstances have arisen since the end of the financial 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.

**DIRECTORS' DECLARATION**  
**For the half-year ended 31 December 2021**

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

- (a) the consolidated financial statements and notes are in accordance with the *Corporations Act 2001* including:
  - (i) giving a true and fair view of the Group's financial position as of 31 December 2021 and of its performance for the six months ended on that date; and
  - (ii) complying with Australian Accounting standards, AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 200*, and mandatory professional reporting requirements, 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.



**STEVE BROWN**  
Managing Director

25 February 2022  
Perth

## 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 subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, 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 2021 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.

#### 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 gives a true and fair view and 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 2021 and its financial 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**

A handwritten signature in black ink, appearing to read 'Dean Just', written over the printed name.

**Dean Just**

Director

Perth, 25 February 2022

## **CORPORATE DIRECTORY**

### **Directors**

Mr Chris Sutherland  
Mr Steve Brown  
Mr Ross Taylor  
Ms Nicole O'Connor

### **Secretary**

Mr David McArthur

### **Registered and Principal Office**

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### **Auditor**

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Perth WA 6000

### **Banker**

National Australia Bank  
100 St Georges Terrace  
Perth WA 6000

### **Share Registry**

Automic Group Pty Ltd  
Level 2, 267 St Georges Terrace  
Perth WA 6000

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