

REMSENSE TECHNOLOGIES LIMITED

ACN 648 834 771

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata non-renounceable entitlement issue of 1 Share for every 3 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.075 per Share together with 1 free New Option for every 1 Share applied for and issued to raise up to \$2,277,487 (based on the number of Shares on issue as at the date of this Prospectus) **(Rights Offer)**.

This Prospectus also contains the following additional offers:

- an offer of 6,333,333 New Options to participants in the Placement;
- a Shortfall Offer; and
- Lead Manager Offer.

Refer to Section 2.1 for further details on those offers.

IMPORTANT NOTICE

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

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

IMPORTANT NOTICE

This Prospectus is dated 3 April 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

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

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Securities offered by this Prospectus should be considered as highly speculative.

Applications for Securities offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

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

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

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

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

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

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

For further information on overseas Shareholders please refer to Section 2.9.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Securities.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6.2 for further details.

Target Market Determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Options issued under this Prospectus. The Company and the Lead Manager/Broker will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website (www.remsense.com.au). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Electronic Prospectus

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

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 8 6118 5610 during office hours or by emailing the Company at rem@remsense.com.au.

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

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would

contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

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

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

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

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

Photographs and Diagrams

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

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

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

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your

application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

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

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

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

Use of Trademarks

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

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

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on +61 412 902 477.

CORPORATE DIRECTORY

Directors

Christopher Glen Sutherland
Non-Executive Chair
Stephen Charles Brown
Managing Director and CEO
Ross Jeremy Taylor
Non-Executive Director

Company Secretary

David Maxwell McArthur

Share Registry*

Automic Group
Level 2
267 St Georges Terrace
Perth WA 6000

Telephone: 1300 288 664

Registered Office

Suite 173, Level 4
580 Hay Street
Perth WA 6000

Telephone: + 61 8 6118 5610
Email: rem@remsense.com.au
Website: www.remsense.com.au

Legal Advisers

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

Auditor

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Lead Manager

Peak Asset Management
Level 39
55 Collins Street
Melbourne VIC 3000

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

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1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	3 April 2023
Lodgement of Prospectus and Appendix 3B with ASX	3 April 2023
Ex date	6 April 2023
Record Date for determining Entitlements	11 April 2023
Opening date for Offers, Prospectus sent out to Shareholders and Company announces this has been completed	14 April 2023
Last day to extend the Closing Date of Rights Offer	27 April 2023
Closing Date of Rights Offer and Placement Offer as at 5:00pm (WST)*	2 May 2023
Securities quoted on a deferred settlement basis	3 May 2023
ASX notified of under subscriptions under Rights Offer	9 May 2023
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Securities under Rights Offer and Placement Offer	9 May 2023
Quotation of Securities issued under the Rights Offer and Placement Offer	10 May 2023
Lead Manager Offer Closing Date	30 June 2023
Issue of New Options under the Lead Manager Offer	30 June 2023

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Securities under the Rights Offer are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offer

Shares

Offer Price per Share	\$0.075
Entitlement Ratio (based on existing Shares)	1:3
Shares currently on issue	91,099,465
Shares to be issued under the Offer	30,366,489

Notes:

1. Of current Shares on issue, 48,304,559 are subject to ASX imposed escrow.
2. Refer to Section 4.1 for the terms of the Shares.

Options

Offer Price per New Option	nil

Option Entitlement Ratio (based on Shares subscribed for)	1:1
New Options to be issued under the Offer	30,366,489

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Securities involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Share Entitlement	New Option Entitlement	\$
Christopher Sutherland	770,196	1,747,861 ¹	256,732	256,732	19,255
Stephen Brown	13,407,639	2,074,499 ²	4,469,213	4,469,213	335,191
Ross Taylor	166,795	1,747,861 ³	55,599	55,599	4,170

Notes:

1. Comprising 1,097,861 Series A Options exercisable at \$0.25 on or before 30 June 2023, 400,000 Series B Options exercisable at \$0.40 on or before 30 June 2025 and 250,000 Series C Options exercisable at \$0.30 on or before 30 June 2024.
2. Comprising 974,499 Series A Options exercisable at \$0.25 on or before 30 June 2023, 600,000 Series B Options exercisable at \$0.40 on or before 30 June 2025 and 500,000 Series C Options exercisable at \$0.30 on or before 30 June 2024.
3. Comprising 1,477,861 Series A Options exercisable at \$0.25 on or before 30 June 2023, 20,000 Series B Options exercisable at \$0.40 on or before 30 June 2025 and 250,000 Series C Options exercisable at \$0.30 on or before 30 June 2024.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
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Valrich Superannuation Pty Ltd	14,999,153	16.46
Trench Super Pty Ltd	13,407,638	14.72
Adrian John Hollis	13,408,422	14.72
Omnivest Pty Ltd <The Clegg Super Fund AC>	7,809,633	8.57

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

1.6 Lead Manager

Peak Asset Management, an authorised representative of Dayton Way Securities Pty Ltd (AFSL 382 585) (**Lead Manager**) has been appointed as the lead manager of the Rights Offer. Terms of the lead manager mandate and total fees payable are set out in Section 6.4.1 below.

The Rights Offer is not underwritten.

Further there will be no change to any Shareholder's voting power as a result of the issue of the New Options. Where New Options are exercised into Shares, the voting power of the Shareholders who exercise the New Options will increase. The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

1.7 Control impacts

As at the date of this Prospectus, the Company's largest shareholder, Valrich Superannuation Pty Ltd (**Valrich**), holds 14,999,153 Shares in the Company and therefore has an entitlement to subscribe for 4,999,718 under the Rights Offer.

Valrich is not a company associated with any of the Directors of the Company.

Should Valrich be the only Eligible Shareholder to apply for its Entitlement under the Rights Offer, its total number of Shares held in the Company would increase to 19,998,871 Shares, representing 20.81% of the Shares then on issue. However, were this to be the case, the Company notes this assumes:

- no other Eligible Shareholder applies for its Entitlement under the Rights Offer; and
- none of the Shares and New Options can be issued under the Shortfall Offer.

No other Shareholder can increase their voting power in the Company from below 20% to above 20% as a result of participating in the Rights Offer, and the Company will not allow any party to subscribe for Shares and New Options under the Shortfall Offer if it will enable that party to increase its voting power to more than 19.9%.

As at the date of this Prospectus, neither Valrich nor any of the other substantial shareholders have indicated their intentions in relation to their respective Entitlements.

Further there will be no change to any Shareholder's voting power as a result of the issue of the New Options. Where New Options are exercised into Shares, the voting power of the Shareholders who exercise the New Options will increase.

The likelihood of New Options being exercised is dependent on the price of Shares from time to time until the New Options expire.

1.8 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.7, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 25% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

No immediate dilution will occur as a result of the issue of New Options under this Prospectus. However subsequent exercise of any or all of the New Options will result in dilution.

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	10.98%	3,333,333	10,000,000	8.23%
Shareholder 2	5,000,000	5.49%	1,666,667	5,000,000	4.12%
Shareholder 3	1,500,000	1.65%	500,000	1,500,000	1.23%
Shareholder 4	400,000	0.44%	133,333	400,000	0.33%
Shareholder 5	50,000	0.05%	16,667	50,000	0.04%
Total	91,099,465		30,366,489		121,465,954

Notes:

1. This is based on a share capital of 91,099,465 Shares as at the date of the Prospectus and assumes no Options currently on issue or other Shares are issued including New Options or Performance Rights are exercised.
3. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFERS

2.1 The Offers

There are four offers being made under this Prospectus:

- (a) a pro rata Rights Offer to Eligible Shareholders;
- (b) an offer of New Options to Shareholders who participated in the Placement;
- (c) an offer of the Shortfall arising under the Rights Offer; and
- (d) an offer of Options to the Lead Manager.

As at the date of this Prospectus the Company has 19,353,622 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Rights Offer. Please refer to Section 4.2 for information on the exercise price and expiry date of the Options on issue.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares. The New Options will be exercisable at \$0.15 on or before 15 December 2025 and otherwise on the terms set out in Section 4.2.

The purpose of the Rights Offer and the intended use of funds raised are set out in Section 3.

2.1.2 Rights Offer

The Rights Offer is being made as a pro-rata non-renounceable entitlement issue of 1 Share for every 3 Shares held by Shareholders registered at the Record Date at an issue price of \$0.075 per Share together with 1 New Option for every 1 Shares subscribed for and issued. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no Shares are issued prior to the Record Date including on exercise or conversion of securities on issue) approximately 30,366,489 Shares and 30,366,489 New Options may be issued under the Rights Offer to raise approximately \$2,277,487. No funds will be raised from the issue of the New Options.

The Rights Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

2.1.3 Placement Offer

On 22 March 2023, the Company announced that it had completed a placement of Shares at \$0.075 per Share to raise \$475,000. Pursuant to the terms of the Placement, participants were entitled to receive 1 New Option for every Share they subscribed for and received under the Placement.

The Placement Offer is an offer of up to 6,333,333 New Options to participants in the Placement. Recipients will not be required to pay any additional cash consideration for these New Options.

You should only subscribe for New Options under the Placement Offer if instructed to do so by the Company or the Lead Manager and you are provided with an Application Form.

2.1.4 Shortfall Offer

The Shortfall Offer will comprise any Shares and New Options not subscribed for under the Rights Offer. Refer to Section 2.6 for details on the Shortfall Offer.

The Shortfall Offer will remain open for up to three months following the closing date of the Rights Offer.

2.1.5 Lead Manager Offer

The Lead Manager Offer comprises the offer of up to 6,000,000 New Options to the Lead Manager for nil cash consideration pursuant to the terms of the Lead Manager Mandate.

The Lead Manager Offer is conditional upon Shareholders approving the issue of the New Options to the Lead Manager at a General Meeting. In the event that Shareholders do not approve the issue of the New Options under the Lead Manager Offer, the New Options will not be issued under the Lead Manager Offer, however the Company will be required to pay a cash amount to the Lead Manager in lieu of the New Options.

An Application Form for the Lead Manager Offer will be provided by the Company to the Lead Manager.

2.2 What Eligible Shareholders may do

The number of Securities to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which accompanies this Prospectus. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement, then your application for Securities under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form. Please read the instructions carefully. Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 2.3 and Section 2.4.
Take up all of your Entitlement and also apply for Shortfall Securities	<ul style="list-style-type: none"> Should you wish to accept all of your Entitlement and apply for Shortfall Securities, then your application for your Entitlement and additional Shortfall Securities under this Prospectus must be made by following the instructions on your 	Sections 2.3, 2.4 and 2.6.

Option	Key Considerations	For more information
	<p>personalised Entitlement and Acceptance Form which accompanies this Prospectus. Please read the instructions carefully.</p> <ul style="list-style-type: none"> • Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. • If you apply for Shortfall Securities beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Securities is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Securities may be scaled-back. • The Company's decision on the number of Shortfall Securities to be allocated to you will be final. 	
Take up a proportion of your Entitlement and allow the balance to lapse	<ul style="list-style-type: none"> • If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus for the number of Securities you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	Section 2.3 and Section 2.4
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> • If you do not wish to accept any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement by the Closing Date, the Rights Offer to you will lapse. 	N/A

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by 5.00pm (WST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) By Electronic Funds Transfer (overseas applicants)

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Securities (if any) under the Shortfall Offer, to the extent of the excess.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

There is no minimum subscription.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Rights Offer will form the Shortfall Offer (**Shortfall Securities**). The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be not less than \$0.075.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Rights Offer.

Eligible Shareholders who wish to subscribe for Securities above their Entitlement are invited to apply for Shortfall Securities under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Securities in accordance with Sections 2.3.

The Board presently intends to allocate Shortfall Securities as follows:

- (a) to Eligible Shareholders who apply for an excess of their full Entitlement, so long as the issue of Shortfall Securities to that Eligible Shareholder would not take their voting power to in excess of 19.99%; and then
- (b) to other parties identified by the Directors, which may include parties who are not currently Shareholders.

No Shares will be issued to a party under the Shortfall Offer if the effect would be to increase that party's voting power in the Company to an amount greater than 19.99%.

The Company reserves the right to issue an Eligible Shareholder a lesser number of Shortfall Securities than applied for or no Shortfall Securities at all. However, the Directors do not intend to refuse an application for Shortfall Securities from Eligible Shareholders other than in circumstances of oversubscription or where acceptance may result in a breach of the Corporations Act. If the number of Shortfall Securities applied for by Eligible Shareholders exceeds the total Shortfall,

the Shortfall Securities will be allocated among applying Eligible Shareholders proportionate to their existing holdings.

All decisions regarding the allocation of Shortfall Securities will be made by the Directors and will be final and binding on all applicants under the Shortfall Offer; as such there is no guarantee that any Shortfall Securities applied for will be issued to Eligible Shareholders.

The Company will have no liability to any Applicant who receives less than the number of Shortfall Securities they applied for under the Shortfall Offer. If the Company scales back any applications for Shortfall Securities under the Shortfall Offer any Application monies will be returned (without interest) as soon as practicable.

2.7 ASX listing

Application for Official Quotation of the Shares and New Options offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

If ASX does not grant Official Quotation of the New Options offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any New Options.

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

2.8 Issue of Securities

Securities issued pursuant to the Rights Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

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

Holding statements for Securities issued under the Rights Offer will be mailed as soon as practicable after the issue of Securities and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

2.9 Overseas shareholders

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

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offers are not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

New Zealand

The Securities are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia and New Zealand without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFERS

3.1 Purpose of the offer

The purpose of the Rights Offer is to raise up to \$2,277,487 before costs.

The funds raised from the Rights Offer, combined with the \$475,000 (before costs) raised under the Placement, are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Rights Offer	(\$)	%
1.	Expansion of sales and marketing opportunities for virtualplant, including expansion of the IBM opportunities	1,662,487	60.4
2.	Working capital	1,000,000	36.3
3.	Expenses of the Offers ¹	90,000	3.3
	Total	2,752,487	100

Notes:

1. Refer to Section 6.8 for further details relating to the estimated expenses of the Offer.

As announced on 22 March 2023, the Company announced that funds to be raised under the Rights Offer and the Placement would be used to market the expansion of the IBM opportunities globally and to expand the sales and marketing of virtualplant both locally and internationally as well as to provide working capital to support greater revenue and volume of work expected.

Where less than the maximum amount under the Rights Offer of \$2,277,487 has been raised, funds raised will first be allocated to expenses of the Offers and then equally toward the expansion of the sales of virtualplant and marketing of the IBM partnership opportunities up to the respective limits outlined above. Remaining funds will be used to supplement the Company's working capital.

On completion of the Rights Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Rights Offer is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

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

3.2 Effect of the Offers

The principal effect of the Offers and the Placement, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, will be to:

- (a) increase the cash reserves by \$2,662,487 (after deducting the estimated expenses of the Offer and the Placement) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 91,099,465 as at the date of this Prospectus to 121,465,954 Shares; and
- (c) increase the number of Options on issue from 19,353,622 as at the date of this Prospectus to 62,053,444 Options.

3.3 Effect on capital structure

The effect of the Offers on the capital structure of the Company, assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares¹

	Number
Shares currently on issue ²	91,099,465
Shares offered pursuant to the Rights Offer	30,366,489
Total Shares on issue after completion of the Offers	121,465,954

Options

	Number
Options currently on issue:	
Exercisable at \$0.25 on or before 30 June 2023 (Series A) ⁵	11,908,741
Exercisable at \$0.30 on or before 30 June 2024 (Series C)	2,000,000
Exercisable at \$0.25 on or before 30 June 2025 (Employee)	3,835,000
Exercisable at \$0.40 on or before 30 June 2025 (Series B)	1,609,881
Total Options on issue as at the date of this Prospectus	19,353,622
New Options to be issued pursuant to the Rights Offer ³	30,366,489
New Options to be issued under the Placement Offer	6,333,333
New Options to be issued under the Lead Manager Offer ⁴	6,000,000
Total Options on issue after completion of the Offer	62,053,444

Notes:

- The terms of Shares on issue are set out in Section 4.1.
- Of the current Shares on issue, 48,304,559 are subject to ASX imposed escrow.
- The terms and conditions of these Options are set out in Section 4.2.
- The issue of these Options is conditional upon more than \$2 million being raised under the Placement and the Rights Offer and Shareholders approving the issue of the Options in a general meeting.
- As set out in the Company's prospectus dated 10 September 2021, upon the exercise of these Options, the holder will be issued a new Series B Option exercisable at \$0.40 on or before 30 June 2025.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 110,453,087 Shares and on completion of the Offers (assuming all Entitlements are accepted and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 183,519,398 Shares.

3.4 Pro-forma balance sheet

The audit reviewed balance sheet as at 31 December 2022 and the unaudited pro-forma balance sheet as at 31 December 2022 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offers.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	Audit reviewed as at 31 December 2022 (\$)	Pro forma as at 31 December 2022 (\$)
Assets		
Cash and cash equivalents	594,804	3,257,291
Trade and other receivables	714,626	714,626
Contract assets	78,806	78,806
Prepayments	192,014	192,014
Other financial assets	131,624	131,624
Total current assets	1,711,874	4,374,360
Property, plant and equipment	294,623	294,623
Right of use assets	45,790	45,790
Intangible assets	1,007,178	1,007,178
Total non-current assets	1,347,591	1,347,591
Total assets	3,059,465	5,721,952
Liabilities		
Trade and other payables	(237,056)	(237,056)
Borrowings	(133,656)	(133,656)
RoU lease liabilities	(45,027)	(45,027)
Employee benefits	(261,611)	(261,611)
Contract liabilities	(20,268)	(20,268)
Total current liabilities	(697,618)	(697,618)
Employee benefits	(60,579)	(60,579)
Provisions	(12,000)	(12,000)
Contract liabilities	(154,903)	(154,903)
Total non-current liabilities	(227,482)	(227,482)

	Audit reviewed as at 31 December 2022 (\$)	Pro forma as at 31 December 2022 (\$)
Total liabilities	(925,100)	(925,100)
Net assets	2,134,365	4,796,852
Equity		
Share capital	6,598,770	9,261,257
Reserves	756,325	756,325
Retained earnings	(5,220,730)	(5,220,730)
Total equity	2,134,365	4,796,852

4. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

4.1 Rights and liabilities attaching to Shares

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

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

(a) General meetings

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

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

(b) Voting rights

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

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

(c) Dividend rights

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

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

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

(d) **Winding-up**

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

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

(e) **Shareholder liability**

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

(f) **Transfer of shares**

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

(g) **Future increase in capital**

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

(h) **Variation of rights**

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

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

(i) **Alteration of constitution**

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

4.2 Terms of New Options

(a) **Entitlement**

Each Option entitles the holder to subscribe for one (1) Share upon exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each New Option will be \$0.15 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5.00pm (WST) on 15 December 2025 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The New Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the New Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 5 Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the New Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

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

(k) **Change in exercise price**

A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Transferability**

The New Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

5. RISK FACTORS

5.1 Introduction

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

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Securities may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Securities. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

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

5.2 Company specific risks

Risk Category	Risk
Privacy and data collection risk	The Company's businesses involve the storage, transmission, and processing of data from clients in order to provide services to those clients. Personal privacy, information security, and data protection are significant issues. The regulatory framework governing the collection, processing, storage, and use of business information, particularly information that includes personal data, is rapidly evolving and any failure or perceived failure to comply with applicable privacy, security, or data protection laws, regulations or contractual obligations may adversely affect the Company's business.
Protection of intellectual property rights	The commercial value of the Company's intellectual property assets is dependent on any relevant legal protections. These legal mechanisms, however, do not guarantee that the intellectual property will be protected or that the Company's competitive position will be maintained. No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that

Risk Category	Risk
	<p>competitors will not be able to produce non-infringing competitive products. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company (or entities it deals with) may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.</p> <p>It is possible that third parties may assert intellectual property infringement, unfair competition or like claims against the Company under copyright, trade secret, patent, or other laws. While the Company is not aware of any claims of this nature in relation to any of the intellectual property rights in which it has or will acquire an interest, such claims, if made, may harm, directly or indirectly, the Company's business. If the Company is forced to defend claims of intellectual property infringement, whether they are with or without merit or are determined in the Company's favour, the costs of such litigation may be potentially significant and may divert management's attention from normal commercial operations.</p>
Additional requirements for capital	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's continuing ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offers. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its development programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
Critical failure	<p>Given the nature of the products and services that the Company provides, any critical failure of any of its products has the potential to cause damage to the Company brand and reputation.</p> <p>In order to mitigate this risk, the Company undertakes thorough assessment of its products, including the hardware used in providing its services to ensure any such risk is minimised.</p>
Rapid growth risk	<p>The Company aims to experience rapid growth in the scope of its operating activities as set out in this Prospectus, which may expand operations in new regions and countries. This growth is anticipated to result in an</p>

Risk Category	Risk
	increased level of responsibility which, if unable to be managed, will result in the Company not being able to take advantage of market opportunities and execute its business plan or respond to competitive pressure.
Competition	The industry in which the Company operates is subject to competition, in particular as a result of the nature of the contracts available. Current or future competitors may come up with new, better or cheaper products and solutions. The Company's competitors include both small and medium enterprises and large, established corporations or multinationals. Those may decide to enter the Company's target markets and be able to fund aggressive marketing strategies. They may also have stronger financial capabilities than the Company which may negatively affect the operating and financial performance of the business.
Counterparty risk	The Company depends on contractual agreements with third parties, including suppliers and customers, should a third-party contract fail (such as due to third party insolvency, fraud and management failure), there is the potential for negative financial and brand damage.
Reliance on key personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p> <p>The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.</p>
Supplier relationships	The Company relies on a small number of key suppliers and third-party products in connection with the delivery of its products and services. Any inability of those suppliers to supply may put at risk the ability of the Company to perform its customer contracts or to expand its services in the manner than the Company expects. Further, the Company's financial performance may be affected if third-party providers were to raise the cost of their products and/or services. The Company considers these risks when identifying its suppliers.

Risk Category	Risk
Branding	<p>The Company branding is critical for the long-term success of the businesses. Negative commentary or complaints may have a damaging impact on its business objectives.</p> <p>Further, as part of the business model is based on recurring revenue arising from virtualplant, poor user experiences may result in loss of customers, adverse publicity, litigation, regulatory enquiries, and reduction of use of its products and services.</p>
Sales cycle	<p>The Company primarily markets its products and services to large enterprise companies. The nature of doing business with these entities is that the sales cycle can be long, and it can take 12-18 months to close significant transactions or to receive payment for invoices issued.</p> <p>The Company mitigates these risks through its diversified business model and client base to ensure that it has a mix of ongoing revenue.</p>

5.3 Industry specific risks

Risk Category	Risk
Product liability	<p>As with all products, there is no assurance that unforeseen adverse events or defects will not arise in the Company's products. Adverse events could expose the Company to product liability claims or litigation, resulting in the removal of regulatory approval for the relevant products and/or monetary damages being awarded against the Company. In such event, the Company's liability may exceed the Company's insurance coverage, if any.</p>
Disputes	<p>The activities of the Company may result in disputes with third parties, including, without limitation, the Company's investors, competitors, regulators, partners, distributors, customers, directors, officers and employees, and service providers. The Company may incur substantial costs in connection with such disputes.</p> <p>Further, a change in strategy may involve material and as yet unanticipated risks, as well as a high degree of risk, including a higher degree of risk than the Company's strategy in place as of the date of this Prospectus.</p>
Loss of customers	<p>The Company has established important relationships through development of its business to date. The loss of one or more customers through termination or expiry of contracts may adversely affect the operating results of the Company.</p>
Litigation	<p>The Company is exposed to possible litigation risks including, but not limited to, intellectual property ownership disputes, contractual claims, environmental</p>

Risk Category	Risk
	<p>claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. The Company is not currently engaged in any litigation.</p>
Data loss, theft or corruption	<p>The Company will store data in its own systems and networks and also with a variety of third party service providers. Exploitation or hacking of any of the Company's systems or networks could lead to corruption, theft or loss of the data which could have a material adverse effect on the Company's business, financial condition and results. Further, if the Company's systems, networks or technology are subject to any type of 'cyber' crime, its technology may be perceived as unsecure which may lead to a decrease in the number of customers.</p> <p>The Company adopts security measures considered appropriate for the nature of the data that it stores and is constantly reviewing its cyber security arrangements.</p>
Foreign exchange	<p>If the Company is successful in expanding its services with virtualplant to foreign jurisdictions, it may be required to accept payment, or pay local service providers or staff in foreign currencies. Consequently, movements in currency exchange rates may adversely or beneficially affect the Company's results or operations and cash flows. For example, the appreciation or depreciation of the US dollar relative to the Australian dollar would result in a foreign currency loss or gain. Any depreciation of currencies in foreign jurisdictions in which the Company operates may result in lower than anticipated revenue, profit and earnings of the Company.</p>
Insurance coverage	<p>The Company faces various risks in conducting its business and may lack adequate insurance coverage or may not have the relevant insurance coverage. The Company proposes to arrange and maintain insurance coverage for its employees, as well as directors' and officers' liability insurance, however it does not currently propose to arrange and maintain business interruption insurance or insurance against claims for certain property damage. The Company will need to review its insurance requirements periodically. If the Company incurs substantial losses or liabilities and its insurance coverage is unavailable or inadequate to cover such losses or liabilities, the Company's financial position and financial performance may be adversely affected.</p> <p>The Company considers that it has sufficient insurance policies in place in respect of its business and assets. However, the occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and</p>

Risk Category	Risk
	results of the Company.

5.4 General risks

Risk Category	Risk
Economic conditions and other global or national issues	General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations.
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology or defence stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p> <p>The value of the Shares may fluctuate more sharply than that of other securities, given the low per Share pricing of the Shares under the Prospectus, and the fact that investment in the Company is highly speculative.</p>
Taxation risk	The acquisition and disposal of Shares will have tax consequences for investors, which will vary depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent professional taxation and financial advice about the consequences of acquiring and disposing of Securities from a taxation viewpoint and generally.

5.5 Speculative investment

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

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

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

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

6. ADDITIONAL INFORMATION

6.1 Litigation

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

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
31 March 2023	Cancel – Notification regarding unquoted securities – REM
31 March 2023	Notification of cessation of securities - REM
28 March 2023	Notification regarding unquoted securities - REM

Date	Description of Announcement
28 March 2023	Notice Under s708A
28 March 2023	Application for quotation of securities - REM
22 March 2023	Proposed issue of securities - REM
22 March 2023	Proposed issue of securities - REM
22 March 2023	Proposed issue of securities - REM
22 March 2023	Capital Raising and Entitlement Offer to Fast-Track Growth
20 March 2023	Trading Halt
10 March 2023	Appendix 3Y - S Brown
10 March 2023	Appendix 3Y - C Sutherland
7 March 2023	Multiyear Virtualplant Contract Award
27 February 2023	31 December 2022 Appendix 4D and Interim Financial Report
13 February 2023	Appendix 3Z - N O'Connor
13 February 2023	Director Resignation
31 January 2023	December 2022 Quarterly Activities and Cash Flow Report
20 December 2022	Contract Award
19 December 2022	Notification regarding unquoted securities - REM
21 November 2022	Results of AGM
21 November 2022	REM 2022 AGM Chairman's Address
18 November 2022	Appendix 3Y - Chris Sutherland
18 November 2022	Appendix 3Y - Steve Brown
15 November 2022	Application for quotation of securities - REM
11 November 2022	Results of Share Purchase Plan
31 October 2022	September 2022 Quarterly Activities and Cash Flow Report
31 October 2022	Share Purchase Plan Offer Extended to 9 November 2022
26 October 2022	Investor Webinar Presentation
24 October 2022	Notification of cessation of securities - REM
20 October 2022	Notice of Annual General Meeting
19 October 2022	REM October Investor Webinar
19 October 2022	Notice under ASIC Corporations Instrument 2019/547
19 October 2022	Share Purchase Plan Booklet
13 October 2022	Proposed issue of securities - REM
13 October 2022	Investor Update Presentation
13 October 2022	Investor Update and Share Purchase Plan
11 October 2022	Virtualplant Development Milestone

Date	Description of Announcement
6 October 2022	RemSense Announces Significant Contract Award
31 August 2022	Appendix 4G
31 August 2022	Corporate Governance Statement
31 August 2022	Annual Financial Report – year ended 30 June 2022

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.remsense.com.au/investors/asx-announcements/.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.17	3 January 2023
Lowest	\$0.068	31 March 2023
Last	\$0.068	31 March 2023

The New Options have not yet been listed on ASX and as such there is no trading history relating to the New Options.

6.4 Material Contracts

6.4.1 Lead Manager Mandate

The Company has signed a mandate letter to engage Peak Asset Management to act as lead manager of the Placement and the Rights Offer (**Lead Manager Mandate**), the material terms and conditions of which are summarised below:

Fees	<p>Under the terms of this engagement, the Company will pay the Lead Manager:</p> <ul style="list-style-type: none"> (a) a fee of 6% of total funds raised under the Placement (plus GST); (b) a management fee of 1% on all funds raised under the Rights Offer; (c) a fee of 5% of all funds raised as part of the Shortfall Offer; (d) subject to a minimum of \$2,000,000 being raised under the Placement and the Rights Offer, and subject to Shareholder approval, 6 million New Options. In absence of Shareholder approval, the
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	<p>Company will make a cash payment capped at 5% of the total raised from the Shortfall Offer and Rights Offer; and</p> <p>(e) any expenses including travel and subsistence, and goods and services purchased on the Company's behalf, are charged at cost. Any expenses above \$200 require the Company's written approval incursion.</p>
Termination Events	<p>(a) The Terms of the Lead Manager Mandate will have immediate effect and will remain in place until the earlier of:</p> <p>(i) completion of the Rights Offer; or</p> <p>(ii) three (3) months after the date of the Lead Manager Mandate,</p> <p>unless terminated earlier as provided in paragraph (b) or by mutual written agreement.</p> <p>(b) The Lead Manager Mandate may be terminated:</p> <p>(i) by the Company where the Lead Manager fails to complete its services the subject of the Lead Manager Mandate by 31 May 2023; or</p> <p>(ii) by the Company or the Lead Manager where the other party commits a material breach of the Lead Manager Mandate and that breach either cannot be rectified or, where the breach can be rectified, the party fails to correct the breach with five (5) business days of receiving notice of the breach from the counterparty.</p>

6.5 Interests of Directors

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

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

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

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

- (e) for services provided in connection with:
- (i) the formation or promotion of the Company; or
 - (i) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$450,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total historical and anticipated proposed annual remuneration, benefits and costs relating to both executive and non-executive Directors as disclosed in the Company's 2021 and 2022 Annual Report.

Director	FY ending 30 June 2023 (\$)	FY ending 30 June 2022 (\$) ⁴	FY ending 30 June 2021 (\$) ⁴
Christopher Sutherland	70,548 ¹	108,337	63,494
Stephen Brown	346,300 ²	328,809	305,890
Ross Taylor	70,548 ³	85,593	50,952

Notes:

1. Comprising of \$45,000 cash salary and fees, \$12,146 D&O insurance premiums, \$4,725 superannuation and \$8,677 equity settled options.
2. Comprising of \$275,000 cash salary and fees, \$12,146 D&O insurance premiums, \$28,875 superannuation, \$12,924 long service leave and \$17,355 equity settled options.
3. Comprising of \$45,000 cash salary and fees, \$12,146 D&O insurance premiums, \$4,725 superannuation and \$8,677 equity settled options.
4. The remuneration outlined above reflects the total remuneration paid to directors inclusive of fees and salaries, insurances, superannuation, leave and share based payments as per the Director's Report included in the 2021 and 2022 Annual Reports.

6.6 Interests of experts and advisers

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

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

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

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer,

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

- (g) the formation or promotion of the Company; or
- (h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$132,105 (excluding GST and disbursements) for legal services provided to the Company.

BDO Audit (WA) Pty Ltd has been paid \$23,722 for auditing the Company's 31 December 2022 balance sheet. During the 24 months preceding lodgement of this Prospectus with the ASIC, BDO Audit (WA) Pty Ltd has received \$258,201 (excluding GST) in fees from the Company.

Peak Asset Management will be paid fees of approximately \$22,775 in respect of this Rights Offer. During the 24 months preceding lodgement of this Prospectus with the ASIC, Peak Asset Management has not received any fees from the Company.

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons

named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

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

Peak Asset Management has given its written consent to being named as the lead manager to the Offer in this Prospectus.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

BDO Audit (WA) Pty Ltd given its written consent to being named as auditor to the Company in this Prospectus and the inclusion of the 31 December 2022 audit reviewed balance sheet of the Company in Section 3.4. BDO Audit (WA) Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$90,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	9,400
Lead Manager fee ¹	51,275
Legal fees	15,000
Printing and distribution	10,000
Miscellaneous	1,119
Total	90,000

Notes:

- Includes fees charged on the Placement plus a 1% management fee on the Rights Offer (assuming the Rights Offer is fully subscribed).

7. DIRECTORS' AUTHORISATION

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

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

Christopher Sutherland
Non-Executive Chair

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form, Placement Offer, Shortfall Application Form or application form for the Lead Manager Options as the context requires.

ASIC means the Australian Securities and Investments Commission.

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

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

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

Closing Date means the date specified in the timetable set out at Section 1 (unless extended).

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

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

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

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Exercise Price means the exercise price of the New Options being \$0.15.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia or New Zealand.

New Option means an Option issued on the terms set out in Section 4.2.

Offers means the offers outlined in this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Peak Asset Management means CoPeak Corporate Pty Ltd <The Trustee for Peak Asset Management Unit Trust>.

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.

Section means a section of this Prospectus.

Securities means Shares and Options as the context requires.

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

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

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

Shortfall Offer means the offer of the Shortfall Securities on the terms and conditions set out in Section 2.6.

Shortfall Securities means those Securities not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

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