

## ASX ANNOUNCEMENT

19 April 2023

# MARCH 2023 QUARTERLY ACTIVITIES REPORT

### QUARTERLY ACTIVITY

#### Virtualplant Contract Activity

RemSense commenced site work for virtualplant scanning across a number of Chevron's key LNG assets (contract value \$2 million, refer to ASX release dated 7 March 2023).

Annual SaaS contracts were renewed with Woodside Energy in January 2023.

Further work is being undertaken to assist Programmed to evaluate virtual plant for wider application across Programmed's managed asset business.

Site trials were conducted with Newmont at their Boddington gold mine to enable Newmont to assess the use of virtualplant to manage their mine site infrastructure.

Work has commenced under a client funded agreement to add new features into virtualplant. These features allow the generation and management of inspection and remediation work packages. These new features add more capability to virtualplant creating new productivity improvements for clients and widening the products appeal.

#### Opportunity Update

As advised in the December quarterly RemSense has been actively marketing to Australian resource sector clients. Sales of enterprise software systems like virtualplant V2.0 typically occupy a 12-to-18-month sales cycle to Tier 1 clients.

RemSense is now seeing the benefit of this with the new awards in the March quarter including the largest virtualplant site contract to date (contract value \$2 million, refer to ASX release dated 7 March 2023).

RemSense continues to progress proposals for certain overseas assets of our existing customers.

RemSense is presently pursuing 76 qualified Australian based opportunities (\$15.6m in value) in various stages of development.

Remsense is implementing its plan to form global partnerships with the major asset management software providers that will enable virtualplant to be sold and used globally through their existing networks and customer relationships.

### Capital Raising and Entitlement Offer

RemSense announced on 22 March 2023 the completion of a placement raising \$475,000 from professional and sophisticated investor clients of Peak Asset Management along with a 1:3 pro-rata Entitlement Offer to be extended to existing shareholders under the same terms seeking to raise a further \$2.28M.

RemSense is raising additional capital to accelerate growth with virtualplant which was developed for industry to solve real industry challenges to improve knowledge, productivity, and safety.

RemSense has: -

- An established Tier 1 client base.
- Established Global Partnerships
- Forecasting to be Cash Flow positive in CY 2023
- Established the route to global market opportunities

The funds raised from the placement and the entitlements issue will be used to:

- provide working capital to support greater revenue and volume of work expected;
- market and expand the IBM partnership opportunities on a global basis; and
- expand the sales and marketing of virtualplant both locally and internationally

### Cash Flow and Appendix 4C Commentary

The March quarterly statement shows an improved closing cash position mainly due to the placement announced on 22 March 2023 and a reduction in cash used for operating activities.

RemSense maintains its projection to be cashflow positive during calendar year 2023, based upon projected sales outcomes.

### ASX Listing Rule 4.7C.2

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

Expenditure (\$,000)	IPO use of funds 2 years	Actual to 31 Mar 2023	Remaining Balance	Material Variance Explanation
Business development and marketing	2,100	1,335	765	On track with greater expenditure in second year
Product improvements and ongoing development of virtual plant	500	1,051	(551)	Additional features developed which enhances marketability



Expenses of the Offer	506	485	21	Final
Capital Expenditure	500	726	(226)	Concluded purchase of background Intellectual Property (IP) from Woodside not in original projection for \$400,000 which now removes ongoing license fee payments thus lowering future costs <sup>1</sup>
Working Capital	1,796	1,973	(177)	Greater than expected due to enhanced VP product development and updated plan / focus on major asset management software providers delaying original projected sales
<b>TOTAL</b>	<b>5,402</b>	<b>5,570</b>	<b>(168)</b>	

<sup>1</sup> 1,609,881 Share Options as part of the capital structure on IPO were exercised at \$0.25 on 18 July 2022 providing additional equity around the time the purchase was concluded

The Group is on track to meet its business objectives that sit behind the “use of funds” statement.

#### ASX Listing Rule 4.7C.3

Payments to related parties totalling \$147,000 for the quarter, comprising director and key management personnel salaries and superannuation.

-ENDS-

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

#### For further information:

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## About RemSense

RemSense Technologies Limited (ASX: REM)

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

## Appendix 4C

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

## Name of entity

RemSense Technologies Limited

## ABN

50 648 834 771

## Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	713	1,745
1.2 Payments for		
research and development	(29)	(32)
product manufacturing and operating costs	(67)	(523)
advertising and marketing	(128)	(241)
leased assets	-	-
staff costs	(637)	(2,322)
administration and corporate costs	(116)	(440)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	(4)	(9)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	218	184
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(49)</b>	<b>(1,634)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
businesses	-	-
property, plant and equipment	(39)	(90)
investments	-	-
intellectual property	(4)	(720)
other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	businesses	-	-
	property, plant and equipment	10	10
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(33)</b>	<b>(800)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	475	1045
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	402
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(29)	(55)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of Premium Funding	(71)	(152)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities right of use assets)	(29)	(87)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>346</b>	<b>1,153</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	595	2,140
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(49)	(1,634)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(33)	(800)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	346	1,153
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>859</b>	<b>859</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	859	595
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>859</b>	<b>595</b>

(b)

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amounts of payments to related parties and their associates included in item 1	147
6.2	Aggregate amounts of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
3467.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	<b>(c) Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(49)
8.2	Cash and cash equivalents at quarter end (item 4.6)	859
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	<b>Total available funding (item 8.2 + item 8.3)</b>	<b>859</b>
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	17.53
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

(d)



**(e) Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 19 April 2023.

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

**(f) Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.