



REMSense TECHNOLOGIES LIMITED

ABN 50 648 834 771

APPENDIX 4E

PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED

30 JUNE 2024

Rule 4.3A

## APPENDIX 4E

### Preliminary Final Report

|                                   |                         |
|-----------------------------------|-------------------------|
| Reporting period (current period) | Year ended 30 June 2024 |
| Previous corresponding period     | Year ended 30 June 2023 |

#### Results for Announcement to the Market

|  | Current<br>Period | Previous<br>Period | Percentage<br>increase /<br>(decrease)<br>% |
|--|-------------------|--------------------|---|
|  | \$                | \$                 |   |
| Revenue from ordinary activities   | 1,663,375         | 2,084,835          | (20.22)                                     |
| Loss from ordinary activities after income tax attributable to owners of the Company | (2,306,165)       | (3,033,883)        | (23.99)                                     |
| Net loss attributable to owners of the Company                                       | (2,306,165)       | (3,033,883)        | (23.99)                                     |

#### Dividend information

|  | Amount<br>per share<br>(cents) | Franked<br>amount<br>per share<br>(cents) | Amount per<br>share of<br>foreign source<br>dividend<br>(cents) | Total<br>Amount<br>\$'000 | Date of<br>payment |
|--|--------------------------------|---|---|---------------------------|--------------------|
| Final Dividend                           | Nil                            | Nil                                       | Nil   | Nil                       | N/A                |
| Interim Dividend                         | Nil                            | Nil                                       | Nil   | Nil                       | N/A                |
| Previous corresponding period            | Nil                            | Nil                                       | Nil   | Nil                       | N/A                |
| Record Date for Determining Entitlements | Not Applicable                 |   |   |                           |                    |

#### Commentary on Results

Commentary on significant features of operating performance and other factors affecting the results for the financial year are included at the end of the financial statements.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the year ended 30 June 2024**

|  | <b>2024</b>        | <b>2023</b>        |
|--|--------------------|--------------------|
|  | <b>\$</b>          | <b>\$</b>          |
| Revenue  | 1,663,375          | 2,084,835          |
| Government grants  | 174,917            | 80,380             |
| Finance income   | 4,670              | 4,242              |
| Other gains  | 3,804              | 12,843             |
| <b>Expenses</b>  |                    |                    |
| Cost of sales  | (599,412)          | (956,626)          |
| Marketing and business development costs                               | (231,722)          | (264,239)          |
| Personnel expenses   | (1,920,691)        | (2,878,841)        |
| General and administration costs                                       | (477,203)          | (534,826)          |
| Professional fees  | (278,536)          | (177,284)          |
| Depreciation   | (99,510)           | (89,687)           |
| Amortisation   | (261,309)          | (186,780)          |
| Amortisation – right of use assets                                     | (95,074)           | (110,730)          |
| Research and development costs   | (24,181)           | (3,814)            |
| Impairment of intangible assets  | (131,965)          | -                  |
| Finance expenses   | (33,328)           | (13,356)           |
| <b>Loss before income tax</b>  | <b>(2,306,165)</b> | <b>(3,033,883)</b> |
| Income tax expense   | -                  | -                  |
| <b>Loss for the year</b>   | <b>(2,306,165)</b> | <b>(3,033,883)</b> |
| Other comprehensive income, net of tax                                 | -                  | -                  |
| <b>Total comprehensive loss for the year</b>                           | <b>(2,306,165)</b> | <b>(3,033,883)</b> |
| <b>Total comprehensive loss attributable to towners of the Company</b> | <b>(2,306,165)</b> | <b>(3,033,883)</b> |
| <b>Loss per share</b>  |                    |                    |
| Basic and diluted (cents per share)                                    | (1.42)             | (3.55)             |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As of 30 June 2024**

|                                      | 2024<br>\$       | 2023<br>\$       |
|--------------------------------------|------------------|------------------|
| <b>Assets</b>                        |                  |                  |
| Cash and cash equivalents            | 325,650          | 789,652          |
| Trade and other receivables          | 6,196            | 163,698          |
| Contract assets                      | 22,178           | 33,909           |
| Prepayments                          | 97,357           | 179,034          |
| Other financial assets               | 62,681           | 60,000           |
| <b>Total current assets</b>          | <b>514,062</b>   | <b>1,226,293</b> |
| Property, plant, and equipment       | 274,350          | 357,268          |
| Intangible assets                    | 1,191,945        | 1,032,044        |
| Right of use assets                  | 87,151           | 182,225          |
| Other financial assets               | 49,225           | 47,236           |
| <b>Total non-current assets</b>      | <b>1,602,671</b> | <b>1,618,773</b> |
| <b>Total assets</b>                  | <b>2,116,733</b> | <b>2,845,066</b> |
| <b>Liabilities</b>                   |                  |                  |
| Trade and other payables             | 199,694          | 359,035          |
| Borrowings                           | 95,063           | 18,371           |
| Lease Liabilities                    | 92,086           | 90,930           |
| Employee benefits                    | 153,517          | 246,218          |
| Contract liabilities                 | 271,774          | 349,844          |
| <b>Total current liabilities</b>     | <b>812,134</b>   | <b>1,064,398</b> |
| Borrowings                           | 11,007           | 31,383           |
| Lease Liabilities                    | -                | 92,086           |
| Employee benefits                    | 80,121           | 78,675           |
| Provisions                           | 12,000           | 12,000           |
| Contract liabilities                 | 209,726          | 137,635          |
| <b>Total non-current liabilities</b> | <b>312,854</b>   | <b>351,779</b>   |
| <b>Total liabilities</b>             | <b>1,124,988</b> | <b>1,416,177</b> |
| <b>Net assets</b>                    | <b>991,745</b>   | <b>1,428,889</b> |
| <b>Equity</b>                        |                  |                  |
| Issued capital                       | 8,827,931        | 7,204,024        |
| Reserves                             | 484,263          | 50,632           |
| Accumulated losses                   | (8,320,449)      | (5,825,767)      |
| <b>Total equity</b>                  | <b>991,745</b>   | <b>1,428,889</b> |

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**For the year ending 30 June 2024**

|  | 2024<br>\$'000 | 2023<br>\$'000 |
|--|----------------|----------------|
| <b>Cash flows from operating activities</b>              |                |                |
| Receipts from customers                                  | 1,894,039      | 2,899,787      |
| Government grants  | 24,951         | 183,591        |
| Payments to suppliers and employees                      | (3,254,371)    | (4,722,963)    |
| Interest paid  | (20,707)       | (13,356)       |
| Interest received  | -              | 4,242          |
| Payments for R&D   | -              | (3,814)        |
| Net cash used in operating activities                    | (1,356,088)    | (1,652,513)    |
| <b>Cash flows from investing activities</b>              |                |                |
| Proceeds from disposal of property, plant, and equipment | 7,791          | 28,026         |
| Payments for property, plant, and equipment              | (23,319)       | (118,266)      |
| Payments for intangible assets                           | (565,613)      | (828,698)      |
| Net cash used in investing activities                    | (581,141)      | (918,938)      |
| <b>Cash flows from financing activities</b>              |                |                |
| Proceeds from issue of shares and options                | 1,782,889      | 1,245,296      |
| Proceeds from exercise of options                        | -              | 402,470        |
| Proceeds from other short-term loans                     | 197,316        | -              |
| Repayment of premium funding facility                    | (140,149)      | (215,352)      |
| Repayment of other short-term loans                      | (160,000)      | -              |
| Repayment of chattels and mortgages                      | (18,371)       | (8,556)        |
| Repayment of right of use lease liabilities              | (90,930)       | (106,531)      |
| Payment of capital raising costs                         | (97,528)       | (96,398)       |
| Net cash from financing activities                       | 1,473,227      | 1,220,929      |
| Net decrease in cash and cash equivalents                | (464,002)      | (1,350,522)    |
| Cash and cash equivalents at the beginning of the year   | 789,652        | 2,140,174      |
| <b>Cash and cash equivalents at the end of the year</b>  | <b>325,650</b> | <b>789,652</b> |

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2024**

|  | Issued<br>capital<br>\$ | Predecessor<br>accounting<br>reserve<br>\$ | Options<br>reserve<br>\$ | Performance<br>rights<br>reserve<br>\$ | Accumulated<br>Losses<br>\$ | Total<br>equity<br>\$ |
|--|-------------------------|--|--------------------------|--|-----------------------------|-----------------------|
| Balance on 1 July 2022   | 5,652,655               | (8,674)                                    | 505,729                  | -                                      | (3,674,504)                 | 2,475,206             |
| Loss after income tax expense for the year                         | -                       | -  | -                        | -                                      | (3,033,883)                 | (3,033,883)           |
| <b>Total comprehensive loss for the year</b>                       | -                       | -  |                          |  | (3,033,883)                 | (3,033,883)           |
| <i>Transactions with owners in their capacity as owners</i>        |                         |  |                          |  |                             |                       |
| Contributions of equity, net of transaction costs                  | 1,551,369               | -  | -                        | -                                      | -                           | 1,551,369             |
| Transfer to accumulated losses on expiry of options                | -                       | -  | (882,620)                | -                                      | 882,620                     | -                     |
| Share-based payment transactions                                   | -                       | -  | 436,197                  | -                                      | -                           | 436,197               |
| <b>Balance on 30 June 2023</b>                                     | <b>7,204,024</b>        | <b>(8,674)</b>                             | <b>59,306</b>            | <b>-</b>                               | <b>(5,825,767)</b>          | <b>1,428,889</b>      |
| Balance on 1 July 2023   | 7,204,024               | (8,674)                                    | 59,306                   | -                                      | (5,825,767)                 | 1,428,889             |
| Loss after income tax expense for the year                         | -                       | -  | -                        | -                                      | (2,306,165)                 | (2,306,165)           |
| <b>Total comprehensive loss for the year</b>                       | -                       | -  | -                        | -                                      | (2,306,165)                 | (2,306,165)           |
| <i>Transactions with owners in their capacity as owners</i>        |                         |  |                          |  |                             |                       |
| Contributions of equity, net of transaction costs                  | 1,623,907               | -  | -                        | -                                      | -                           | 1,623,907             |
| Transfer to accumulated losses on expiry of options                | -                       | -  | (144,165)                | -                                      | 144,165                     | -                     |
| Transfer to accumulated losses on expiry of pre-Acquisition losses | -                       | -  | 332,682                  | -                                      | (332,682)                   | -                     |
| Share-based payment transactions                                   | -                       | -  | 185,792                  | 59,322                                 | -                           | 245,114               |
| <b>Balance on 30 June 2024</b>                                     | <b>8,827,931</b>        | <b>(8,674)</b>                             | <b>433,615</b>           | <b>59,322</b>                          | <b>(8,320,449)</b>          | <b>991,745</b>        |

## Loss from Ordinary Activities

The loss from ordinary activities before income tax includes the following items of revenue and expenditure:

|  | 2024<br>\$       | 2023<br>\$       |
|--|------------------|------------------|
| <b>Revenue</b>   |                  |                  |
| virtualplant scanning services                         | 1,079,935        | 1,354,920        |
| RPAS services  | 238,594          | 232,119          |
| virtualplant subscriptions                             | 227,174          | 151,600          |
| RPAS subscriptions                                     | 117,672          | 95,850           |
| Engineering services                                   | -                | 250,347          |
|  | 1,663,375        | 2,084,835        |
| <b>Other income</b>                                    |                  |                  |
| Research and development tax incentive                 | 174,917          | 80,380           |
| Finance income   | 4,670            | 4,242            |
|  | 179,587          | 84,622           |
| <b>Personnel expenses</b>                              |                  |                  |
| Directors' and key management personnel <sup>(1)</sup> | 672,786          | 1,298,784        |
| Staff salaries   | 1,751,337        | 1,975,154        |
| Termination payments                                   | 32,148           | 88,371           |
| Superannuation   | 183,446          | 198,977          |
| Employee benefits                                      | 7,350            | (32,942)         |
| Share-based payments – staff <sup>(1)</sup>            | 13,921           | 59,483           |
| Payroll and fringe benefits tax                        | 112,512          | 148,526          |
| Recruitment expenses                                   | 67,483           | 62,335           |
| Other associated personnel expenses                    | 32,732           | 31,957           |
| Total personnel expenses                               | 2,873,715        | 3,830,645        |
| Expensed in cost of sales                              | 452,748          | 651,641          |
| Capitalised in intangible assets                       | 500,276          | 300,163          |
| <b>Expensed in personnel expenses</b>                  | <b>1,920,691</b> | <b>2,878,841</b> |
|  | 2,873,715        | 3,830,645        |

<sup>(1)</sup> director share-based payments expense of \$162,473 is included within directors' and key management personnel

## Commentary on Results

RemSense experienced a year marked by significant advancements in our virtualplant technology, successful project deliveries, and strategic restructuring aimed at driving future growth.

As detailed hereafter, whilst revenue decreased compared to the prior year, the Group's ability to improve gross margin, reduce net loss, and enhance operational efficiencies, including lower staff hours and turnover, reflects our commitment to building a resilient and sustainable business and look forward to continuing this progress in the coming year.

RemSense has a robust sales pipeline with opportunities across various sectors, including oil and gas, mining, utilities, and now extending into construction and facility management. The Group's strategy to leverage existing client relationships while expanding into new markets and sectors is expected to drive continued growth.

Throughout the financial year ending 30 June 2024, RemSense continued to strengthen its position in the oil and gas and mining sectors. The company delivered major projects, including the virtualplant technology for Newmont's Boddington Gold Mine, Chevron's LNG projects in Australia's northwest, as well as Woodside Energy's Floating Production Storage and Offloading (FPSO) vessels. These projects involved both terrestrial and drone-based reality capture, providing high-resolution 3D models and detailed inspections that enhance operational safety and efficiency. RemSense also expanded its service offerings, delivering drone-based water sampling for mining companies including BHP.

Technological innovation was a key focus for RemSense, with continuous development and enhancement of its virtualplant platform. The platform saw significant upgrades, including an enhanced user interface, improved data security, and advanced AI capabilities for asset management. These features were integrated with Enterprise Asset Management systems like SAP and IBM Maximo, making virtualplant a leading solution in asset visualisation and auditing. The integration of IoT capabilities and drone imagery further positioned the platform as a comprehensive tool for real-time operational insights and detailed asset management.

The company also pursued strategic partnerships to expand its market reach, particularly in North America and Southeast Asia. Negotiations with international partners (Malaysia, US) were aimed at reselling and deploying virtualplant across these regions, reflecting RemSense's global growth strategy.

RemSense focused on securing capital to support its operations and growth initiatives. The company raised funds through placements and entitlement offers, while also securing an R&D rebate. These efforts were complemented by a restructuring of the leadership team, including the appointment of a new CEO with extensive industry experience and changes to the board of directors. These leadership changes were instrumental in driving new sales initiatives and expanding the company's business development capabilities.

Financially, during the financial year ending 30 June 2024, the Group experienced a decrease in revenue compared to the prior year. Despite this decline, the Group successfully improved its gross margin and reduced its overall loss, reflecting the effectiveness of cost management strategies and operational improvements.

Revenue for the year was \$1,663,375, down 20.22% from \$2,084,835 in the prior year. The reduction in revenue is primarily attributed to the Group's decision to focus its efforts on the further development and marketing of its virtualplant technology, scanning services and provision for virtualplant subscription contracts, rather than non-virtualplant related engineering projects.

Despite the reduction in revenue, the Group achieved a gross margin of 63.96%, an improvement from 54.12% in the prior year. This improvement in gross margin can be attributed to cost control measures and improved operational efficiencies.



The Group's net loss of \$2,306,165, is a 23.99% reduction from the loss of \$3,033,883 in the prior year. This reduction is the result of improved gross margins and strategic reductions in operating expenses, including more efficient use of staff hours.

Over the course of the latter part of the financial year, management addressed staffing levels, leading to a reduction in personnel outlays, whilst maintaining productivity and quality solutions for customers. Additionally, the new leadership team ensured the retention of key staff member resources that has contributed to improved efficient and a consistently productive operational technology enhancing environment.

The Leadership Group has targeted on revitalising its business development capability which has resulted in a growing sales pipeline with opportunities across oil and gas, mining, and the utilities sectors. The improvements in gross margin, reduced loss, enhanced operational efficiency, and new customer responsive solutions, position us well for future growth and ultimately profitability.

In summary, RemSense's achievements in project delivery, technology development, and strategic growth initiatives are driven by customer risk mitigation solutions, that set the stage for a strong and successful future. The company is well-positioned to capitalise on the emerging opportunities and expand its global footprint in the coming year.

#### Issued Capital

|  | Ordinary shares    |                   |                  |                  |
|--|--------------------|-------------------|------------------|------------------|
|  | Number of shares   |                   | Amount in \$     |                  |
|  | 2024               | 2023              | 2024             | 2023             |
| <b>Balance on 1 July</b>                 | 93,770,089         | 79,593,751        | 7,204,024        | 5,652,655        |
| Issue of fully paid shares for cash      | 71,089,598         | 12,566,457        | 1,818,957        | 1,245,297        |
| Issue of shares on conversion of options | -                  | 1,609,881         | -                | 402,470          |
| Capital raising costs                    | -                  | -                 | (195,050)        | (96,398)         |
| <b>Balance on 30 June</b>                | <b>164,859,687</b> | <b>93,770,089</b> | <b>8,827,931</b> | <b>7,204,024</b> |

#### Performance Shares

| Grant date | Expiry date | Number of performance rights |
|------------|-------------|------------------------------|
| 24-Aug-23  | 30-Jun-25   | 2,000,000                    |

## Shares under option

The following options to subscribe for fully paid ordinary shares are outstanding at balance date:

| Grant date | Expiry date | Exercise price<br>cents | Number<br>under option |
|------------|-------------|-------------------------|------------------------|
| 20-Jul-22  | 30-Jun-25   | 40                      | 1,609,881              |
| 15-Dec-22  | 30-Jun-25   | 25                      | 515,000                |
| 26-Apr-23  | 15-Dec-25   | 15                      | 6,333,333              |
| 09-May-23  | 15-Dec-25   | 15                      | 2,670,624              |
| 28-Jun-23  | 10-Dec-25   | 15                      | 9,000,000              |
| 02-Aug-23  | 15-Dec-25   | 15                      | 4,540,000              |
| 02-Aug-23  | 10-Dec-25   | 15                      | 2,446,500              |
| 24-Aug-23  | 10-Dec-25   | 15                      | 2,000,000              |
| 09-Nov-23  | 09-Nov-26   | 4                       | 7,373,250              |
| 18-Dec-23  | 09-Nov-26   | 4                       | 11,500,683             |
| 11-Mar-24  | 09-Nov-26   | 4                       | 10,587,500             |
| 10-May-24  | 31-Mar-29   | 4                       | 12,000,000             |
| 10-May-24  | 09-Nov-26   | 4                       | 5,000,000              |
| 16-May-24  | 09-Nov-26   | 4                       | 7,500,000              |
| 16-May-24  | 31-Mar-29   | 4                       | 10,400,000             |
| 24-May-24  | 31-Mar-29   | 4                       | 500,000                |
| 20-Jun-24  | 31-Mar-29   | 4                       | 2,200,000              |
|            |             |                         | <b>96,176,771</b>      |

## Net tangible assets

|  | 2024    | 2023  |
|--|---------|-------|
| Net tangible (liabilities) / assets per ordinary share (cents) | (12.14) | 42.32 |

## Loss per share

|   | 2024        | 2023       |
|---|-------------|------------|
| Basic and diluted loss per share (cents) *                      | (1.42)      | (3.55)     |
| Weighted average number of ordinary shares outstanding (number) | 162,350,496 | 85,359,551 |

\* As the Group is in a loss position diluted EPS is the same as basic EPS.

### **Operating segments**

Operating segments are presented using the ‘management approach’, where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker (“CODM”). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of RemSense Technologies Limited.

For management purposes, the Group is organised into one operating segment, collecting customer data, processing this information, and delivering outcome reports. This includes technology research and development, RPAS services and its virtualplant Visual Twin software products, and services to a range of markets and applications. All the Group’s activities are interrelated, and discrete financial information is reported to the CODM as a single segment. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole. The accounting policies used by the Group in reporting segments internally are the same as those adopted in the financial statements.

During the year ending 30 June 2024, revenue totalling \$749,770 and \$607,290 were derived from two of the Group’s customers (2023: \$1,109,920 and \$641,491). These revenues are attributed to the provision of VP scanning services and subscriptions.

There have been no changes to the basis of segmentation or the measurement basis for segment profit or loss since 30 June 2023.

### **Loss of control over entities**

N/A

### **Accounting standards**

The financial report is prepared in accordance with Australian Accounting Standards (AASBs) and Interpretations adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for, for-profit entities. This report also complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

Other than the disclosures made within this report, there are no other factors which have affected the results in the year, or which are likely to affect the results in the future.

**Audited Financial Report**

The Preliminary Final Report has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the unaudited Annual Financial Report.

The Preliminary Final Report is unaudited and contains disclosures which are extracted and derived from the Annual Financial Report for the year ended 30 June 2024. The Annual Financial Report is in the process of being audited.

**Authorised on behalf of the RemSense Technologies Limited Board of Directors by Warren Cook, Managing Director**

A handwritten signature in blue ink, appearing to be 'W. Cook', is positioned above the date.

30 August 2024