

ASX ANNOUNCEMENT

28 January 2022

DECEMBER 2021 QUARTERLY ACTIVITIES REPORT

Highlights:

- Undertook successful IPO with commencement of ASX trading on 2 November 2021.
- IPO funds contributed to a cash flow positive quarter with a closing balance of \$3,712,782.
- Commenced implementation of growth plan as outlined in the Prospectus.
- Completed scanning of Chevron Wheatstone facility ahead of schedule highlighting efficiency of Virtual plant scanning process.

RemSense Technologies Limited (ASX: REM) is pleased to provide an overview of the December 2021 quarter (Q2 FY22) activities and the associated cash flows and cash position in the Appendix 4C (attached).

The cash position in the quarter included the receipt of funds raised through the IPO activity which culminated on listing on 2 November 2021.

Implementation Plan Progress

REM provided an update to investors outlining progress on 16 December 2021. The table below reflects updated progress to 31 December 2021.

OBJECTIVE	PROGRESS – To 31 December 2021
Onboard senior management team	Complete • COO Darren Shanahan • CDO Anthony Roe
Develop sales plan and channels	In Progress • Overall plan in place • Developing partner relationships • Leveraging Matterport partnership
Direct Sales	Progressing well • Completed offshore activity at Chevron Wheatstone via previously announced AGC contract. • Multiple opportunities being pursued across market sectors

ADDITIONAL APPENDIX 4C DISCLOSURES

The following information is provided as required under ASX Listing Rule 4.7C that has not been disclosed in the body of the quarterly activities report.

ASX Listing Rule 4.7C.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 up to the quarter ending 31 December 2021:

Allocation of funds	Total as per prospectus \$'000	Actual to 31-Dec-2021 \$'000
Business development and marketing	2,100	105
Product improvements and ongoing development of virtual plant	500	11
Expenses of the Offer	506	485
Capital equipment for data collection and computing equipment	500	110
Working capital	1,796	739
	5,402	1,450

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 \$224,000 for the quarter, comprised:

- \$215,000 for director and key management personnel salaries and superannuation (including a director related party)); and
- \$9,000 for premises leased from a director.

For and on behalf of the Board of RemSense Technologies Limited

Contacts

	Media enquiries
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Appendix 4C

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

Name of entity

RemSense Technologies Limited

ABN

50 648 834 771

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,256	2,220
1.2 Payments for		
(a) research and development	(9)	(14)
(b) product manufacturing and operating costs	(261)	(597)
(c) advertising and marketing	(60)	(88)
(d) leased assets	-	-
(e) staff costs	(983)	(1,613)
(f) administration and corporate costs	(673)	(857)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(9)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	12	12
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(719)	(946)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(110)	(144)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(110)	(144)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,000	5,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(314)	(375)
3.5	Proceeds from borrowings	100	100
3.6	Repayment of borrowings	(399)	(420)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liabilities right of use assets)	(8)	(35)
3.10	Net cash from / (used in) financing activities	4,379	4,270

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	163	533
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(719)	(946)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(110)	(144)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4,379	4,270
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,713	3,713

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	1,213	163
5.2	Call deposits	2,500	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,713	163

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	224
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>		

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(719)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,713
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,713
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.16
	<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: N/A	
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: N/A	
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: N/A	
	<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>	

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: 28 January 2022

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

Notes

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