

*Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.*

25 September 2020

**Remote Monitored Systems plc (“Remote Monitored Systems”, the “Company” or the “Group”)**

**Half Yearly Report to 30 June 2020**

Remote Monitored Systems plc, the AIM quoted survey, inspection and monitoring company, is pleased to present its unaudited half yearly report for the six-month period ended 30 June 2020.

**OVERVIEW**

- During the period the Company raised £334,000 net of costs through the issue of new shares and warrants
- The loss after tax from continuing operations for the period was £225,224 (30 June 2019: £361,906).
- The loss per share was 0.041 pence (30 June 2019: loss per share 0.190 pence)
- Current cash reserves of £360,201
- Post the period
  - Appointment of John Richardson as Chief Operating Officer and Paul Ryan as Non-Executive Chairman
  - Completed a share placing to raise gross proceeds of £265,000.
  - Entered a binding share purchase agreement for the acquisition of the entire issued share capital of Pharm 2 Farm Limited. Completion is subject to regulatory and Company shareholder approval. The acquisition will be satisfied by the issue of 600,000,000 ordinary shares equating to approximately £2,370,000 based on the closing share price at 20 August 2020.

**Trevor Brown, CEO of Remote Monitored Systems plc, commented** *“We have recently announced the conditional acquisition of Pharm 2 Farm in a transaction which if completed will be a major step for RMS. Since we announced the proposed acquisition, the market for Pharm 2 Farm products, in particular for face masks, has continued to grow exponentially. The successful development of a face mask with anti-viral properties will, we believe, generate substantial revenue for the enlarged group. Proof of Concept for the efficacy of the anti-viral mask is imminent and mask production is anticipated to commence in the first quarter of 2021”.*

A copy of these interim financial statements is available on the Company's website: [www.remotemonitoredsystems.com](http://www.remotemonitoredsystems.com)

**ENQUIRIES:**

**Remote Monitored Systems plc**

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## **CHAIRMAN'S STATEMENT**

### **GyroMetric**

GyroMetric Systems Limited ("GyroMetric"), in which the Company owns a 58% interest, continued to make initial sales in its established marine drives market, both taking and fulfilling orders during the lockdown.

Although sales into new markets have been hindered somewhat by the pandemic, in response to these conditions, GyroMetric has developed remote demonstration and sales tools which are now being rolled out to its many potential customers.

An installation window at Tarmac Limited, a major sustainable manufacturer of cement, has now become available and we anticipate installation of our technology in the near term whereupon a three month trial operation will commence shortly thereafter. Further updates to the market will be made as this proceeds.

GyroMetric recently announced that it has successfully demonstrated proof of concept for a new single sensor torsional vibration monitor ("TVM") and is seeking a commercial manufacturing partner capable of world-wide marketing and sales for this ground-breaking instrument. Gyrometric continues to develop products and is close to reaching a milestone on a product with significant market potential.

### **Cloudveil**

Cloudveil provides Security and Risk Management consultancy, Intelligence Services and Bespoke Management Information Software. Cloudveil has developed a complete security framework including crisis management, which is managed and delivered through IRIS, Cloudveil's existing bespoke Management Information platform. Policy review, procedural growth, strategy development, improved learning methods, effective recruiting and of course technology solutions are all component parts of Cloudveil's highly innovative approach to security risk management.

Cloudveil has recently won a contract to deliver a governance framework for the security programme of a prominent London based law firm and is now bidding to provide a security testing programme to one of the largest public sector institutions in the UK financial services sector.

The Board continues to expect significant success at Cloudveil once it achieves some scale and establishes itself as a leading brand in the high-end and bespoke security services market.

### **Pharm 2 Farm**

On 21 August 2020 the Company announced that it has signed a binding share purchase agreement for the acquisition of the entire issued share capital of Pharm 2 Farm Limited. Completion is subject to regulatory and Company shareholder approval which is currently being progressed. The acquisition will be satisfied by the issue of 600,000,000 ordinary shares equating to approximately £2,370,000 based on the closing share price at 20 August 2020. The Board is extremely excited by the prospects for Pharm 2 Farm.

Pharm 2 Farm uses a patented process for producing and functionalising nanoparticles for various applications including human, animal and crop health:

**Crop nutrition:** Pharm 2 Farm has already received orders from key distributors in the UK and South Korea for its unique crop nutrition products. Pharm 2 Farm is specifically targeting the growing global hydroponics market where its water-soluble nutrients with high bioavailability have a clear competitive advantage. A number of trials are underway to explore further applications of Pharm 2 Farm formulations.

**Anti-viral Face Mask:** Pharm 2 Farm is developing a nanotechnology enabled anti-viral face mask. Proof of concept and the design of a prototype is currently underway and expected to be completed imminently. Pharm 2 Farm has now purchased a mask manufacturing production line and delivery is expected during November. This production plant can produce monthly, four million nanoparticle coated face masks. The production facility will be UK based. Purchase enquiries have already commenced.

## **Geocurve**

The disposal of the Geocurve business announced in the previous financial years was approved by Shareholders and completed on 9 January 2020.

### **Financial Overview**

During the period, the Group recorded revenues from continuing operations of £57,685 compared with £17,679 for the six months to 30 June 2019. The operating loss from continuing operations for the six months to 30 June 2020 was £250,092 (30 June 2019: £380,076). The loss after tax from continuing operations for the period was £225,224 (30 June 2019: £361,906). The loss per share was 0.041 pence (30 June 2019: loss per share 0.190 pence).

- Consolidated net assets at 30 June 2020 amounted to £131,689 (31 December 2019: deficit £19,250).
- Cash balances at the period end amounted to £254,523 (31 December 2019: £74,770).
- During the period the Company raised £334,000 net of costs through the issue of new shares and warrants.

### **Acknowledgments**

On behalf of the Board, I would like to extend our thanks to our business partners, customers, employees and shareholders for their continued support throughout the period.

Paul Ryan

Non-Executive Chairman

REMOTE MONITORED SYSTEMS PLC  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six month period ended 30 June 2020

	Notes	Unaudited 6 months ended 30 June 2020 £	Unaudited 6 months ended 30 June 2019 (restated) £
Revenue		57,685	17,679
Cost of sales		(24,750)	-
<b>Gross (loss)/profit</b>		<b>32,935</b>	<b>17,679</b>
Other operating income		10,000	-
Administration expenses		(267,944)	(334,063)
Loss on foreign exchange		(14,994)	(4)
Depreciation		(2,789)	(2,251)
Impairment and amortisation		(7,300)	(61,437)
<b>Operating Loss</b>		<b>(250,092)</b>	<b>(380,076)</b>
Finance income		69	3
Finance costs		(3,177)	(949)
<b>Loss before income tax</b>		<b>(253,200)</b>	<b>(381,022)</b>
Income tax credit		27,976	19,116
<b>Loss for the year from continuing operations</b>		<b>(225,224)</b>	<b>(361,906)</b>
<b>Loss for the year from discontinued operations</b>		<b>(11,837)</b>	<b>(362,048)</b>
<b>Loss for the year</b>		<b>(237,061)</b>	<b>(723,954)</b>
<b>Other Comprehensive Income</b>			
<b>Items that may be subsequently be reclassified to profit or loss:</b>			
Currency translation differences		-	(1,800)
<b>Total comprehensive income for the period, net of tax</b>		<b>(237,061)</b>	<b>(725,754)</b>
<b>Loss attributable to:</b>			
Equity holders of the parent		(230,705)	(672,372)
Non-controlling interests		(6,356)	(51,582)
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent		(230,705)	(674,172)
Non-controlling interests		(6,356)	(51,582)
<b>Earnings per ordinary share attributable to owners of the parent during the period (expressed in pence per share)</b>			
	5		
Basic and diluted – continuing operations		(0.039)	(0.095)
Basic and diluted – discontinued operations		(0.002)	(0.095)
<b>Basic and diluted - total</b>		<b>(0.041)</b>	<b>(0.190)</b>

REMOTE MONITORED SYSTEMS PLC  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020		Unaudited 30 June 2020	Audited 31 December 2019	Unaudited 30 June 2019 Restated
	Note	£	£	£
<b>Non-current assets</b>				
Intangible assets		371,045	378,345	641,039
Property, plant and equipment		8,190	10,978	511,141
<b>Total non-current assets</b>		<b>379,235</b>	<b>389,323</b>	<b>1,152,180</b>
<b>Current Assets</b>				
Inventories		15,017	14,589	10,854
Trade and other receivables		25,360	66,090	210,282
Assets classified as held for sale		-	160,275	-
Cash and cash equivalents		254,523	74,770	17,707
<b>Total current assets</b>		<b>294,900</b>	<b>315,724</b>	<b>238,843</b>
<b>TOTAL ASSETS</b>		<b>674,135</b>	<b>705,047</b>	<b>1,391,023</b>
<b>Equity attributable to owners of the parent</b>				
Share capital	3	5,448,924	5,128,124	4,899,438
Share premium		6,876,182	6,822,694	6,562,937
Convertible loan stock		106,000	103,000	-
Other reserves		(464,441)	(475,153)	(298,453)
Translation reserve		92,181	92,181	90,381
Retained loss		(11,872,756)	(11,642,051)	(10,920,366)
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>		<b>186,090</b>	<b>28,795</b>	<b>333,937</b>
Non-controlling interests		(54,401)	(48,045)	(29,354)
<b>TOTAL EQUITY</b>		<b>131,689</b>	<b>(19,250)</b>	<b>304,583</b>
<b>Current liabilities</b>				
Trade and other payables		477,821	576,597	793,354
Lease liabilities		29,500	29,500	29,500
Obligations under finance leases		-	60,825	72,279
<b>Total current liabilities</b>		<b>507,321</b>	<b>666,922</b>	<b>895,133</b>
<b>Non-current liabilities</b>				
Lease liabilities		22,125	36,875	51,625
Other payables		-	-	31,311
Provisions		13,000	20,500	-
Deferred tax liabilities		-	-	108,371
<b>Total non-current liabilities</b>		<b>35,125</b>	<b>57,375</b>	<b>191,307</b>
<b>TOTAL LIABILITIES</b>		<b>542,446</b>	<b>724,297</b>	<b>1,086,440</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>674,135</b>	<b>705,047</b>	<b>1,391,023</b>

REMOTE MONITORED SYSTEMS PLC  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six month period ended 30 June 2020

	Attributable to owners of the parent							
	Share capital	Share premium	Convertible loan stock	Other reserves	Translation reserve	Retained Loss	Minority Interests	Total
	£	£	£	£	£	£	£	£
<b>As at 1 January 2019</b>	4,791,746	6,330,629	-	(298,453)	92,181	(10,247,994)	22,228	690,337
Loss for the period	-	-	-	-	-	(672,372)	(51,582)	(723,954)
<b>Other comprehensive income for the period</b>								
Currency translation difference	-	-	-	-	(1,800)	-	-	(1,800)
<b>Total comprehensive income for the period</b>	-	-	-	-	(1,800)	(672,372)	(51,582)	(725,754)
Proceeds from shares issued (net of costs)	107,692	232,308	-	-	-	-	-	340,000
<b>Transactions with owners, recognised directly in equity</b>	107,692	232,308	-	-	-	-	-	340,000
<b>As at 30 June 2019</b>	4,899,438	6,562,937	-	(298,453)	90,381	(10,920,366)	(29,354)	304,583
<b>As at 1 January 2020</b>	5,128,124	6,822,694	103,000	(475,153)	92,181	(11,642,051)	(48,045)	(19,250)
Loss for the period	-	-	-	-	-	(230,705)	(6,356)	(237,061)
Other comprehensive income for the period	-	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(230,705)	(6,356)	(237,061)
Proceeds from shares and warrants issued (net of costs)	320,800	53,488	-	10,712	-	-	-	385,000
Cumulative interest on loan stock	-	-	3,000	-	-	-	-	3,000
<b>Transactions with owners, recognised directly in equity</b>	320,800	53,488	3,000	10,712	-	-	-	388,000
<b>As at 30 June 2020</b>	5,448,924	6,876,182	106,000	(464,441)	92,181	(11,872,756)	(54,401)	131,689

REMOTE MONITORED SYSTEMS PLC  
CONSOLIDATED STATEMENT OF CASH FLOW

For the six month period ended 30 June 2019

		Unaudited 6 months ended 30 June 2020	Unaudited 6 months ended 30 June 2019 (restated)
	Note	£	£
<b>Cash Flows from Operating Activities</b>			
Loss for the period on continuing activities		(253,200)	(381,022)
Loss for the period from discontinued operations		(11,837)	(440,290)
Depreciation of property, plant and equipment		2,789	67,773
Profit on business disposal	6	(1)	-
Impairments and amortisation		7,300	196,478
Finance costs		3,177	4,031
Finance income		(69)	(3)
Taxation receipts		27,976	-
(Increase)/decrease in inventories		(428)	7,236
Decrease in trade and other receivables		40,730	45,928
(Decrease) in provisions		(7,500)	-
(Decrease)/increase in trade and other payables		(47,776)	178,469
<b>Cash used in operations</b>		<b>(238,839)</b>	<b>(321,400)</b>
Interest expense		(177)	(4,031)
<b>Net cash used in operating activities</b>		<b>(239,016)</b>	<b>(325,431)</b>
<b>Cash Flows from Investing Activities</b>			
Purchases of property, plant and equipment		-	(15,776)
Proceeds from disposal of property, plant and equipment		160,274	18,667
Proceeds from disposal of goodwill		1	-
Interest income		69	3
<b>Net cash generated from investing activities</b>		<b>160,344</b>	<b>2,894</b>
<b>Cash Flows from Financing Activities</b>			
(Repayments of)/net proceeds from borrowings		(60,825)	(94,387)
Repayments of lease liabilities		(14,750)	(14,750)
Issue of shares and warrants, net of issue costs		334,000	340,000
<b>Net cash generated from financing activities</b>		<b>258,425</b>	<b>230,863</b>
Net increase/(decrease) in cash and cash equivalents		179,753	(91,674)
Cash and cash equivalents at beginning of period		74,770	109,381
<b>Cash and cash equivalents at end of period</b>		<b>254,523</b>	<b>17,707</b>

## NOTES TO THE INTERIM RESULTS:

### 1. General information and accounting policies

The principal activity of Remote Monitored Systems plc (“the Company”) and its subsidiaries (together “the Group”) is the provision in the GyroMetric division of next generation digital monitoring and safeguarding technology and services for rotating shafts and in the Cloudveil division of intelligence services and security risk management

The Company is a public limited company, incorporated and domiciled in the United Kingdom, with its shares traded on the London Stock Exchange’s AIM. Its registered office is: 27-28 Eastcastle Street, London W1W 8DH.

This announcement is for the unaudited interim results for the period ended 30 June 2020.

The Directors approved these unaudited interim results on 25th September 2020.

### 2. Basis of preparation

The condensed consolidated interim financial information (the “Financial Information”) has been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 “Interim Financial Statements” in preparing this Financial Information. The Financial Information should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. In the opinion of the Directors the Financial Information for the period represents fairly the financial position, results from operations and cash flows for the period in conformity with generally accepted accounting principles consistently applied.

The Financial Information set out above does not constitute statutory accounts within the meaning of the Companies Act 2006. The Financial Information has been prepared on a going concern basis in accordance with the recognition and measurement criteria of International Financial Reporting Standards (IFRS) as adopted by the European Union. Statutory financial statements for the period ended 31 December 2019 were approved by the Board of Directors on 27 June 2020 and subsequently delivered to the Registrar of Companies and are also available on the Group’s website: [www.remotemonitoredsystems.com](http://www.remotemonitoredsystems.com). The independent auditor’s report on those financial statements disclosed a material uncertainty in relation to going concern.

The 2020 Financial Information of the Group has not been audited.

These interim results are presented in Sterling rounded to the nearest pound.

#### Going concern basis

The interim financial information has been prepared assuming that the Group will continue as a going concern. As at 21 September 2020, the group had cash and cash equivalents totalling £360,201.

The operational requirements of the Group comprise of maintaining Head Office operations in the UK alongside its UK divisions. The Directors have reviewed the Group’s working capital forecasts and it is likely that its UK divisions will require additional funding to achieve sales growth in those divisions.

The Company’s cash reserves of £360,201 compare favourably with c.£47,000 at the same time in the previous year. The ability of the Company to raise additional funds, if required, is dependent upon investor appetite and, if necessary, the Directors’ ability to obtain alternative sources of funding.

The Directors have a reasonable expectation that the Company will be able to raise sufficient funding to allow it to cover its working capital for a period of twelve months from the date of approval of the interim financial information. It is for this reason they continue to adopt the going concern basis of accounting.

#### Risks and uncertainties

The Board continuously assesses and monitors the key risks facing the business. The key risks that could affect the Group’s medium-term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group’s 2019 Annual Report and Financial Statements. The Group is exposed to market risks (including foreign exchange risk and price risk), credit risk and to a limited extent, interest rate risk and liquidity risk.

### Critical accounting estimates and judgements

The preparation of Financial Information in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting period. It also requires management to exercise its judgement in the process of applying the Group's Accounting Policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information, are disclosed in Note 4 of the Group's 2019 Annual Report and Financial Statements.

### Accounting Policies

There have been no changes to the Group's accounting policies, presentation and methods of computation in this Financial Information compared to those which were applied in the preparation of the Group's Annual Financial Statements for the year ended 31 December 2019.

The comparative information for the six months ended 30 June 2020 has been restated to reflect the Geocurve operation that was discontinued in 2019 and the implementation of IFRS16 - Leases, details of both of which can be found in the Group's Annual Financial Statements for the year ended 31 December 2019.

### 3. Share capital

On 9 April 2020 the Company issued 140,000,000 ordinary shares and 140,000,000 warrants to subscribe for shares at a price of 0.25 pence per share and warrant raising £350,000 in order to support the continuing growth of the GyroMetric and Cloudveil divisions and to provide additional working capital.

On 15 April 2020 the Company issued 20,400,000 ordinary shares and 20,400,000 warrants to subscribe for shares at a price of 0.25 pence per share and warrant in settlement of an advisor fees.

### 4. Directors' transactions

Trevor Brown and Paul Ryan each subscribed £25,000 for 10,000,000 shares and 10,000,000 warrants in the placing announced on 9 April 2020.

### 5. Earnings per share

Basic earnings per share have been calculated by dividing the loss attributable to equity holders of the Company after taxation by the weighted average number of shares in issue during the period. There is no difference between the basic and diluted earnings per share as the effect on the exercise of options and warrants would be to decrease the earnings per share.

	6 months ended 30 June 2020	6 months ended 30 June 2019 (restated)
Basic and Diluted	£	£
Loss after taxation on continuing operations	(225,240)	(361,906)
Loss after taxation on discontinued operation	(11,821)	(362,048)
Total loss after taxation	(237,061)	(723,954)
Weighted average number of shares	573,133,713	383,338,924
Earnings per share (pence)		
On continuing operations	(0.039)	(0.095)
On discontinued operations	(0.002)	(0.095)
On total operations	(0.041)	(0.19)

### 6. Disposal of business

On 9 January 2020 following approval by the shareholders at a general meeting, the sale of the Geocurve business was completed. Full details of the disposal are included within the Group's 2019 Annual Report and Financial Statements.

## **7. Dividends**

No dividend has been declared or paid by the Company during the six months ended 30 June 2020 (2019: nil).

## **8. Events after the reporting period**

On 10 July 2020 Nigel Burton retired from the board to pursue other activities and Paul Ryan an existing non-executive director, became Non-Executive Chairman. In addition, John Richardson was appointed as Chief Operating Officer.

On 13 July 2020 the Company raised £265,000 in a placing of 106,000,000 shares at a price of 0.25 pence per share. In addition 6,950,000 further shares were issued at a price of 0.25 pence per share in settlement of professional fees. As part of the Placing, Braveheart Investment Group plc ("Braveheart") subscribed £200,000 for 80,000,000 shares. Following the issue of the Placing Shares, Braveheart have a beneficial interest in 199,637,590 Shares representing approximately 25.79% of the enlarged issued share capital and total voting rights of the Company. Braveheart, as a substantial shareholder of the Company, is considered to be a "related party" as defined under the AIM Rules and accordingly, its participation in the Placing constituted a related party transaction for the purposes of Rule 13 of the AIM Rules.

On 27 July 2020 each existing ordinary share of 0.2 pence each was subdivided into 1 new share of 0.01 pence each and 1 deferred share of 0.19 pence each. The deferred shares have limited rights and will effectively carry no value.

On 21 August 2020 the Company signed a binding share purchase agreement for the acquisition of the entire issued share capital of Pharm 2 Farm Limited. Completion is subject to regulatory and Company shareholder approval. The acquisition will be satisfied by the issue of 600,000,000 ordinary shares equating to approximately £2,370,000 based on the closing share price at 20 August 2020.

## **9. Approval of the interim financial information**

The condensed Financial Information was approved by the Board of Directors on 25th September 2020.