SenSen Networks Limited

(Formerly Orpheus Energy Limited)

And Controlled Entities

ABN 67 121 257 412

Appendix 4D (rule 4.3A)
Preliminary final report for the half year ended 31 December 2017

Results for announcement to the market
(all comparisons to half year ended 31 December 2016)

	2017 $'000	Up/(down) $'000	% Movement
Revenue from ordinary activities	1,798	1,117	164%
Loss from ordinary activities after income tax attributable to shareholders	(6,357)	(6,077)	2,172%
Net loss for the period attributable to shareholders	(6,357)	(6,077)	2,172%

Note 1:

	2017 $'000	2016 $'000
Net loss for the period attributable to shareholders	(6,357)	(280)
Less One-off adjustments for Reverse Takeover transactions		
Corporate Restructure expense	(5,229)	-
Listing expenses	(745)	-
Underlying net loss for the period attributable to shareholders after adjustment for significant items relating to the reverse takeover transaction	**(383)**	**(280)**

Dividend Information

The company did not pay any dividends during the period.

Net Tangible Assets

	2017 $	2016 $
Net tangible assets per ordinary share	0.0017	(0.55)

Other information

During the reporting period, On 12 April 2017, the Company announced that they had entered into a Share Purchase Agreement for the acquisition of SenSen Networks Pty Ltd (SenSen). On 18 October 2017, the transaction was completed where Company acquired 100% of SenSen by the purchase of all the shares in SenSen from the shareholders of SenSen, in exchange for the issue of shares in SenSen Networks Limited.

Additional Appendix 4D disclosure requirements (including explanation of the figures reported above) can be found in the Half Year Financial Report which contains the directors' report and the 31 December 2017 financial statements and accompanying notes.

This report is based on the consolidated financial statements which have been reviewed by BDO.

SenSen Networks Limited

(Formerly Orpheus Energy Limited)

And Controlled Entities

ABN 67 121 257 412

HALF-YEAR REPORT
AND
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

Contents

Directors' Report

The directors present their report with the consolidated financial report of SenSen Networks Limited (Formerly Orpheus Energy Limited) ("the Company") and the entities it controlled ('the group") at the end of, or during, the half year ended 31 December 2017 and the auditor's review report thereon.

Directors
The names of the Directors who held office during or since the end of the half year are:

Mr Subhash Challa, Executive Director (Appointed 13 October 2017)
Mr Zenon Pasieczny, Non-Executive Director (Appointed 13 October 2017)
Mr David Smith, Executive Director
Mr Jason Ko, Non-Executive Director (Appointed 13 October 2017)
Mr Wayne Mitchell, Executive Chairman (Resigned 13 October 2017)
Mr Wesley Harder, Executive Director (Resigned 13 October 2017)
Mr Mike Rhodes, Non-Executive Director (Resigned 13 October 2017)

Mr David Smith, Company Secretary

Review of Operating Activities

This financial report represents a continuation of the financials of SenSen Networks Pty Ltd (SenSen) which was treated as the acquirer of SenSen Networks Limited for accounting purposes effective on and from 18 October 2017. Following completion of the acquisition, SenSen business is considered as the 'ongoing business' and the Company will focus on video-IoT analytics and artificial intelligence in the intelligent transportation systems and gaming sectors.

The principal activities of the group during the half-year were to develop and sell SenDISA platform based products and services into 2 major market segments:

- **Intelligent Transportation**: civic compliance, traffic data and law enforcement solutions to city councils, national parks, road authorities and transit agencies across the globe.
- **Casinos:** delivering accurate actionable insights about table occupancy, hands per hour, bet type and value for every bet placed on the gaming floor.

The Company also continues efforts to recover the outstanding debt of ~$7 million owed to the Company by Mr Nugroho Suksmanto and PT Mega Coal.

Operating Results
During the half year ended 31 December 2017, the group reported a loss after tax of $6,357,441 (31 December 2016: loss of $279,831). The results were affected by the following one-off significant expenses:

- corporate restructure cost (non-cash) of $5,229,773 which is the notional fair value of the reverse takeover transaction described in note 7.
- legal and due diligence costs related to the acquisition amounting to $745,769.

Significant Changes in the State of Affairs

Acquisition of SenSen Networks Pty Ltd
On 12 April 2017, the Company entered into a Share Purchase Agreement with all of the shareholders of SenSen Networks Pty Ltd ("SenSen"). The Company acquired 100% of SenSen by the purchase of all the shares in SenSen from the shareholders of SenSen, in exchange for the issue of shares in the Company. On 1 September 2017, a Prospectus was issued for the offer of 15,000,000 New Shares to eligible Company shareholders under a Share Purchase Plan, up to 50,000,000 New Shares to eligible investors under a General Offer, and 273,764,706 Consideration Shares to the Vendors in consideration for the acquisition of all of the shares in SenSen. Subsequently, supplementary prospectus was issued on 14 September 2017 and 25 September 2017.

The transaction was completed on 18 October 2017 and included a capital raising of $6.5 million.

Shares and Options
The following shares were issued as part of the acquisition outlined above:

Shares as at 31 December 2016	
Number of Shares on issue (pre-Consolidation)	183,476,469
Number of Shares on issue (post-Consolidation)	18,347,952
SPP Offer at 18 October 2017	
Number of New Shares issued under the SPP Offer (SPP Offer Subscription Amount)	15,000,000 Shares
Cash proceeds of the SPP Offer	$1,500,000
General Offer at 18 October 2017	
Maximum number of New Shares issued under the General Offer (General Offer Maximum Subscription)	50,000,000
Maximum cash proceeds of the General Offer (General Offer Maximum Subscription)	$5,000,000
Vendor Offer at 18 October 2017	
Total number of Consideration Shares issued under the Vendor Offer	273,764,706
Cash proceeds of the Vendor Offer	Nil

Other Share issues at 18 October 2017	
Number of Shares issued on conversion of 50% of the Director Loans and CFO Loan	9,822,420 Shares
Total number of Shares issued to the SenSen Corporate Advisor and Joint Lead Manager by way of the Introduction and Advisory Fee	3,209,201 Shares
Number of Shares issued on conversion of Notes	6,689,850 Shares

Total Shares as at 31 December 2017	
Total number of Shares on issue (post-Consolidation) (This is the sum of all Shares detailed above)	376,834,129

There were no options issued during the half-year.

Directors' Loans
As part of the acquisition, each of the following then Directors of the Company and then Chief Financial Officer agreed to convert 50% of the amounts owing to them by the Company into Shares.

The details of the 50% of the Orpheus Director Loans and the Orpheus CFO Loan to be converted in to Shares is provided below:

Name	Total Outstanding Debt as at 18 October 2017	Amount to be Converted into Shares-50%	Shares to be Issued ($0.10 per Share)	Total Outstanding Debt as at 31 December 2017
Wayne Mitchell	$726,387	$363,193	3,631,935	$363,193
David Smith	$603,303	$301,652	3,016,515	$301,652
Wesley Harder	$261,942	$130,971	1,309,710	$130,971
Michael Rhodes	$199,756	$99,878	998,780	$99,878
Barry Neal	$173,096	$86,548	865,480	$86,548
TOTAL	**$1,964,484**	**$982,242**	**9,822,420**	**$982,242**

The remaining balances above will be repaid within 12 months of completion of the Acquisition in cash, or in Shares, at the election of the Company's Board. If the Company's Board elects to repay the loans in Shares, this will be subject to Shareholder approval and the number of Shares to be issued will be calculated by dividing the relevant balances by the 30 day VWAP of the Shares trading on ASX.

Debt Recovery Update
As at 31 December 2017 the total Receivable from Mr Suksmanto is IDR73.605 billion (approximately $7 million) inclusive of IDR3.605 billion in interest (approximately $0.36 million). The Company is pursuing the sale of shares in PT Abadi Guna Papan (AGP), (a property development company whose shares were pledged as security) to recover a portion of the Receivable. Any sale of the AGP shares will constitute settlement of the outstanding debt in full. To that end:

- The Company has been in advanced negotiations with a potential acquirer of the AGP shares. A formal offer to acquire the AGP shares for IDR35 billion has been submitted to the Company and has been agreed to by the Board, subject to cash funds actually being received. Under AGP's articles of association any share sale must be approved by all shareholders.

- As at 31 December 2017 all documentation has been completed and approval has been granted by all shareholders with the exception of Mr Suksmanto himself. Until such time as Mr Suksmanto agrees to the share sale, the transaction cannot proceed.
- The Company has been advised that other parties are also interested in acquiring the AGP equity, however the Company believes that the current buyer represents the best deal for the company.

There is a risk that Mr Suksmanto will not approve the sale of the AGP shares (pledged as security for the Receivable), meaning that the Receivable will remain outstanding. In the event Mr Suksmanto does not approve the sale of the AGP shares, the Company will continue negotiations and to pursue recovery of the Receivable in Indonesia.

Subsequent events

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is set out on page 6.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Subhash Challa, CEO and Chairman

Date: 28 February 2018

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DECLARATION OF INDEPENDENCE BY M CUTRI TO THE DIRECTORS OF SENSEN NETWORKS LIMITED (FORMERLY ORPHEUS ENERGY LIMITED)

As lead auditor for the review of SenSen Networks Limited (formerly Orpheus Energy Limited) for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of SenSen Networks Limited and the entities it controlled during the period.

M Cutri
Director

BDO Audit Pty Ltd

Brisbane, 28 February 2018

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	Consolidated 31 Dec 2017 $	Consolidated 31 Dec 2016 $
Revenue			
Sales Revenue	2	1,798,011	680,471
Cost of Sales		(634,102)	(487,818)
Gross Profit		1,163,908	192,653
Other income	2	-	770,312
Interest income	2	394	13
Expenses			
Consulting expense		(766,552)	(393,088)
Employee benefits expense		(965,911)	(549,924)
Occupancy expense		(161,909)	(28,628)
Marketing expense		(110,440)	(155,412)
Administration expense		(55,661)	(25,492)
Depreciation and amortisation expense		(9,006)	(4,224)
Finance costs		(45,167)	(46,919)
Corporate restructure expense	7	(5,229,773)	-
Other expenses		(177,323)	(39,122)
Profit/(Loss) before income tax		(6,357,441)	(279,831)
Tax (expense)income		-	-
(Loss) for the period		**(6,357,441)**	**(279,831)**
Loss attributable to:			
- Members of the parent entity		(6,357,441)	(279,831)
- Non-controlling interests		-	-
		(6,357,441)	**(279,831)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign controlled entities		(4,200)	-
Total comprehensive income for the period		**(4,200)**	**-**
Total comprehensive income for the period attributable to:			
- Members of the parent entity		**(6,361,641)**	**(279,831)**
Loss per share:			
Basic and diluted loss per share (cents)	12	**(3.89)**	**(2.04)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	Consolidated 31 Dec 2017 $	Consolidated 30 June 2017 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		3,606,713	54,034
Trade and other receivables	4	418,387	322,411
Other assets		52,238	63,061
TOTAL CURRENT ASSETS		**4,077,338**	**439,506**
NON-CURRENT ASSETS			
Other assets		56,955	39,783
Property, plant and equipment		162,233	113,318
Deferred tax assets		71,301	71,301
TOTAL NON-CURRENT ASSETS		**290,489**	**224,402**
TOTAL ASSETS		**4,367,827**	**663,908**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		2,324,711	2,237,111
Other liabilities		30.355	29,111
Borrowings	5	869,218	1,203,751
TOTAL CURRENT LIABILITIES		**3,224,284**	**3,469,973**
NON-CURRENT LIABILITIES			
Borrowings	5	500,000	495,693
		500,000	**495,693**
TOTAL LIABILITIES		**3,724,284**	**3,965,666**
NET ASSETS		**643,543**	**(3,301,758)**
EQUITY			
Issued capital	6	24,031,865	13,724,923
Reserves		(5,182)	(982)
Accumulated losses		(23,383,140)	(17,025,699)
TOTAL EQUITY		**643,543**	**(3,301,758)**

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

Consolidated	Issued Capital $	Accumulated Losses $	Reserves $	Total Equity $
Balance at 1 July 2016	**12,775,283**	**(15,862,026)**	**-**	**(3,086,743)**
Loss for the period	-	(279,831)	-	(279,831)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	**-**	**(279,831)**	**-**	**(279,831)**
Transactions with owners in their capacity as owners				
Shares issued during the year	229,500	-	-	229,500
Balance at 31 Dec 2016	**13,004,783**	**(16,141,857)**	**-**	**(3,137,074)**
Balance at 1 July 2017	**13,724,923**	**(17,025,699)**	**(982)**	**(3,301,758)**
Loss for the period	-	(6,357,441)	-	(6,357,441)
Other comprehensive income for the period	-	-	(4,200)	(4,200)
Total comprehensive loss for the period	-	(6,357,441)	(4,200)	(6,361,641)
Transactions with owners in their capacity as owners				
Acquired from reverse acquisition (refer to note 7)	10,306,942	-	-	10,306,942
Balance at 31 Dec 2017	**24,031,865**	**(23,383,140)**	**(5,182)**	**(643,543)**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	Note	Consolidated 31 Dec 2017 $	 31 Dec 2016 $
Cash flows from operating activities			
Receipts from customers		1,249,229	609,353
Payments to suppliers and employees		(3,417,965)	(574,910)
Interest received		695	13
Finance costs		(49,531)	(46,919)
Net cash used in operating activities		**(2,217,572)**	**(12,463)**
Cash flows from investing activities			
Purchase of plant and equipment		(57,921)	-
Cash from acquisition of subsidiary	7	6,422,440	-
Net cash provided by investing activities		**6,364,519**	**-**
Cash flows from financing activities			
Proceeds from borrowings		777,600	-
Repayment of borrowings		(1,106,527)	158,729
Net cash provided by financing activities		**(328,927)**	**158,729**
Net increase in cash and cash equivalents		3,818,020	146,266
Cash and cash equivalents at beginning of the half-year		(211,307)	(155,819)
Cash and cash equivalents at end of the half-year *		**3,606,713**	**(9,553)**

** Closing cash and cash equivalents includes bank overdrafts:*

	31-Dec-17	31-Dec-16
* Closing cash and cash equivalents includes bank overdrafts		
Cash and cash equivalents	**3,606,713**	54,620
Overdrafts included in borrowings	-	(64,173)
Closing cash and cash equivalents	**3,606,713**	**(9,553)**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2017 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of SenSen Networks Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2017, together with any public announcements made during the following half-year.

These interim statements were authorised for issue on 28 February 2018.

Reverse acquisition – Comparative Information

SenSen Networks Limited (formerly Orpheus Energy Limited) (the Company) acquired SenSen Networks Pty Ltd (SenSen) on 18 October 2017. From a legal and taxation perspective SenSen Networks Limited is considered the acquiring entity. However, the acquisition has the features of a reverse acquisition as described in the Australian Accounting Standard AASB 3 *Business Combinations* (AASB 3) because the acquisition resulted in SenSen shareholders holding a controlling interest in the Company after the transaction notwithstanding SenSen Networks Limited being the legal parent of the Group. At the time of the acquisition SenSen Networks Limited divested all of its operations, and its activities were limited to managing its cash balances, filing obligations (ie, a listed shell), and completion of the acquisition. It is therefore considered that SenSen Networks Limited does not meet the definition of a business for the purposes of AASB 3 as it did not have any processes or outputs.

The transaction has therefore been accounted for as a reverse acquisition from a consolidated perspective, where SenSen Networks Pty Ltd is the accounting acquirer and SenSen Networks Limited is the legal acquirer. The half-year financial report includes the consolidated financial statements of SenSen for the full half-year and the Company for the period 18 October 2017 to 31 December 2017. The half-year financial report represents a continuation of SenSen Networks Pty Ltd's financial statements with exception of the capital structure. The amount recognised as equity instruments in these consolidated statements represents the issued equity of SenSen Networks Limited adjusted to reflect the equity issued by SenSen Networks Limited on acquisition. Refer to note 6 on issued capital and note 7 on the accounting for the reverse acquisition.

Under the reverse acquisition principles, the consideration provided by SenSen Networks Pty Ltd was determined to be $10,306,942 which is the deemed fair value of the 103,069,423 shares owned by the former SenSen Networks Limited shareholders at the completion of the acquisition, valued at the capital raising share price of $0.10 per share.

The excess of the deemed fair value of the shares owned by the SenSen Networks Limited shareholders and the fair value of the identifiable net assets of SenSen Networks Limited immediately prior to the completion of the merger is accounted for under AASB 2 *Share Based Payments* and resulted in the recognition of $5,229,773 being recorded as "Corporate Restructure Expense". The net assets of SenSen Networks Limited were recorded at fair value at acquisition date. As the carrying value of all assets and liabilities held by the SenSen Networks Limited at acquisition date approximated their fair value, no adjustments were required.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Accounting Policies

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The fair value of financial assets and financial liabilities approximate their carrying values due to their short-term nature. The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the new accounting policies adopted as a result of the acquisition of SenSen as set out below:

New accounting policies for the merged group

Upon completion of the SenSen acquisition, the business of the Company changed to that of the consolidated group resulting in the need to consider and / or adopt new accounting policies.

Revenue and other income

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue. The following specific recognition criteria must also be met before revenue is recognised:

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue is recognised when it is received or when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax.

The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

c. Critical Accounting Estimates and Significant Judgments Used in Applying Accounting Policies

The preparation of half-year financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates. In preparing these half-year financial statements, the key estimates made by management in applying the group's accounting policies have been consistent with those applied and disclosed in the June 2017 annual report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2017

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Critical Accounting Estimates and Significant Judgments Used in Applying Accounting Policies (continued)

In preparing these half-year financial statements, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty have been applied to the reverse acquisition, refer to note 7.

2. REVENUE AND OTHER INCOME

	Consolidated	
	31 Dec 2017 $	31 Dec 2016 $
Sales Revenue	**1,798,011**	**680,471**
Other income		
R&D tax incentive	-	769,121
Refunds	-	1,191
Total other income	**-**	**770,312**
Interest income	**394**	**13**
Total Revenue and other income	**1,798,405**	**1,450,796**

NOTES TO THE FINANCIAL STATEMENTS

3. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports that are regularly reviewed by the executive team in order to allocate resources to the segment and assess its performance.

AASB 8 *Operating Segments* states that similar operating segments can be aggregated to form one reportable segment. Following the acquisition of SenSen Networks Pty Ltd the group aggregated all its reporting segments into two reportable operating segments. Prior to acquisition, the Company operated as a corporate shell having ceased its previous exploration activities in the prior period.

The principal areas of operation of the group are as follows:
- SenDISA Products
- Other products

Segment Revenues and Results
The following is an analysis of the group's revenue and results by reportable operating segment for the periods under review.

	SenDISA Products $	Other $	Consolidated $	SenDISA Products $	Other $	Consolidated $
	Half-Year Ended 31 December 2017			**Half-Year Ended 31 December 2016**		
(a) Segment performance Revenue						
Sales revenue	1,798,011	-	1,798,011	680,471	-	680,471
Other revenue	394	-	394	770,312	-	770,312
Inter-segment revenue	-	-	-	-	-	-
Total Revenue	1,798,405	-	1,798,405	1,450,729	-	1,450,729
Segment result	(1,127,668)	(5,229,773)	(6,357,441)	(279,831)	-	(279,831)
Income tax	-	-	-	-	-	-
Net Loss	**(1,127,668)**	**(5,229,773)**	**(6,357,441)**	**(279,831)**	**-**	**(279,831)**
Depreciation and amortisation	9,006	-	9,006	4,224	-	4,224
Unrealised foreign exchange losses	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

3. SEGMENT REPORTING (CONTINUED)

	SenDISA Products $	Other $	Consolidated $	SenDISA Products $	Other $	Consolidated $
	Half-Year Ended 31 December 2017			Year ended 30 June 2017		
(b) Segment assets						
Segment assets	4,328,343	39,484	4,367,827	663,908	-	663,908
Intersegment eliminations	-	-	-	-	-	-
Consolidated Total Assets	**4,328,343**	**39,484**	**4,367,827**	**663,908**	-	**663,908**

	SenDISA Products $	Other $	Consolidated $	SenDISA Products $	Other $	Consolidated $
	Half-Year Ended 31 December 2017			Year Ended 30 June 2017		
(c) Segment liabilities						
Segment liabilities	2,473,435	1,250,849	3,724,284	3,965,666	-	3,965,666
Intersegment eliminations	-	-	-	-	-	-
Consolidated Total Liabilities	**2,473,435**	**1,250,849**	**3,724,284**	**3,965,666**	**-**	**3,965,666**

NOTES TO THE FINANCIAL STATEMENTS

4. TRADE AND OTHER RECEIVABLES

	Note	Consolidated 31 Dec 2017 $	Consolidated 30 June 2017 $
Trade receivables		418,317	322,411
Other receivables –owing sale of assets	(i)	6,836,003	-
Provision for impairment of other receivables		(6,836,003)	-
		418,317	**322,411**

(i) Other Receivables owing from the sale of assets to Mr Nugroho Suksmanto have been fully impaired as the amount is past due and the Company continues efforts to recover this debt.

5. BORROWINGS

	Note	Consolidated 31 Dec 2017 $	Consolidated 30 June 2017 $
Current Liabilities			
Loans from financial institutions	(i)	518,759	544,975
Loans from related parties – unsecured	(ii)	350,459	659,176
		869,218	1,203,751
Non-Current Liabilities			
Loans from related parties - unsecured	(ii)	500,000	495,693

(i) Includes a bank debt secured by an account set-off arrangement with a matching term deposit and a first ranking charge over present and after acquired property.

(ii) Includes loans from directors and shareholders.

6. ISSUED CAPITAL

	Note	Consolidated 31 Dec 2017 $	Consolidated 30 June 2017 $
Ordinary shares	(a)	24,031,865	13,724,923

NOTES TO THE FINANCIAL STATEMENTS

6. ISSUED CAPITAL (CONTINUED)

(a) Share capital movement during the period:

	Consolidated			
	31 December 2017		30 June 2017	
	No.	$	No.	$
Balance at beginning of the reporting period	6,259,358	13,724,923	5,990,375	12,775,283
Shares issued during the year (i)	-	-	268,983	999,980
Share issue costs (i)	-	-		(50,340)
Merger of SenSen Networks Limited (the Company) and SenSen Networks Pty Ltd (SenSen)				
Elimination of existing SenSen shares at acquisition date	(6,259,358)	-	-	-
Existing Company shares at acquisition of SenSen	103,069,423	-	-	-
Company shares issued to SenSen vendors on acquisition (ii)	273,764,706	10,306,942	-	-
Balance at end of period	**376,834,129**	**24,031,865**	**6,259,358**	**13,724,923**

(i) SenSen raised capital of $999,980 (being $160,997 of loans converted to equity and $839,003 raised in cash less share issue costs of $50,340) prior to the Acquisition.

(ii) Issue of shares at deemed issue price of $0.10 as consideration for the acquisition of SenSen Networks Pty Ltd at acquisition date. No funds were raised as the consideration for the Shares was the transfer of shares in SenSen Networks Pty Ltd. Refer to note 7.

7. REVERSE ACQUISITION

On 12 April 2017, the Company announced that they had entered into a Share Purchase Agreement for the acquisition of SenSen Networks Pty Ltd (SenSen). On 18 October 2017, the transaction was completed where Company acquired 100% of SenSen by the purchase of all the shares in SenSen from the shareholders of SenSen, in exchange for the issue of shares in SenSen Networks Limited.

From a legal and taxation perspective SenSen Networks Limited is considered the acquiring entity. However, the acquisition has the features of a reverse acquisition as described in the Australian Accounting Standard AASB 3 *Business Combinations* notwithstanding SenSen Networks Limited being the legal parent of the Group. The transaction has been accounted for as a reverse acquisition from a consolidated perspective, where SenSen Networks Pty Ltd is the accounting acquirer and SenSen Networks Limited is the legal acquirer.

The excess of the fair value of the shares owned by the SenSen Networks Limited shareholders and the fair value of the identifiable net assets of SenSen Networks Limited immediately prior to the completion of the merger is accounted for under AASB 2 *Share – based Payments* and resulted in the recognition of $5,229,773 being recorded as "Corporate Restructure Expense". The net assets of SenSen Networks Limited were recorded at fair value at completion of the merger. No adjustments were required to the historical values.

7. REVERSE ACQUISITION (CONTINUED)

The fair values of the assets and liabilities of the Company (being the accounting acquiree) as at the date of acquisition and the deemed consideration is as follows:

	At 18 October 2017
Assets acquired and liabilities of SenSen Networks Limited assumed at the date of acquisition	**$**
Current assets	
Cash and cash equivalents	6,422,440
Trade receivables	39,589
Total assets	**6,462,029**
Current liabilities	
Trade and other payables	1,041,576
Borrowings	343,284
Total liabilities	**1,384,860**
Fair value of net assets acquired	**5,077,169**

'Corporate restructure expense' on acquisition:	
Fair value of the shares deemed to have been issued by SenSen **(a)**	10,306,942
Less fair value of identifiable net assets acquired - Sensen Networks Limited (as per above)	5,077,169
Corporate restructure expense	**5,229,773**

(a) The fair value of the deemed consideration of $10,306,942 was based on the Company's most recent public offer share price of $0.10 multiplied by the number of shares on issue at the date of the transaction being 103,069,423. The directors believe that this is the most reasonable measurement of the consideration given the facts and circumstances surrounding the acquisition.

NOTES TO THE FINANCIAL STATEMENTS

8. EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

9. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

10. RELATED PARTY TRANSACTIONS

As part of the acquisition, each of the following then Directors of the Company and then Chief Financial Officer agreed to convert 50% of the amounts owing to them by the Company into Shares.

The details of the 50% of the Company's previous Directors' and CFO's Loans converted in to Shares at date of acquisition are provided below:

Name	Total Outstanding Debt as at 18 October 2017	Amount to be Converted into Shares- 50%	Shares to be Issued ($0.10 per Share)	Total Outstanding Debt as at 31 December 2017
Wayne Mitchell	$726,387	$363,193	3,631,935	$363,193
David Smith	$603,303	$301,652	3,016,515	$301,652
Wesley Harder	$261,942	$130,971	1,309,710	$130,971
Michael Rhodes	$199,756	$99,878	998,780	$99,878
Barry Neal	$173,096	$86,548	865,480	$86,548
TOTAL	**$1,964,484**	**$982,242**	**9,822,420**	**$982,242**

The remaining balances above will be repaid within 12 months of completion of the Acquisition in cash, or in Shares, at the election of the Company's Board. If the Company's Board elects to repay the loans in Shares, this will be subject to Shareholder approval and the number of Shares to be issued will be calculated by dividing the relevant balances by the 30 day VWAP of the Shares trading on ASX.

As at 31 December 2017, the amounts of $982,242 above were recorded as liabilities in the half-year financial report as follows:

- Borrowings - $343,284 for Company's previous directors' loans. Refer note 5.
- Trade and other payables - $638,958 for outstanding payroll and tax liabilities to Company's previous CFO and directors

NOTES TO THE FINANCIAL STATEMENTS

11. INTEREST IN SUBSIDIARIES

Information about Principal Subsidiaries

The consolidated financial statements include the financial statements of SenSen Networks Limited and the subsidiaries listed below. The subsidiaries have share capital consisting solely of ordinary shares, which are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group		Proportion of Non-controlling Interests	
		At 31 Dec 2017	At 30 June 2017	At 31 Dec 2017	At 30 June 2017
SenSen Networks Pty Ltd	Australia	100%	100%	-	-
PT Orpheus Energy	Indonesia	100%	100%	-	-
Orpheus Energy Singapore Pte Ltd	Singapore	100%	100%	-	-
Orpheus Energy (Hong Kong) Limited	Hong Kong	100%	50%	-	50%
SenSen Video Business Intelligence PVT Ltd	India	100%	100%	-	-

Subsidiaries' financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

12. LOSS PER SHARE

	Note	Consolidated 31 Dec 2017 $	 31 Dec 2016 $
Basic and diluted loss per share (cents)		**(3.89)**	**(2.04)**

The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:

Loss for the half-year attributable to the owners of the Company		**(6,357,441)**	**(279,831)**
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share		**163,309,575**	**13,724,923**

Directors' Declaration

In accordance with a resolution of the directors of SenSen Networks Limited, the directors of the company declare that:

The financial statements and notes, as set out on pages 7 to 21, are in accordance with the *Corporations Act 2001*, including:

a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
b. giving a true and fair view of the css's financial position as at 31 December 2017 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Subhash Challa, Chief Executive Officer and Chairman
Date: 28 February 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of SenSen Networks Limited (formerly Orpheus Energy Limited)

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of SenSen Networks Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.* As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001,* which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

M Cutri
Director

Brisbane, 28 February 2018