

# Quarterly Report



Activities Report for the Quarter ended  
31 March 2022

29 April 2022

## SenSen Achieves Record Q3 Cash Receipts

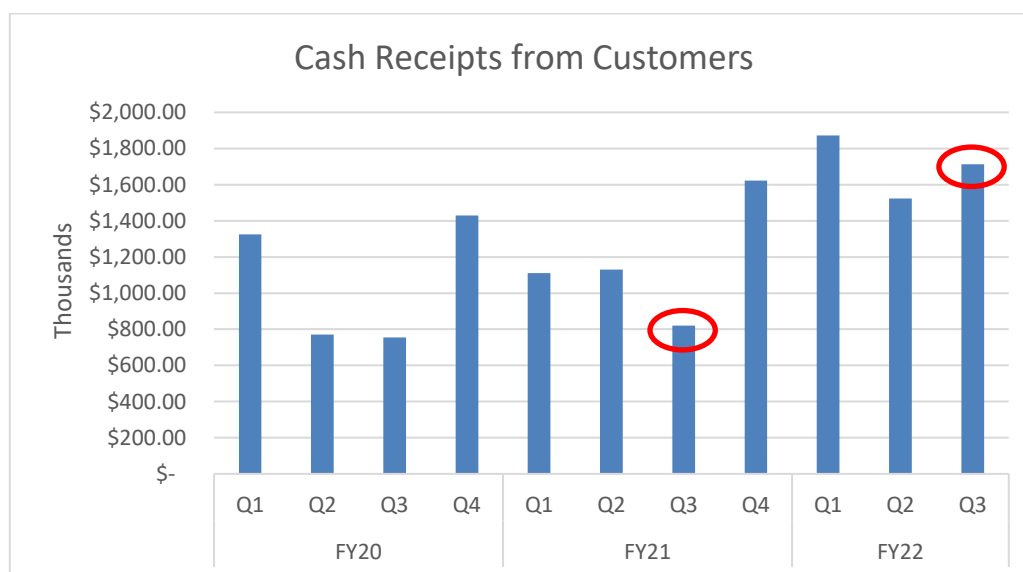
Melbourne, Australia – Leading sensor AI software and solution provider SenSen Networks Limited (ASX:SNS, “SenSen” or “the Company”) provides an update on its activities for the quarter ended 31 March 2022 (Q3 FY22).

*Note: All figures are in Australian dollars unless otherwise noted.*

### Highlights for Q3 FY22

- Record Q3 customer cash receipts of \$1.7M, a 109% increase over the PCP in Q3 FY21
- Further evidence of ‘land and expand’ strategy with new contract wins with Brisbane City Council and Toowoomba Regional Council, SenSen’s seventh major Queensland council utilising its patented AI sensor systems
- Net Cash used in Operating Activities of \$2.1M during the quarter as SenSen continues to invest in sales and marketing initiatives and implement cost savings initiatives
- Cash and cash equivalents of \$5.7M and unused finance facilities available of \$1.8M as at 31 March 2022
- On track to grow Monthly Recurring Revenue (MRR) to \$0.65M - \$0.7M (ARR of \$8M - \$8.4M) at the end of FY22

### Financial update



SenSen Networks Limited ACN 121 257 412 [www.sensen.ai](http://www.sensen.ai) +61 (0)3 9417 5368

Melbourne: Level 1, 9 Harper Street, Abbotsford VIC 3067

Sydney: 3 Spring Street, Sydney NSW 2000

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The Company recorded Q3 cash receipts from customers of \$1.7M, a 109% increase over the PCP in Q3 FY21 and an improvement from Q2's cash receipts of \$1.5M. This reflects an increase in sales and the fact that SenSen maintains a strong focus on cash collection with only ~7% of receivables overdue more than 90 days.

As noted in Item 6 of the Company's Appendix 4C Cashflow Statement, net payments made to related parties and their associates totalled \$585K for the quarter. The payments comprise intercompany transfer of funds to/from SenSen VBI Pvt Ltd (India), SenSen Networks Canada Ltd (Canada) to fund working capital for international growth during the quarter ended 31 March 2022.

SenSen finished the quarter with \$5.7M of cash and cash equivalents, and unused finance facilities of \$1.8M.

## Operational Update

### Contract wins

Contract wins announced over the past few months further demonstrate the Company's land and expand strategy with existing customers and partners.

In January, SenSen was awarded a contract by Duncan Solutions to help service Toowoomba Regional Council, a Queensland local government, to deploy its sensor AI automated parking enforcement solutions. This contract is valued at ~\$230K over the 36-month period of the initial contract, commencing in March 2022. The win adds a seventh major Queensland council to the growing list of cities utilising SenSen's patented AI sensor systems.

In April, SenSen received a new order for four additional vehicle-mounted AI solutions from leading customer, Brisbane City Council. Commencing in June 2022, SenSen will earn an initial upfront payment of A\$278,000, as well as ongoing annual licensing and service & processing fees of a minimum A\$280,000 per annum on the four additional systems. This new order brings the total to 11 vehicle-mounted systems with Brisbane City Council, a SenSen customer for over five years.

### Optimising business model

During the quarter, senior management has reviewed SenSen's cost base to ensure the business is operating more efficiently. This review has led to actions taken to decrease the cost base by ~10% and includes cost savings in staff costs and professional services.

## Marketing & Sales Initiatives

### Nvidia GTC 2022 Conference – San Jose, California ([www.nvidia.com/gtc/](http://www.nvidia.com/gtc/))

21 – 23 March – SenSen's Smart city products were profiled at Nvidia's global AI conference GTC 2022 and our flagship customer, the City of Las Vegas, led a key panel session giving examples of how smart cities can provide better experiences for citizens through AI-based technology.

### ICE Casino Gaming Conference – London, UK ([www.icelondon.uk.com](http://www.icelondon.uk.com))

12 – 14 April – SenSen's Casino solutions were profiled during the Conference following the recent gaming room tables installation at London's landmark Hippodrome Casino, as part of a multi-year contract with the Casino.

SenSen's AI solution detects and recognises bets placed on gaming tables and extracts critical operational information like number of players engaged in the game, average value of bets placed per player, the game pace, side bet analysis and more, all in real time. The data is then used to power a range of applications linked to improving customer service. It is expected that SenSen's multi-use technology will involve additional modules for the Casino to accommodate legislative and business requirements in both the immediate and long term.

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## **C&I Expo – Melbourne, Australia ([www.candiexpo.com.au/](http://www.candiexpo.com.au/))**

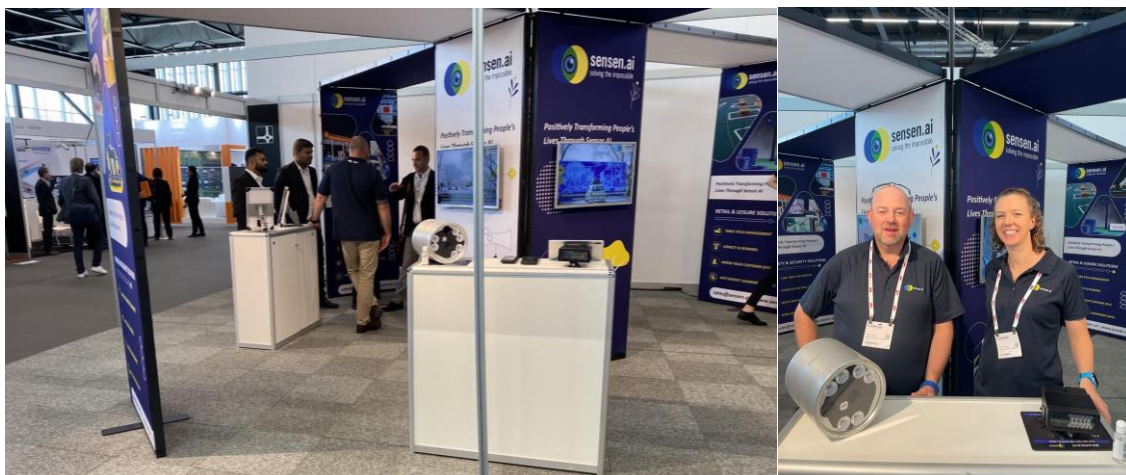
30 March – SenSen participated in the Expo, which brings together the latest in Australian convenience retailing and has a strong focus on fuel retail in particular, which forms an important part of SenSen's Anti Fuel Theft solution marketing strategy.

Thousands of owner operators from around Australia visit the conference each year with the majority of attendees in the fuel retail space. Key operational members from major oil companies such as Chevron, BP, Viva Energy and AMPOL were present, representing a good opportunity for SenSen to generate new business, strengthen relationships with existing clients and gain upsell opportunities with developing technologies in the convenience retail space.



## **Intertraffic Conference – Amsterdam, The Netherlands ([www.intertraffic.com/](http://www.intertraffic.com/))**

29 March – 1 April – SenSen featured at this leading global event for stakeholders involved in traffic management and smart mobility. SenSen captured ~80 leads, including from Europe, APAC, South and Africa, with a focus on rolling out SenSen's existing suite of leading solutions in the near to medium term.



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SenSen will also be participating in an additional two conferences in this current quarter focused on generating new near-term business opportunities in each respective vertical:

**PIE 2022 (15 -18 May) – Reno, Nevada USA ([pieshow.parkingtoday.com](http://pieshow.parkingtoday.com))** - major annual parking industry conference in the US.

**Global Games Protection and Table Games Conference (6-9 June) - Las Vegas, Nevada USA ([richardmarcusbooks.com](http://richardmarcusbooks.com))** – conference examining current and future casino operations and problems in the sectors of Table Games covering Analytics, Optimization, Technology and Operations.

## Outlook

Monthly Recurring Revenue (MRR) was upgraded in March to \$0.65M - \$0.7M (ARR of \$8M - \$8.4M) at the end of FY22, as customers are recognising more revenue on a software as a service (SaaS) basis.

In Q3 FY22, the floods in QLD and NSW impacted revenues from existing smart parking and curbside management customers in affected jurisdictions as well as the timing of project implementation (and some anticipated new contracts) in both the Smart Cities and Retail verticals. These revenues are now starting to pick up and moving back to historical levels.

There were also delays in the roll out of anti-fuel theft technology in petrol stations due to the floods combined with cautious sentiment from customers in this segment from global oil supply and price uncertainty. Implementation of SenSen's solutions in announced contracted roll-outs is now back on track.

The Company's order pipeline remains robust. No expected orders or contracts have been lost, merely the timing of revenue items is likely to shift into FY23 because of the issues identified above.

This release is approved by the Board of SenSen.

## For further information, please contact:

### Investor contacts:

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## About SenSen Networks Limited

SenSen Networks Limited (ASX:SNS; OTCQB:SNNSF) is a leading Sensor AI Data enterprise working with people, places and data to solve problems once thought technically impossible. The company's patented network approach enables SenSen to offer customised, real-time and batch processing of data alongside SaaS solutions.

The Company's technology fuses complex video and sensor datasets at high speeds across multiple networks to assess and inform strategic actions to its customers across its enterprise verticals: Smart Cities, Casinos, Retail, Smart Surveillance and Emerging Tech. SenSen has clients on four continents and can be found in Australia, New Zealand, Singapore, USA, Canada, India and UAE.

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## Disclaimer – Forward-looking statements

This release may contain forward-looking statements. These statements are based upon management's current expectations, estimates, projections and beliefs in regards to future events in respect to SenSen's business and the industry in which it operates. These forward-looking statements are provided as a general guide and should not be relied upon as an indication or guarantee of future performance. The bases for these statements are subjected to risk and uncertainties that might be out of control of SenSen Networks Limited and may cause actual results to differ from the release. SenSen Networks Limited takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.

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## Appendix 4C

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

## Name of entity

SENSEN NETWORKS LIMITED

## ABN

67 121 257 412

## Quarter ended ("current quarter")

March 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	1,713	5,109
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(740)	(2,179)
	(c) advertising and marketing	(314)	(432)
	(d) leased assets		
	(e) staff costs	(1,982)	(6,790)
	(f) administration and corporate costs	(1,291)	(4,246)
1.3	Dividends received (see note 3)		
1.4	Interest received	0	1
1.5	Interest and other costs of finance paid	(19)	(47)
1.6	Income taxes paid	(3)	(328)
1.7	Government grants and tax incentives	489	1,934
1.8	Other (provide details if material)	0	20
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(2,147)</b>	<b>(6,959)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	0	(1,127)
	(b) businesses		
	(c) property, plant and equipment	(73)	(191)
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		



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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(g) entities		
	(h) businesses		
	(i) property, plant and equipment		
	(j) investments		
	(k) intellectual property		
	(l) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(73)</b>	<b>(1,318)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	9,996
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	(38)	(352)
3.5	Proceeds from borrowings	0	800
3.6	Repayment of borrowings	0	(1,267)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(118)	(376)
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(156)</b>	<b>8,801</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	8,065	5,176
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,147)	(6,959)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(73)	(1,318)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(156)	8,801

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	9	(2)
4.6	<b>Cash and cash equivalents at end of period*</b>	<b>5,699</b>	<b>5,699</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,882	7,249
5.2	Call deposits	816	816
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)*</b> <i>*During November and December 2021, SenSen announced it had completed a SPP and placements amounting to \$10.0M.</i>	<b>5,699</b>	<b>8,065</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(585)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		



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

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>																											
7.1	Loan facilities	2,275	450																											
7.2	Credit standby arrangements																													
7.3	Other (please specify)																													
7.4	<b>Total financing facilities</b>	<b>2,275</b>	<b>450</b>																											
7.5	<b>Unused financing facilities available at quarter end</b>		<b>1,825</b>																											
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.																													
	<table border="1"> <thead> <tr> <th>Financing Facilities</th> <th>Facility</th> <th>Drawn</th> </tr> </thead> <tbody> <tr> <td>CBA Credit Cards</td> <td>\$100,000</td> <td></td> </tr> <tr> <td>CBA Business Loan</td> <td>\$450,000</td> <td>\$450,000</td> </tr> <tr> <td>CBA Overdraft</td> <td>\$225,000</td> <td></td> </tr> <tr> <td><b>Subtotal</b></td> <td><b>\$775,000</b></td> <td><b>\$450,000</b></td> </tr> <tr> <td>Rocking Horse Loan</td> <td></td> <td></td> </tr> <tr> <td>CEO Loan</td> <td>\$500,000</td> <td></td> </tr> <tr> <td>Loan Facility from Speedshield</td> <td>\$1,000,000</td> <td></td> </tr> <tr> <td><b>Total</b></td> <td><b>\$2,275,000</b></td> <td><b>\$450,000</b></td> </tr> </tbody> </table>	Financing Facilities	Facility	Drawn	CBA Credit Cards	\$100,000		CBA Business Loan	\$450,000	\$450,000	CBA Overdraft	\$225,000		<b>Subtotal</b>	<b>\$775,000</b>	<b>\$450,000</b>	Rocking Horse Loan			CEO Loan	\$500,000		Loan Facility from Speedshield	\$1,000,000		<b>Total</b>	<b>\$2,275,000</b>	<b>\$450,000</b>		
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<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,147)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,699
8.3	Unused finance facilities available at quarter end (item 7.5)	1,825
8.4	Total available funding (item 8.2 + item 8.3)	7,524
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>3.5</b>
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer:	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer:	

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

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:

*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.*

### 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.

29 April 2022

Date: .....

By the Board of SenSen Networks Limited

Authorised by: .....

(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.