

SenSen Networks Ltd. (ASX:SNS)

Company Overview

29 August 2024



About SenSen

World Leaders in Computer Vision & Multi-Sensor Fusion AI solutions

Our IP – The Live Awareness Platform – SenDISA

- Unique IP, protected by **multiple patent families**
- Provides **highly accurate analysis and fusion** of data from multiple sources including cameras, sensors, GIS & others in real-time
- Delivers **Live Awareness**, the highest form of intelligence for real-time decision making
- Helps **automate complex, real-world processes and deliver insights** that are once considered impossible to attain in real-time

In Production in multiple sectors:

- City Councils, Transportation, Retail and Private Enterprises

Our Vision



TO BE A **GLOBAL LEADER** IN LIVE (REAL-TIME) AWARENESS AI SOLUTIONS



200+

Projects

80+

Enterprise Customers

104%

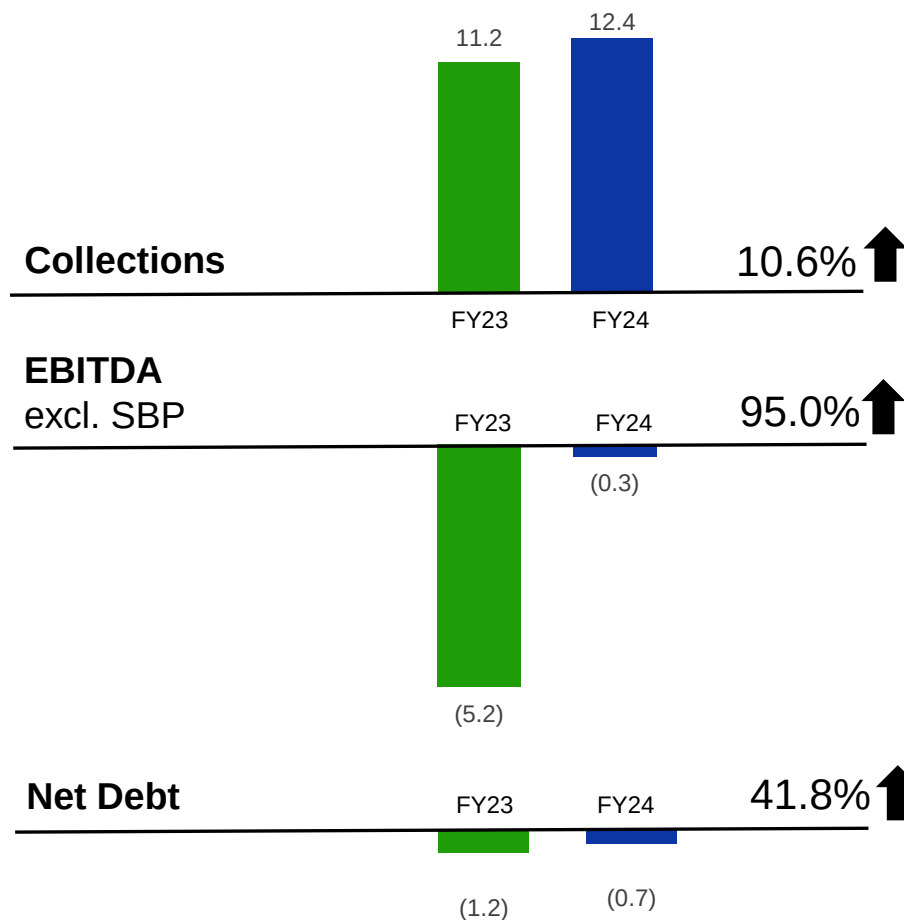
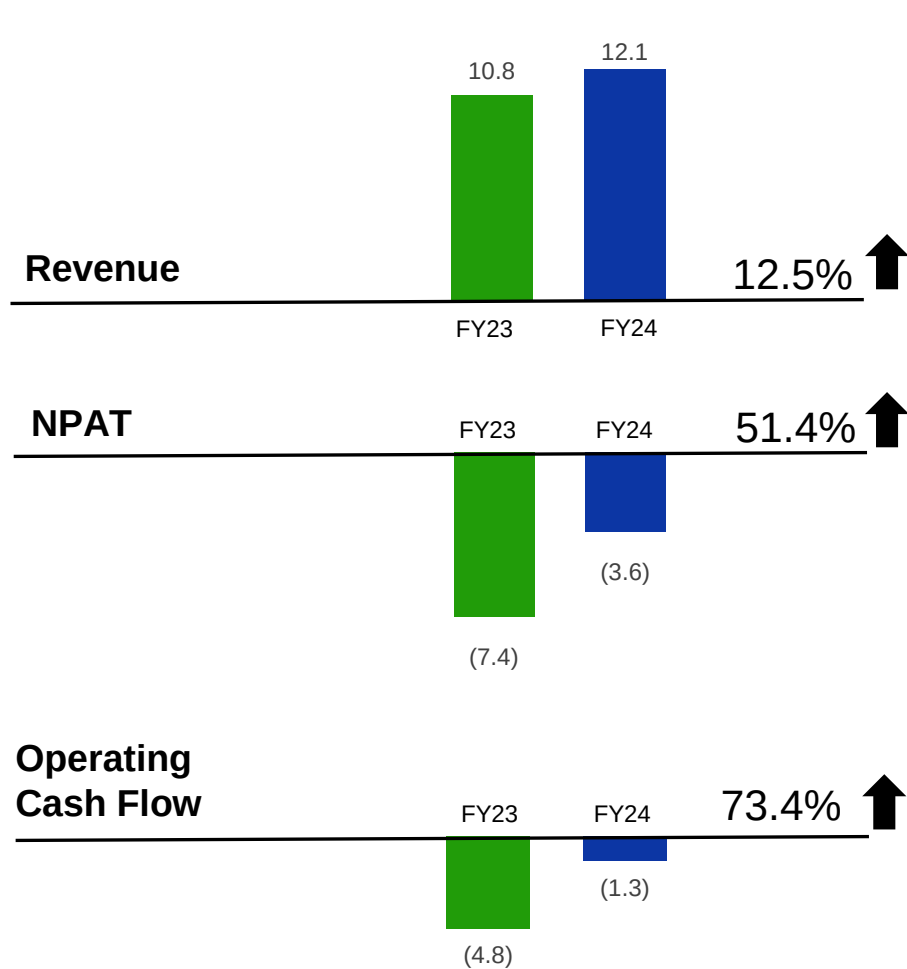
Net Retention Rate

FY24 Highlights



- Grew revenue 12.5% to \$12.1M in FY 2024 despite loss of gaming revenue
- Delivered record quarterly cash receipts in Q4 FY 2024, exceeding \$4m in a quarter for the first time
- **Delivered first ever cash flow positive quarter in Q4 FY 2024**
- Reduced costs from \$15.3M to \$12.3M per annum¹
- Reduced debt from \$3.1M to \$2.3M
- Reduced staff from a headcount of 136 to 79 across the globe
- All IP infringement court cases in Australia and The Philippines successfully dismissed. Gaming market exited.
- Significant contract win with the National Heavy Vehicle Regulator, Australia
- Added 10 cities in North America
- Appointment of an independent non-executive Chair
- Multiple innovation awards

FY24 Result Overview



The Live Awareness Platform – SenDISA – Our Core IP



SenDISA is a reconfigurable data fusion platform that sources and fuses data from multiple sensors and systems to extract accurate insights in real time that deliver actionable outcomes quickly and cost effectively

ENTERPRISE SYSTEMS



SenDISA

Multi-Sensor Data Fusion
Platform

LIVE AWARENESS OUTCOME



Security



Safety



Compliance



Analytics

SENSORS



Sensors provide multiple inputs of asset or subject of interest

SenDISA uses AI to recognise inputs and fuses inputs with enterprise data in real time

SenDISA delivers accurate actionable outcomes cost effectively in real time

SenSen Solution Illustration – Parking Enforcement & Management



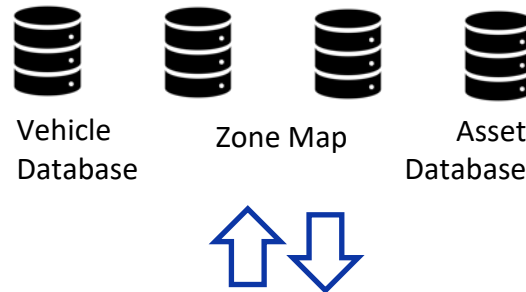
Over 50 Cities and Councils worldwide use SenSen's solutions for safe, accurate and cost-effective parking compliance

SENSORS



Multiple fixed and mobile cameras capture images and GPS locations of parked vehicles

ENTERPRISE SYSTEMS



Images and GPS data fused and cross checked with enterprise systems



LIVE AWARENESS OUTCOME

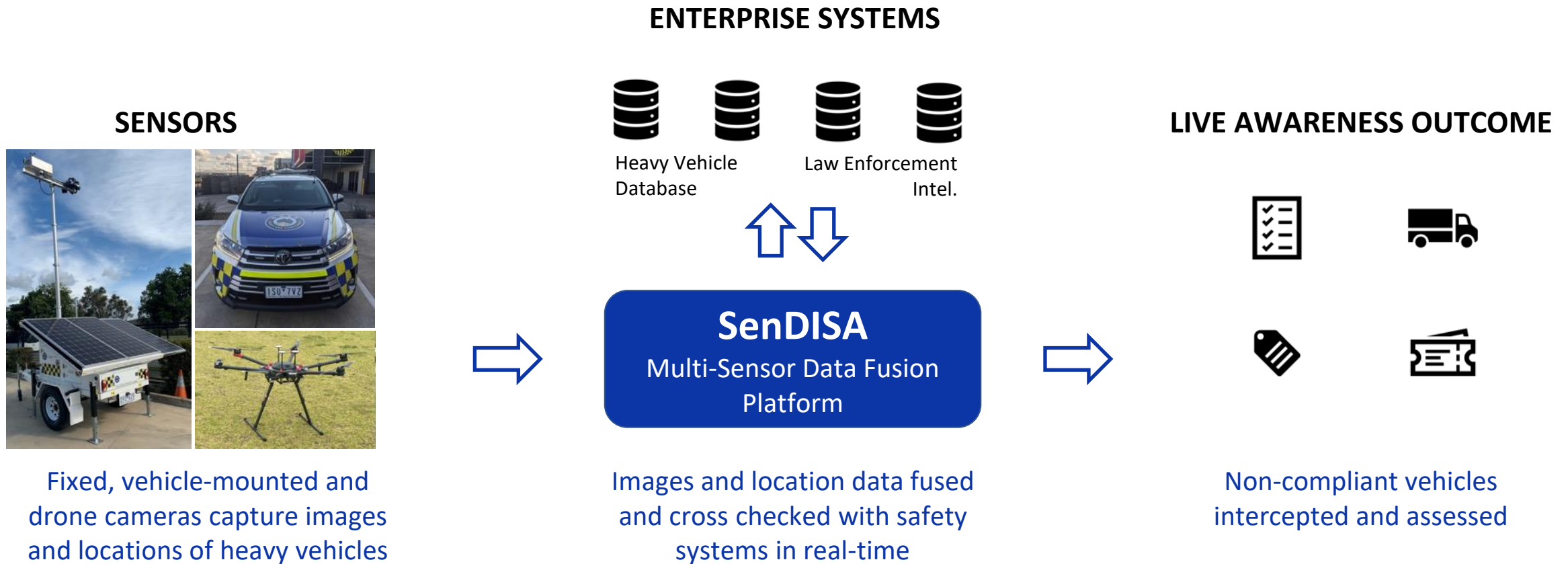


Accurate compliance notices and tickets are issued automatically or with manual checks

SenSen Solution Illustration – Monitoring for Heavy Vehicle Safety



Australia's National Heavy Vehicle Regulator relies on SenSen's technology to enforce heavy vehicle safety regulations



Significant Contract win with Agence de mobilité durable de Montréal



CONTRACT OVERVIEW

- Initial order **A\$1.7m**
- Total contract value is up to **A\$17.7M over 5 years**
- Contract term 3 years with 2 additional years optional extension
- Orders for additional systems with associated software and maintenance are optional and expected to be placed on an ongoing basis over the contract period

DELIVERY TIMELINE

- Initial project meetings have commenced
- Hardware to be assembled in Canada and installed in Quebec
- Rollout under initial order expected to be completed in **Q3 FY25**

ABOUT AGENCE DE MOBILITE DURABLE DE MONTREAL

- Para-municipal organisation in partnership with the City of Montreal, Canada
- Lends sustainable mobility expertise to the City of Montreal in order to improve quality of life and contribute to Montreal's economic vitality
- **Manages curbside and off-street parking** spaces by monitoring public space across Montreal

MONTREAL, CANADA

- Area of more than 4,000 square kilometres
- Metropolitan population of over 4 million
- 2nd largest city in Canada, 10th largest in North America



SenSen Customers



SAMPLE OF EXISTING CUSTOMERS



SAMPLE NEW CUSTOMERS IN FY2024



The SenSen Business Model



UP-FRONT REVENUE

Hardware

- Prepackaged hardware solution
- 3rd party components
- Incurs COGS

RECURRING REVENUE

Software

- Edge analytics software
- Back-office software
- High margin

+

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Services

- Software installation, configuration and testing
- Incurs COGS

Services

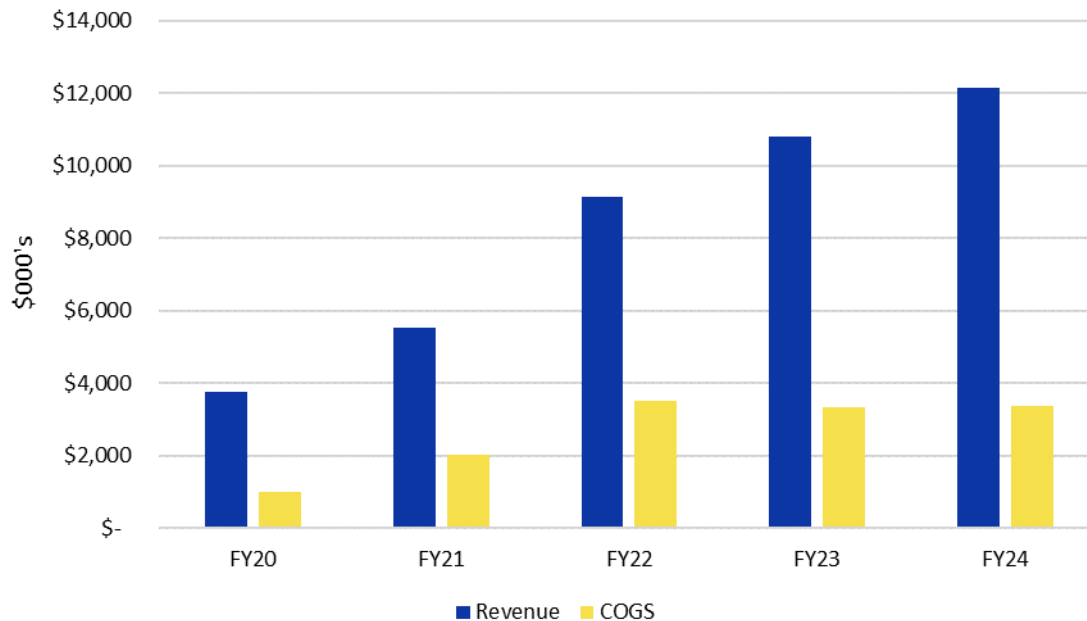
- Support

**GROWING REVENUE
STREAM WITH MARGIN
EXPANSION**

The SenSen Business Model



Revenue vs COGS



Revenue by Major Customer

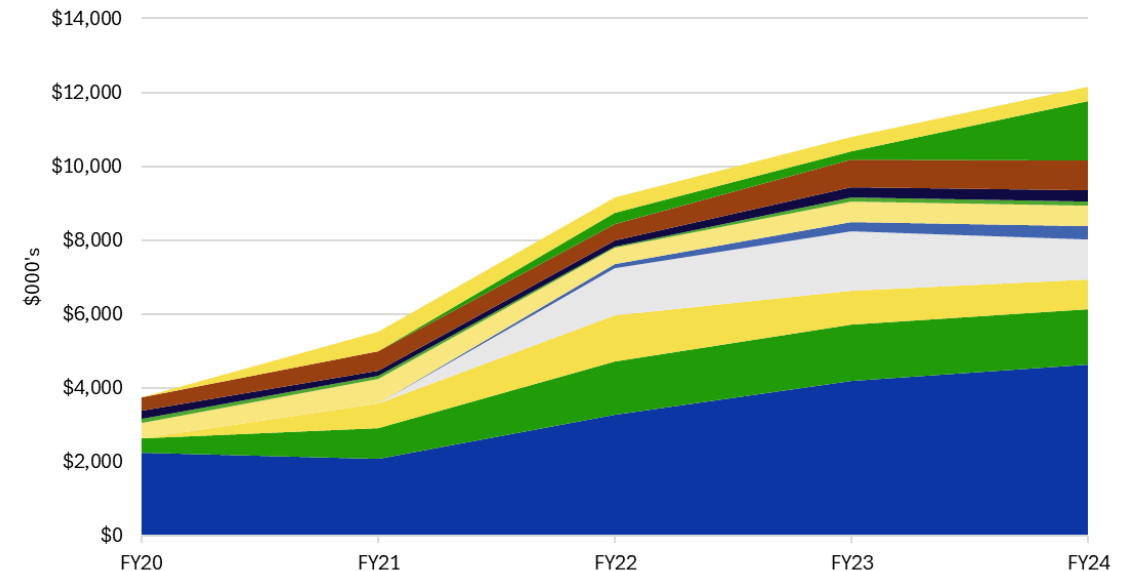


Chart above shows revenue by major customer over time. Blue section refers to all other customers combined.

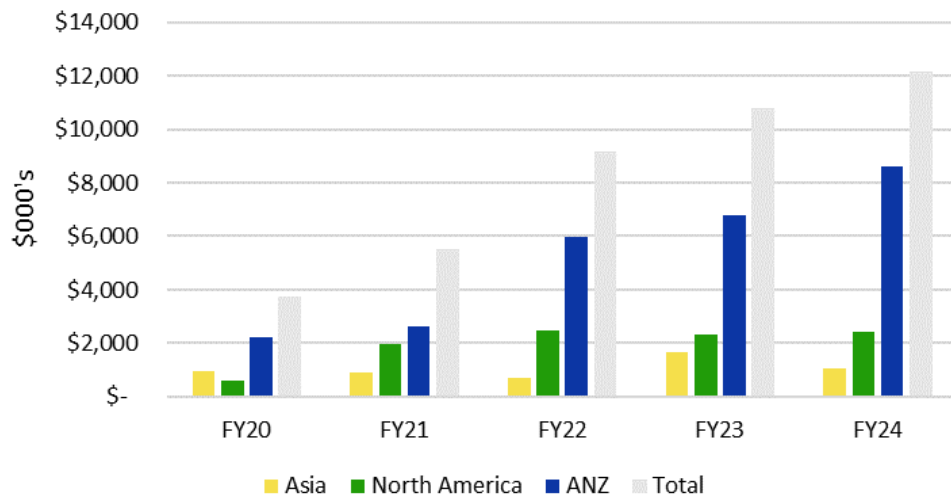
SAAS BUSINESS MODEL DELIVERING GROWTH AND MARGIN EXPANSION

- As SenSen products have matured the company has been able to to grow margins on upfront sales
- Revenue earned over time continues to grow due to negligible churn as SenSen technology becomes embedded in customer organisations
- Customers benefit from SenSen products which encourages increased adoption and upselling opportunities over time
- Clusters form (e.g. South-east QLD and Canada) where neighbouring organisations adopt similar technology

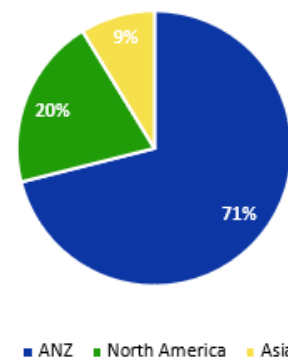
Revenue Breakdown



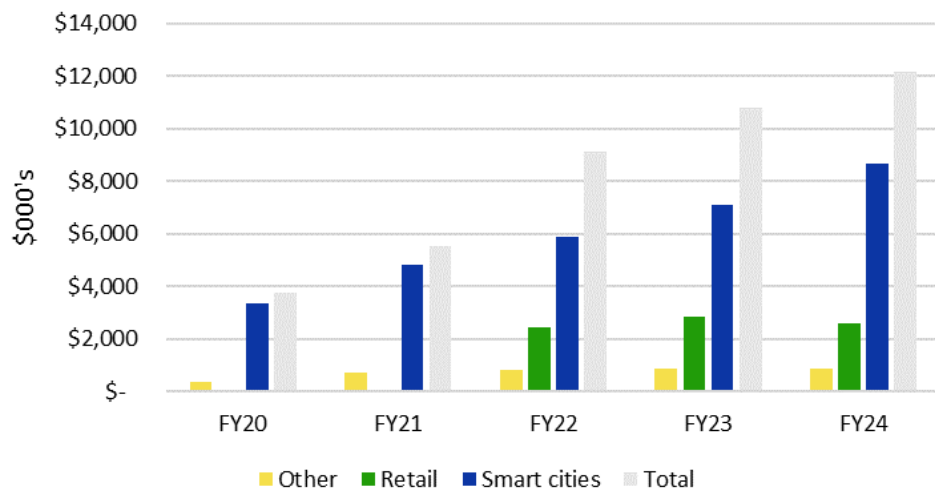
Revenue by Region



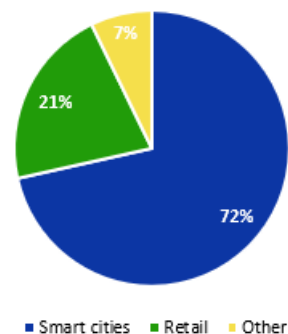
FY24 Regional Revenue



Revenue by Industry



FY24 Industry Revenue



- SenSen's ANZ business continues to contribute the majority (71%) of the company's revenue and deliver the highest revenue growth
- North America provides the most significant opportunity for growth
- The Gaming business has been a relatively small component of the SenSen business, and the company completed its exit from this industry in FY24

FY24 Result Overview



FY24 HIGHLIGHTS

- 12.5% YoY revenue growth
- 3% Gross margin improvement vs PCP
- Operating Expenses reduced 14.1% vs PCP
- 51.8% NPBT improvement over PCP
- 92.2% EBITDA excluding share-based payments improvement vs PCP
- 73.9% improvement on operating cash flow vs PCP

Profit and Loss	FY24 A\$000	FY23 A\$000	Variance A\$000	Variance %
Revenue	12,144	10,797	1,348	12.5%
COGS	(3,367)	(3,314)	(53)	1.6%
Gross Margin	8,777	7,483	1,294	17.3%
GM %	72.3%	69.3%	3.0%	
Other income	2,613	2,536	77	3.0%
Operating Expenses	(14,951)	(17,402)	2,451	(14.1%)
Net Profit before tax	(3,561)	(7,384)	3,823	(51.8%)
EBITDA excluding SBP	(408)	(5,231)	4,823	(92.2%)
Cash flow from Operations	(1,250)	(4,784)	3,535	73.9%

FY24 Borrowings



Net Debt	30-Jun-24 \$	30-Jun-23 \$	Movement \$	Movement %
Cash	1,571,130	1,897,681	- 326,551	
Borrowings	(2,271,806)	(3,101,458)	829,652	
Net Debt	(700,676)	(1,203,777)	503,101	42%
Debt Drawn				
Rocking Horse	1,300,000	1,619,347	(319,347)	
TP24	136,158	523,731	(387,573)	
Director Loans	385,648	508,380	(122,732)	
CBA Better Business Loan	450,000	450,000	-	
Debt Drawn	2,271,806	3,101,458	(829,652)	27%
Debt Facilities				
Rocking Horse	1,300,000	1,900,000	(600,000)	
TP24	1,200,000	800,000	400,000	
Director Loans	500,000	523,731	(23,731)	
CBA Better Business Loan	450,000	450,000	-	
Speedshield	-	1,000,000	(1,000,000)	
CBA Overdraft	225,000	225,000	-	
CBA Credit cards	-	100,000	(100,000)	
Total Facilities	3,675,000	4,998,731	(1,323,731)	26%

IMPROVING CASHFLOWS PROVIDING THE OPPORTUNITY FOR DEBT REDUCTION

- Net debt reduced 42% vs PCP
- Draw debt reduced \$0.8M (27%) vs PCP to \$2.3M
- Rocking Horse loan facility to be repaid with annual R&D grant

FY24 Balance Sheet



Balance Sheet	30-Jun-24 \$	30-Jun-23 \$	Variance \$	Variance %
ASSETS				
Current Assets				
Cash and cash equivalents	1,571,130	1,897,681	(326,551)	
Trade and other receivables	1,030,269	1,467,415	(437,146)	
Contract assets	173,063	424,229	(251,166)	
Inventory	120,317	485,731	(365,414)	
Other assets	2,453,677	3,011,208	(557,531)	
Total Current Assets	5,348,456	7,286,264	(1,937,808)	(27%)
Non-Current Assets				
Intangibles	730,257	1,689,804	(959,547)	
Goodwill	5,632,016	5,632,016	0	
Right of use Asset	682,101	1,295,479	(613,378)	
Other assets	0	38,720	(38,720)	
Property, plant and equipment	231,387	396,071	(164,684)	
Total Non-Current Assets	7,275,761	9,052,090	(1,776,329)	(20%)
TOTAL ASSETS	12,624,218	16,338,354	(3,714,136)	(23%)
LIABILITIES				
Current Liabilities				
Trade and other payables	1,995,341	3,217,654	(1,222,313)	
Contract Liabilities	399,888	1,103,746	(703,858)	
Contingent Consideration Liability	0	887,154	(887,154)	
Employee Benefits	707,625	665,601	42,024	
Lease Liabilities	327,778	286,880	40,898	
Borrowings	2,271,806	3,101,458	(829,652)	
Total Current Liabilities	5,702,437	9,262,493	(3,560,055)	(38%)
Non-Current Liabilities				
Employee Benefits	67,008	107,446	(40,438)	
Lease liabilities	442,621	1,090,787	(648,166)	
Total Non-Current Liabilities	509,629	1,198,233	(688,605)	(57%)
TOTAL LIABILITIES	6,212,066	10,460,726	(4,248,660)	(41%)
NET ASSETS	6,412,152	5,877,628	534,524	9%

STRENGTHENING OF THE BALANCE SHEET

- Working capital requirements reduced with more efficient deployment and less stock on hand
- Strong recovery of accounts receivable in the period
- DSO reduced from 50 to 31 days
- Focus on reducing current liabilities, particularly debt and payables
- Trade and other payables reduced \$1.2M (38%) vs PCP

Cost Management Initiatives



SPECIFIC COST MANAGEMENT INITIATIVES IN FY24

- Removal of COO role
- Restructure of India service centre – FTE reductions
- IT storage consolidation
- Office space reductions
- Change of Auditors
- Standardisation of delivery processes
- Growth of channel sales model
- Continued focus on operational efficiencies and savings

OPERATING EXPENSES

Expenses	FY24 A\$000	FY23 A\$000	Movement \$	Movement %
Administration expense	(1,396)	(1,302)	(93)	7%
Advertising & Marketing	(563)	(501)	(62)	12%
Other Expense	(2,208)	(3,421)	1,212	(35%)
Finance Cost	(451)	(470)	20	(4%)
Occupancy Cost	(199)	(256)	58	(22%)
Staff Costs	(6,067)	(7,994)	1,927	(24%)
Technology Costs	(1,372)	(1,627)	255	(16%)
Sub total	(12,255)	(15,572)	3,317	(21%)
Depreciation and Amortisation	(1,438)	(1,475)	36	(2%)
Share Based Payments	(1,412)	(208)	(1,204)	580%
Fair value gain or loss	155	(148)	302	(205%)
Total Expenses	(14,951)	(17,402)	2,451	(14%)
Closing Headcount	79	136	(57)	(42%)

FY24 Results: Cash Flow

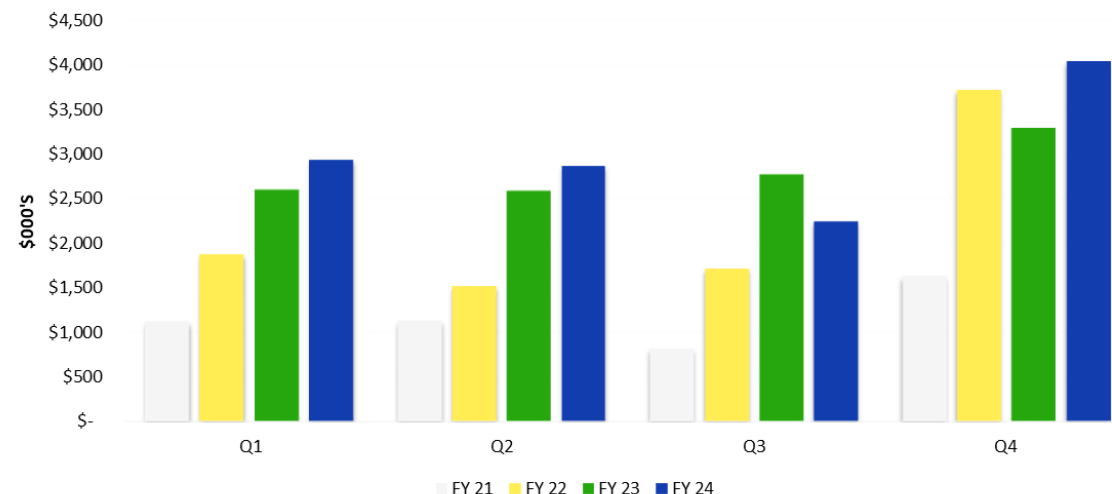


Statement of Cash Flows	FY24 A\$'000	FY23 A\$'000	Variance A\$'000	Variance %
Receipts from Customers	12,382	11,199	1,183	11%
Payments to suppliers and Employees	(15,552)	(17,835)	2,283	(13%)
Net Interest	(477)	(335)	(142)	42%
Government Grants received	2,375	2,187	187	9%
Cash flows from Operating activities	(1,273)	(4,784)	3,512	(73%)
Cash flows from Investing activities	48	(192)	240	(125%)
Cash flows from Financing activities	898	660	238	36%
Net increase in cash and cash equivalents	(327)	(4,316)	3,990	(92%)
Closing Cash on hand	1,571	1,898	(327)	(17%)

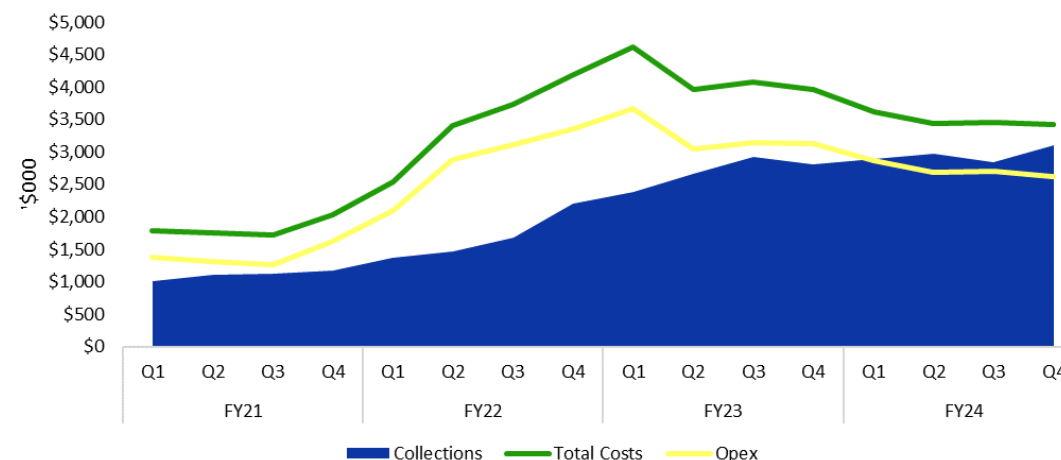
OPERATING CASH FLOW IMPROVEMENTS DRIVEN BY GROWING COLLECTIONS COUPLED WITH REDUCING COSTS

- Receipts from customers grew \$1.2M (11%) over PCP
- Payments to suppliers and employees reduced by \$2.3M (13%) over PCP
- Resultant operating cash flow improved \$3.5M (73%) over PCP

Quarterly Customer Cash Receipts



Quarterly Collections vs Operating costs
12 month rolling average



SenSen Networks Ltd. (ASX:SNS)

THANK YOU

www.sensen.ai | investors@sensen.ai



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