SenSen Networks Ltd. (ASX:SNS)

December 2024
Half-Yearly Performance

27 February 2025

About SenSen

Who are we:

World leaders in Smart City AI solutions for digital kerb management and enforcement solutions

Our customers:
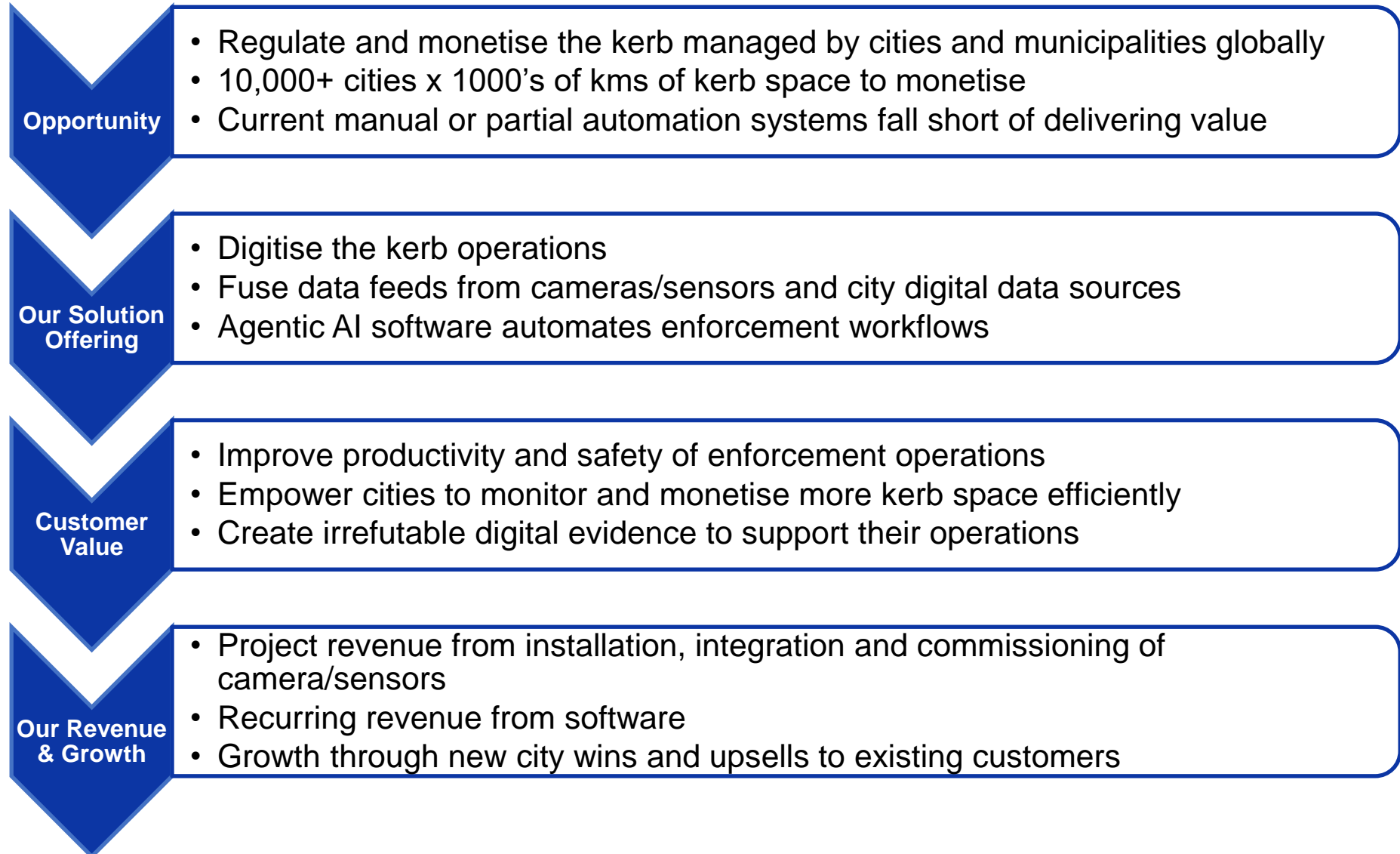
Cities and municipalities globally

What we do:

We offer AI software and systems to automate city enforcement operations and deliver deep insights on citizen activity on the kerb side

How we do it:

- Our systems capture kerb data through vehicle or pole mounted camera/sensor systems
- Our Agentic AI systems fuse data from multiple camera/sensors monitoring the kerb
- Data is securely transferred to our secure cloud and integrated with city digital data sources like GIS, digital permits and payments
- Our solutions automate enforcement workflows to deliver significant productivity and officer safety gains

SenSen Business Model

Opportunity
- Regulate and monetise the kerb managed by cities and municipalities globally
- 10,000+ cities x 1000's of kms of kerb space to monetise
- Current manual or partial automation systems fall short of delivering value

Our Solution Offering
- Digitise the kerb operations
- Fuse data feeds from cameras/sensors and city digital data sources
- Agentic AI software automates enforcement workflows

Customer Value
- Improve productivity and safety of enforcement operations
- Empower cities to monitor and monetise more kerb space efficiently
- Create irrefutable digital evidence to support their operations

Our Revenue & Growth
- Project revenue from installation, integration and commissioning of camera/sensors
- Recurring revenue from software
- Growth through new city wins and upsells to existing customers

H1 FY25 Highlights

Solid growth in underlying earnings

Underlying Earnings (EBITDA excluding share-based payments) **improved $0.5M** over PCP to ($0.1M)

Third consecutive quarter of positive cash from operations, net debt reduction

Record first half cash receipts of $6.3M, **debt reduced $1.2M** over PCP and moved from net debt of ($0.7M) to **net cash of $0.6M**

Momentum in North America with significant contract wins in Calgary, Montreal and Toronto

North America now accounts for **26% of revenue**, up from 21% in H1 FY24

Reduced opex driving scaleable business model

Total Expenses reduced $0.5M (7%) over H1 FY24

New product development underway to expand product offering

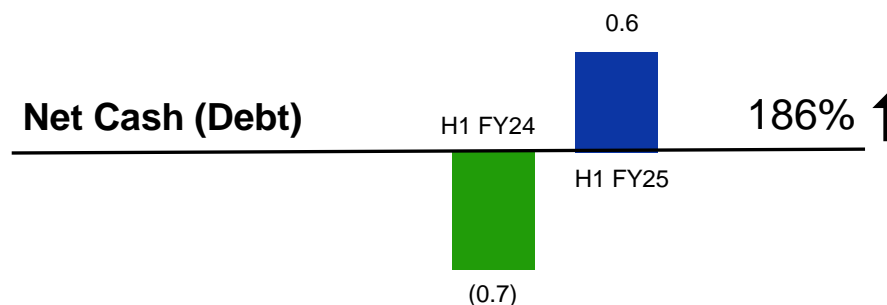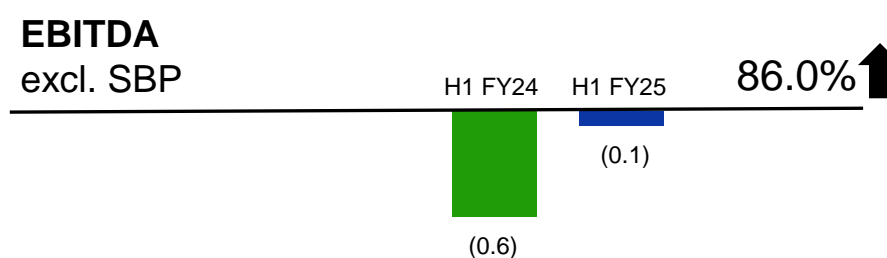**New pole mounted camera solution** developed to expand kerb monitoring offering to local Governments
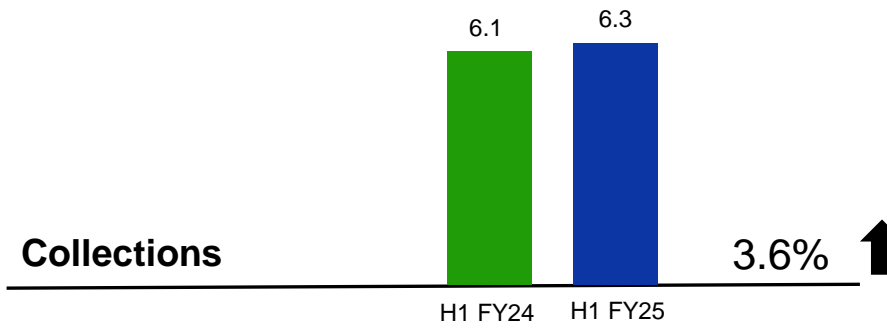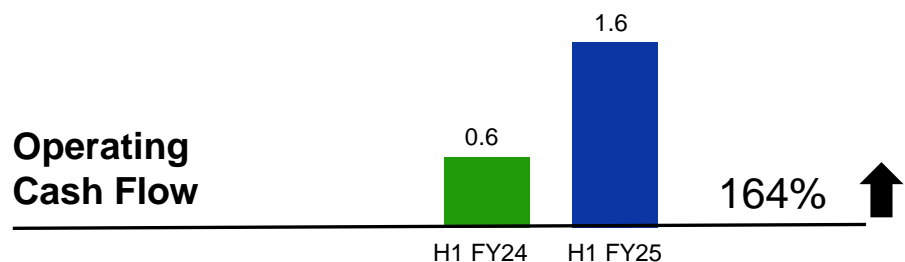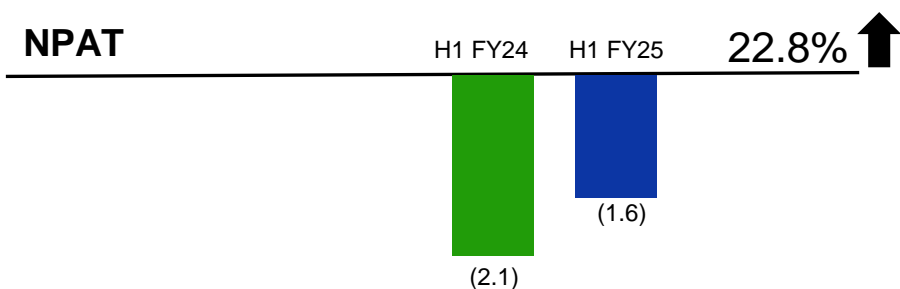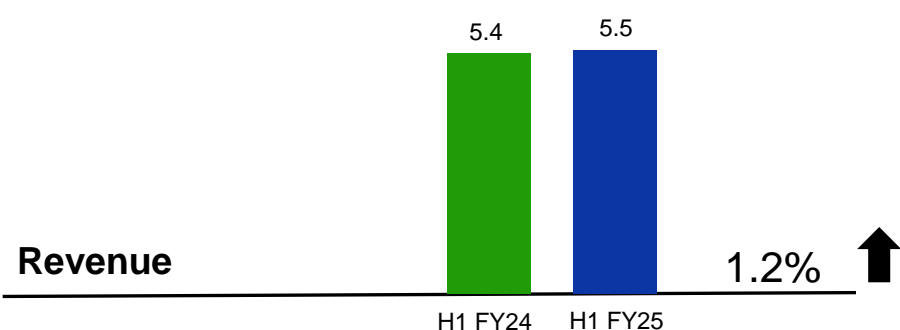
Board Renewal Complete

1 May 2024 – Mr Mark Brayan joined as Non-Executive, Independent Chairman
19 November 2024 - Zenon Pasieczny stepped down from his Non-Executive Director role following the AGM
28 January 2025 – Ms Jennifer Martin joined as Non-Executive, Independent Director and Chair of Audit and Risk Committee

H1 FY25 Result Overview ($M)

Revenue

5.4 (H1 FY24) — 5.5 (H1 FY25) — 1.2% ↑

NPAT

(2.1) (H1 FY24) — (1.6) (H1 FY25) — 22.8% ↑

Operating Cash Flow

0.6 (H1 FY24) — 1.6 (H1 FY25) — 164% ↑

Collections

6.1 (H1 FY24) — 6.3 (H1 FY25) — 3.6% ↑

EBITDA excl. SBP

(0.6) (H1 FY24) — (0.1) (H1 FY25) — 86.0% ↑

Net Cash (Debt)

(0.7) (H1 FY24) — 0.6 (H1 FY25) — 186% ↑

Positive momentum on all key metrics

Revenue up 1.2% (**up $0.5m or 9% excluding Gaming**) over PCP

Record first half collections of $6.3M, up 3.6% (**up $0.8m or 14% excluding Gaming**) over PCP

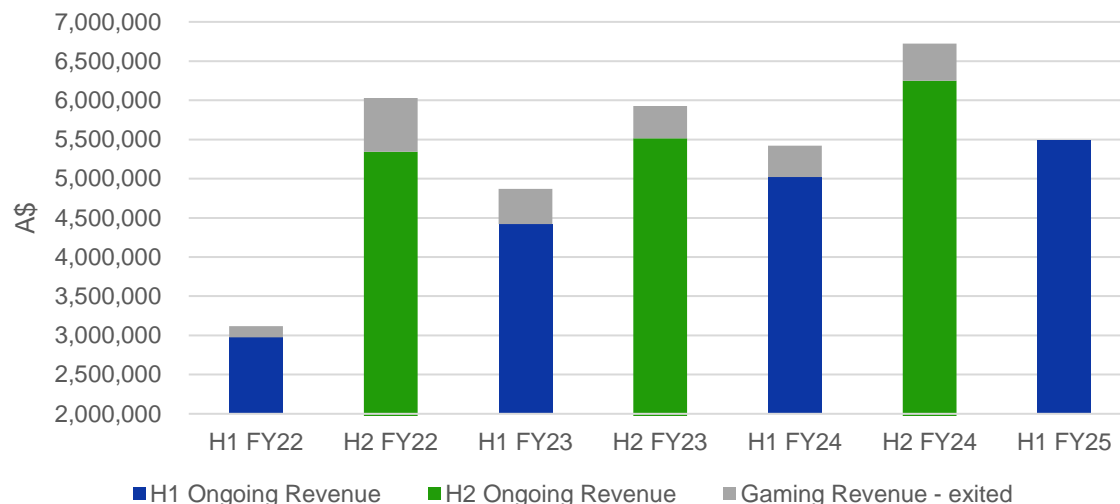**EBITDA** excluding share-based payments **improved $0.5M** over PCP

Operating Cash flow for the 6 months **up $1.0M** (164%) over PCP, following three consecutive cash flow positive quarters

Debt reduced $1.2M (52%) over PCP to $1.1M, with cash of $1.7M resulting in net cash of $0.6M
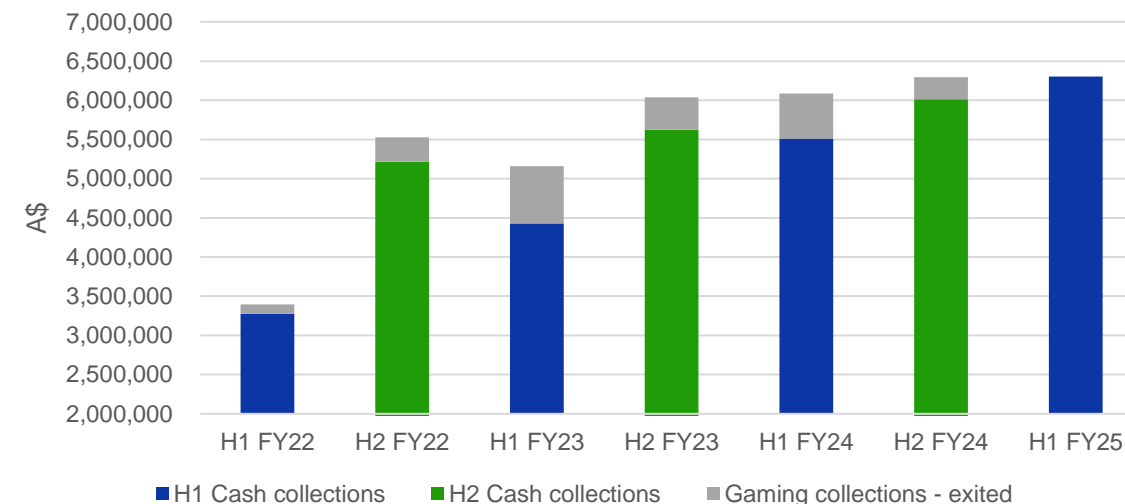
Smart Cities Business

Revenue from Smart Cities business

Cash Collections from Smart Cities business

Growth in Smart Cities business

- In FY24 SenSen completed its exit from its Gaming business which comprised 7% of its annual revenue
- Growth in revenue from Smart Cities excluding Gaming 9% over PCP
- Growth in cash collections from Smart Cities excluding Gaming 14% over PCP
- Significant projects in Calgary and Montreal on track to be completed in 2025

Sticky & Reliable Government customer base

| Key Customer	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Customer 1				★								●	
Customer 2				★	●								
Customer 3							★						
Customer 4				★	●				●				
Customer 5				★									
Customer 6	★						●						
Customer 7										★	●		
Customer 8								★					

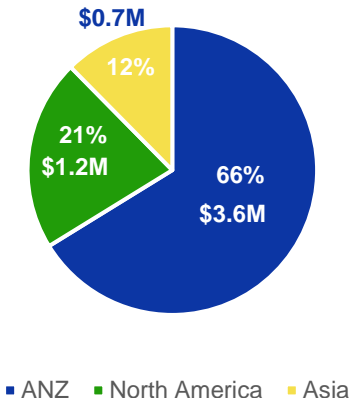★ Customer first joined SenSen
● Major contract expansion

Customers grow over time as initial order is followed by expansion orders as kerb length monitored increases. SenSen's solution is sticky with negligible customer churn

North American Growth Platform

H1 FY25 Regional Revenue

$0.2M
3%
26%
$1.5M
71%
$3.9M

■ ANZ ■ North America ■ Asia
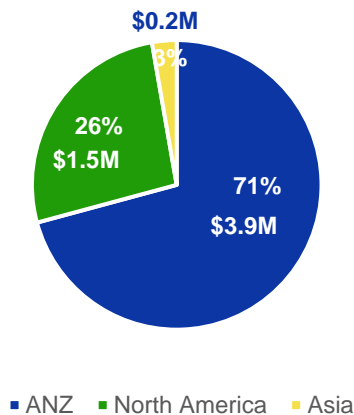
H1 FY24 Regional Revenue

$0.7M
12%
21%
$1.2M
66%
$3.6M

■ ANZ ■ North America ■ Asia

North American focus paying off

- In H1, North American revenue share increased from 21% to 26% vs PCP
- SenSen technology currently in use in 16 Canadian and 6 US cities
- Kerbside monitoring in the City of Montreal will significantly increase use of SenSen technology in the region

Increasing presence in North America

- SenSen present in 5 states/provinces
- Partner network reaches across USA and Canada
- Multiple demonstration systems in the field empowering our partners to generate demand for our solutions
- Existing high reference customers augmented by our growing partner network position us for accelerated growth in North America.

H1 FY25 tender wins in Canada

AGENCE DE MOBILITE DURABLE DE MONTREAL

- $1.7M first year value
- Contract value up to $17.7M over five years
- Initial 3-year contract term with 2-year optional extension
- Software development to meet enhanced requirements largely complete
- User acceptance testing under way on test vehicles
- Background: New customer acquired through competitive tender process.

THE CITY OF CALGARY

- $1.9M first year value
- $4.6M over five years
- Two additional 2-year extension options for a total potential length of 9 years
- Project Status: System fully deployed to customer and undergoing final user acceptance testing
- Background: Customer since 2016 utilising both mobile and fixed lane cameras for enforcement. Current contract won via competitive tender process.

TORONTO PARKING AUTHORITY

- Initial contract for one year, with one year extension
- Initially focused on monitoring rather than parking enforcement
- One additional order received under existing contract to date
- Status: System delivered
- Background: Customer since 2023 when a project was undertaken to collect and digitise the city's on-street inventory. Current contract won via competitive tender process.
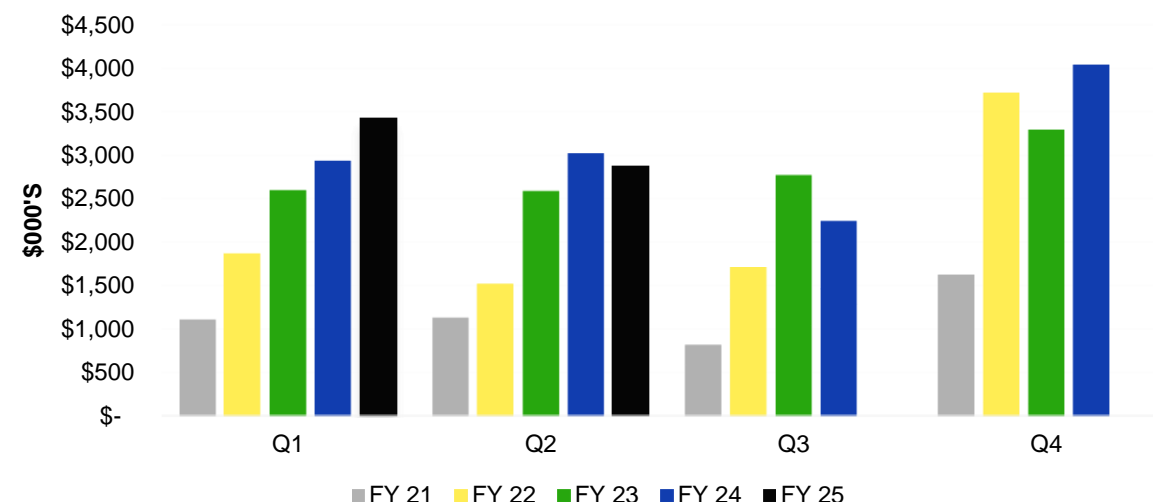
H1 FY25 Cash Flow

Statement of Cash Flows	31-Dec-24 $	31-Dec-23 $	Variance $	Variance %
Receipts from Customers	6,304,364	6,086,677	217,687	4%
Payments to suppliers and employees	(6,716,408)	(7,715,201)	998,793	(13%)
Net Interest	(280,477)	(312,912)	32,435	(10%)
Govt. grants received	2,271,340	2,539,053	(267,713)	(11%)
Cash flows from Operating activities	**1,578,819**	**597,617**	**981,202**	**164%**
Cash flows from Investing activities	(50,839)	(25,497)	(25,342)	99%
Cash flows from Financing activities	(1,374,886)	345,352	(1,720,238)	(498%)
Net increase in cash and cash equivalents	**153,094**	**917,472**	**(764,378)**	**(83%)**
Closing cash on hand	1,695,958	2,840,222	(1,144,264)	(40%)

Quarterly Customer Cash Receipts

Legend: FY 21, FY 22, FY 23, FY 24, FY 25

TIMING OF MAJOR PROJECTS AND SEASONALITY DRIVE CASH FLOW

- H1 FY25 receipts from customers grew $0.2M (4%) over PCP
- H1 FY25 receipts from Smart Cities excluding Gaming grew $0.8M (14%) over PCP
- Payments to suppliers and employees reduced by $1.0M (13%) over PCP
- Resultant operating cash flow improved $1.0M (164%) over PCP
- Significant projects in Canada due to be delivered in 2025
- Strong operating cash flow allowed for net debt reduction of $1.3M in the period

Borrowings

Net Cash (Debt)	31-Dec-24 $	30-Jun-24 $	Movement $	Movement %
Cash	1,695,958	1,571,130	124,828	8%
Borrowings	(1,095,849)	(2,271,806)	1,175,957	-52%
Net Cash (Debt)	**600,109**	**(700,676)**	**1,300,785**	**-186%**
Debt Drawn				
Rocking Horse	-	1,300,000	(1,300,000)	
TP24	194,517	136,158	58,359	
Director Loans	451,332	385,648	65,684	
CBA Better Business Loan	450,000	450,000	-	
Debt Drawn	**1,095,849**	**2,271,806**	**(1,175,957)**	**-52%**
Debt Facilities Available				
Rocking Horse*	-	1,300,000	(1,300,000)	
TP24	1,200,000	1,200,000	-	
Director Loans	500,000	500,000	-	
CBA Better Business Loan	450,000	450,000	-	
CBA Overdraft	225,000	225,000	-	
Total Facilities	2,375,000	3,675,000	(1,300,000)	35%
Unused Borrowing Capacity	1,279,151	1,403,194 -	124,043	-9%

*Rocking Horse facility remains available to draw upon based on R&D incurred to date.

MOVING TO NET CASH

- Net debt reduced $1.3M in 6 months, moving to net cash of $0.6M
- Cash on hand up $0.1M (8%) in 6 months
- Borrowings reduced $1.2 (52%) to $1.1M
- Rocking Horse facility remains available to fund hardware purchases if required

Financial Statements

Profit and Loss	31-Dec-24 $000	31-Dec-23 $000	Variance $000	Variance %
Revenue	5,483	5,421	62	1%
COGS	(1,244)	(1,294)	50	(4%)
Gross Margin	**4,240**	**4,127**	**112**	**3%**
GM%	77.3%	76.1%	1.2%	
Other Income	1,033	1,165	(132)	(11%)
Operating Expenses	(6,818)	(7,341)	524	(7%)
Net Profit before tax	**(1,545)**	**(2,049)**	**504**	**(25%)**
EBITDA excluding SBP	(87)	(620)	533	(86%)
Cash flow from Operations	1,579	597	982	164%

Improving Resilience

- Gross Margin growth in the period of 1.2% over PCP
- Operating Expenses down $0.5M (7%) over PCP
- EBITDA excluding SBP up $0.5M (86%) over PCP
- Operating Cash flow up $1.0M (164%) over PCP

Balance Sheet	31-Dec-24 $	30-Jun-24 $	Variance $	Variance %
ASSETS				
Current Assets				
Cash and cash equivalents	1,695,958	1,571,130	124,828	
Trade and other receivables	1,350,054	1,030,269	319,785	
Contract assets	289,671	173,063	116,608	
Inventory	223,711	120,317	103,394	
Other assets	1,142,853	2,453,678	(1,310,825)	
Total Current Assets	**4,702,247**	**5,348,457**	**(646,210)**	**(12%)**
Non-Current Assets				
Intangibles	479,450	730,257	(250,807)	
Goodwill	5,632,016	5,632,016	-	
Right of use Asset	506,383	682,101	(175,718)	
Other assets	36,380	-	36,380	
Property, plant and equipment	226,213	231,387	(5,174)	
Total Non-Current Assets	**6,880,442**	**7,275,761**	**(395,319)**	**(5%)**
TOTAL ASSETS	**11,582,689**	**12,624,218**	**(1,041,529)**	**(8%)**
LIABILITIES				
Current Liabilities				
Trade and other payables	1,909,786	1,995,340	(85,554)	
Contract Liabilities	1,603,570	399,888	1,203,682	
Employee Benefits	817,833	707,625	110,208	
Lease Liabilities	234,188	327,778	(93,590)	
Borrowings	1,095,849	2,271,806	(1,175,957)	
Total Current Liabilities	**5,661,226**	**5,702,437**	**(41,211)**	**(1%)**
Non-Current Liabilities				
Employee Benefits	-	67,008	(67,008)	
Lease liabilities	337,634	442,621	(104,987)	
Total Non-Current Liabilities	**337,634**	**509,629**	**(171,995)**	**(34%)**
TOTAL LIABILITIES	**5,998,860**	**6,212,066**	**(213,206)**	**(3%)**
NET ASSETS	**5,583,829**	**6,412,152**	**(828,323)**	**(13%)**

SenSen Networks Ltd. (ASX:SNS)

THANK YOU

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