

Attachment to Appendix 4C

Summary of period 1 January 2017 to 31 March 2017

Sensera Limited (ASX: SE1) is pleased to provide the market with the quarterly report for the quarter ended 31 March 2017.

March Quarter Review

- Investment in capital expenditure to prepare for the manufacturing phase of its cornerstone customers
- Increase in production forecast received from one cornerstone customer offsets modest delay in second customer's production date; previously stated 2017 revenue objectives reaffirmed
- Research and development activities on Sensera's first internal IP project "The Towakon Project" are ahead of schedule
- Completed recruitment of additional engineering team and recruitment of a Senior Business Development executive on track

Company Update

Sales

In February 2017 Sensera released its 2017 corporate objectives which included US\$2m in CY17 revenues and a revenue run rate of US\$7m for CY18. The Company remains on target to achieve these objectives.

The key to achieving these objectives is for the two cornerstone clients to transition to commercial manufacturing phase. The first of these customers continues to reaffirm its forecasts and will enter manufacturing phase approximately 60 days ahead of our initial schedule (now Q3 2017). This will offset a minor delay in our second cornerstone client's timeline whereby an estimated delay of 90 to 120 days is anticipated to occur. This delay has not changed the clients forecast volume requirements, just the timing of transitioning to the manufacturing phase (now anticipated late Q4 17 to early Q1 18).

During the quarter, we added an additional client and now have 7 customers. We have quoted on additional work and are engaged with a pipeline of potential clients. As per the Human Resources section of this update, we are close to finalising the appointment of a Senior Business Development executive to drive the potential pipeline even more aggressively.

Cash inflows of US\$160k for the quarter are reflective of the structure of our initial client contracts which as previously announced are part milestone based for some customers. That is, we receive payment on achievement of technical milestones rather than an hourly or monthly rate for non-recurring engineering work. We are now engaging with new clients on commercial terms that require either regular payment for time incurred or part payment upfront followed by milestone based payments. This is only for non-recurring engineering work and our manufacturing contracts will be billed against manufacturing volumes.

Operating Expenditure

The Sensera operating expenditure was on target and no major variances were recorded during the quarter. In accordance with the growth plans for our contract services business unit (i.e. Sensera manufactures for external clients) and as previously announced we added 3 full time equivalents to the engineering and production team during the period in advance of our transition to manufacturing phase for cornerstone clients.

R&D

Sensera has previously announced a strategy whereby the Company will offer contract services to external clients (i.e. engineering services and microfabrication of MEMS devices) and build a portfolio of internally owned products via internal R&D and acquisition.

The April ASX release "IP Commercialisation Update" updated the market on Sensera's initial Company owned and developed intellectual property, The Towakon Project. The device being developed measures and monitors water leaks of micro volumes and will be designed to shut off water valves remotely. Whilst the cash outflows on direct research and development were only USD61k during the quarter, additional staff and corporate costs including patent costs were expended on the Project and form part of our budgeted operational cash expenditure. The current technical focus of the Project is to miniaturise the prototype and this program is on time and budget. For further details please review the 6 April ASX release.

Capital Expenditure

During the quarter ended 31 March 2017, the Company paid US\$607k for new capital equipment which includes capital expenditure that was procured in both 2016 and 2017 that was paid for in 2017. This total spend is consistent with our commitment to increasing capital expenditure as a direct result of additional revenue opportunities from cornerstone clients as previously communicated to the market. The increase was a direct result of internalising a process that was previously outsourced and enables Sensera to capture a greater amount of the production revenues for one of our cornerstone clients. The timing of the expenditure is directly linked to the expected transition into manufacturing phase.

Quality Systems

During the quarter Sensera completed its ISO 9001:2015 audit. Sensera's Quality Management Systems roadmap is now focused on achieving ISO 13485: 2016 which is specific to medical device manufacturing. This will enable Sensera to offer an additional certification for microfabrication of medical devices if it seeks to offer such a service to a future customer. It is not a requirement for Sensera's current clients or current services.

Recruitment

The 2017 corporate objectives included the recruitment of a Senior Business Development executive for the contract service business. The Company commenced this process late in the period and remains on target to recruit an experienced addition to the founding team in the coming months.

The Appendix 4C follows.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Sensera Limited

ABN

73 613 509 041

Quarter ended ("current quarter")

31 March 2017

Consolidated statement of cash flows	Current quarter \$U.S'000	Year to date (9 months) \$U.S'000
1. Cash flows from operating activities		
1.1 Receipts from customers	160	371
1.2 Payments for		
(a) research and development	(61)	(155)
(b) product manufacturing and operating costs	(362)	(683)
(c) advertising and marketing	(118)	(206)
(d) leased assets	-	-
(e) staff costs	(385)	(783)
(f) administration and corporate costs	(430)	(1,240)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,196)	(2,696)

Consolidated statement of cash flows		Current quarter \$U.S'000	Year to date (9 months) \$U.S'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(607)	(701)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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	Net cash from / (used in) investing activities	(607)	(701)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	9,852
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(119)	(740)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$U.S'000	Year to date (9 months) \$U.S'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(119)	9,112

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	7,334	-
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,196)	(2,696)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(607)	(701)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(119)	9,112
4.5	Effect of movement in exchange rates on cash held	205	(98)
4.6	Cash and cash equivalents at end of quarter	5,617	5,617

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 \$U.S'000	Previous quarter \$U.S'000
5.1	Bank balances	5,617	7,334
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	5,617	7,334

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$U.S'000

54

-

The amount at 6.1 includes payment of directors' fees and payments to a director related entity excluding reimbursement for administrative expenses and travel expenses.

7. Payments to related entities of the entity and their associates	Current quarter \$U.S'000
7.1 Aggregate amount of payments to these parties included in item 1.2	104
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Item 7.1 includes payments made to:

- Triton Inc. under the General Service Agreement as disclosed in under Section 11.3 on the Replacement Prospectus issued on 28 November 2016
- Henslow Pty Ltd for Corporate Advisory service rendered as disclosed in under Section 11.3 on the Replacement Prospectus issued on 28 November 2016

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$U.S'000	Amount drawn at quarter end \$U.S'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$U.S'000
9.1 Research and development	100
9.2 Product manufacturing and operating costs	500
9.3 Advertising and marketing	120
9.4 Leased assets	-
9.5 Staff costs	500
9.6 Administration and corporate costs	450
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	1,670

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

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.



Sign here:
Company secretary

Date: 26 April 2017

Print name: Phillip Hains

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.