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Australian Securities Exchange

Company Announcements Office

Transformational acquisition and capital raising

Sensera Limited (ASX: SE1) (**Sensera** or **the Company**), the integrated designer and manufacturer of specialised high performance microsensors, is pleased to announce the proposed acquisition of Nanotron Technologies GmbH (**Nanotron**).

- Acquisition of Nanotron, a leading provider of location awareness systems, for a total consideration of €6.4m
- Placement to institutional and other investors to raise approximately A\$4.6m at 32c per share
- Acquisition will position Sensera as a leading End-to-End Wireless Sensor Network company in the rapidly growing IoT space, with an existing presence in an addressable US\$8 billion market and Tier 1 channel partners
- Sensera will emerge as a leading provider of location and wellness tracking and collision avoidance in two key markets of Livestock Monitoring and Mine Safety and Productivity
- Complementary core competencies positions Sensera as a vertically integrated designer and integrator of its own proprietary sensor systems; including chips, multifunctional sensor systems as well as proprietary data analytics that enable the "smart" functionality of its Wireless Sensors

Sensera has entered into a mutually executed non-binding heads of agreement to acquire 100% of Nanotron for a total consideration of €6.4m, payable in both cash and fully paid ordinary shares in the Company. Part of the consideration is deferred for up to 14 months.

Nanotron is a leading provider of location-awareness systems based in Berlin, Germany specialising in the design, development and sale of chips, modules and proprietary software that enable precise real-time positioning and concurrent wireless communication. Nanotron's suite of products are the result of nearly €38m prior investment by some of Europe's leading investment funds.

The parties to the Acquisition have substantially agreed a formal share purchase agreement which will be signed no later than 21 August 2017 with completion of the Acquisition to occur as soon possible thereafter.

Matt Morgan, Executive Chairman of Sensera noted, *"the acquisition of Nanotron provides a suite of products and services that positions Sensera as a dominant player in the rapidly growing global market of IOT. The merged entity will become one of only a few End to End total solution providers in the wireless network sensors market which is forecasted to grow from US\$36 billion last year to US\$93 billion by 2021. We are extremely pleased to welcome the Nanotron leadership team to Sensera."*

Ross Haghighat, Advisor to the Board commented, *"the merger between Sensera and Nanotron will establish one of industry's only vertically integrated product and services companies that controls its own proprietary Wireless Sensor Network, consisting of ultralow power sensors that deliver long battery life (up to 5 years) and extremely long standoff distance tracking of assets up to 2 km away in its current format. This combination positions Sensera as a leading provider of location tracking and collision avoidance platforms, enabling a number of high value applications worldwide."*

Jens Albers, CEO of Nanotron stated *"by joining forces with Sensera, Nanotron contributes essential capabilities for smart IoT sensors and professional location-awareness and wireless data communication. Sensera, in turn will facilitate accelerated revenue growth from our proven industrial verticals. I personally, and the entire Nanotron team, are excited to be part of a truly global company with a presence in Asia Pacific, Europe and North America"*.

About Nanotron

Nanotron is a venture capital backed, revenue phase business that is a leading provider of location-awareness products and services based in Berlin, Germany. Its platform delivers a complete integrated sensors system consisting of chips, modules and software that enable precise real-time positioning and concurrent wireless communication.

The Company has established core markets, servicing large blue-chip end-users in the mining and agricultural sectors with Tier 1 customers representing a direct market opportunity for the Company's products of A\$850 million out of an addressable global market of US\$8 billion. It is forecast CY17 revenues of ~A\$5.3m (€3.6m or US\$4.2m) with strong forward orders expected for CY18 and CY19.

Nanotron has a highly experienced leadership team with a staff base of 25 FTE professionals with diverse skills in location chips, radio hardware and embedded software development, IoT product creation and technical customer support. It also has a significant suite of patented technology and IP.

Acquisition consideration

Total consideration of €6.4m (approximately A\$9.5m) with €3.0m (approximately A\$4.5m) is payable on completion in cash with balance payable over 15 months including, in part, by way of issue of 3,975,952 Sensera shares with an agreed value of €834,950.

	Timing	Form of Consideration	Amount €'000s	Amount A\$'000s
Upfront	On completion	Cash	3,000	4,464
Deferred				
	31 October 2017	Cash	700	1,042
	31 October 2017	Scrip	835	1,243
	1 July 2018	Cash	765	1,138
	1 October 2018	Cash	1,100	1,637
Total Deferred			3,400	5,060
Total Consideration			6,400	9,524

Note 1. At an assumed exchange rate of AUD/EUR 0.672

Jens Albers has elected to receive his entire consideration of €411,075 in Sensera shares and as a result he will be in the top 20 shareholders following the capital raising. In addition, other vendors have also accepted shares in lieu of cash totalling €423,875. All of these shares are subject to a 12 month voluntary escrow period with a further 12 month period under which Sensera will have a first right to place the shares in the event Mr Albers or the other vendors wish to sell as well as an ability for Sensera to sell the shares to fund claims under the proposed purchase agreement for Nanotron. The shares to be issued, totalling 3,975,952 are based on a value of €834,950 and have been converted at A\$0.32/€ 0.21 share price which is equal to the Placement price.

Funding

The Company is pleased to announce that it has raised A\$4,585,600 under a Placement to sophisticated and professional investors. The Placement comprises 14,330,000 ordinary fully paid shares at an issue of 32c per ordinary share, an 8.6% discount to the 10 day VWAP price of 35c a share. The Company is limited to issuing 14,330,000 shares under LR7.1

Settlement of the Placement is expected to occur on 18 August 2017 (subject to the execution of the share purchase agreement) with allotment of the Placement shares to occur on 21 August 2017. Henslow acted as the Lead Manager for the Placement.

The Placement funds the upfront cash consideration of €3.0m (approximately A\$4.5m). It is proposed that the Company will seek approval from shareholders to refresh its capital at its

Annual General Meeting in October 2017. The Company has sufficient cash to meet the deferred tranche of consideration payable on 31 October 2017 totalling €0.7m (approximately A\$1.0m). Subject to obtaining shareholder approval to refresh its capital raising capacity, the Company will seek to raise further capital to fund the balance of any deferred consideration under the acquisition agreement and the ongoing development costs of the combined entities.

Under Sensera's Replacement Prospectus dated 14 November 2016, a source and uses of funds table was provided for the following two years. The outlay of funds contained in the table are still required for the existing Sensera business and the potential use of existing cash within the business to fund the deferred consideration for the acquisition of Nanotron will be a temporary imposition only. The directors believe it is appropriate to use some of its cash reserves to fund the acquisition, given the opportunity and when Sensera has further funds, it intends to continue to use its cash in the manner set out in its IPO prospectus.

As a result of unanticipated delays in executing a heads of agreement for the acquisition of Nanotron and the ensuing Placement, Sensera may, subject to agreeing acceptable terms with Nanotron, advance up to €150,000 (approximately A\$223,546) to Nanotron by way of loan, before completion of the acquisition, to assist it meet its working capital requirements as it ramps up production. The loan will be subject to an executed agreement and bear interest at 6%. The loan is unsecured. Again, while this loan represents a slight departure from the use of funds set out in Sensera's IPO prospectus, the directors believe it is appropriate to temporarily use its cash reserves for this loan, given the opportunity the Nanotron acquisition presents for Sensera's future.

Further information

Security holder approval for the Acquisition and capital raising is not required, however, approval from security holders will be sought with respect to any further capital raising required to fund the balance of deferred consideration.

The Company has today released to ASX an acquisition presentation which contains further details regarding Nanotron and the terms of the Acquisition, including the parties to and material terms of the transaction and the likely effect of the transaction on Sensera's consolidated total assets, total equity interests, annual revenue, EBITDA and profit.

In addition, the following terms have been agreed in the non-binding heads of agreement:

- The acquisition consideration, timing and form as set out in the table under the heading "Acquisition Consideration" in this announcement;

- The consideration payable is subject to a working capital adjustment. If the working capital of Nanotron is at least 5% above or below a target working capital, the consideration (payable in the Third or Fourth instalment) will be increased or decreased accordingly;
- The Sellers and Nanotron have agreed to exclusively negotiate with Sensera during the period up to and including 21 August 2017;
- The sale agreement will contain warranties, representations and indemnity provisions usual for a transaction of this nature; and

Dr Jens Albers will be subject to a restraint of trade provision on terms usual for a transaction of this nature and will enter into an appropriate employment agreement with Nanotron on terms acceptable to Sensera.