

29 January 2018

Australian Securities Exchange (ASX) Announcement

Sensera December 2017 Quarterly Update and Appendix 4C

HIGHLIGHTS:

- **US\$1.5 million in cash receipts, up 161% from \$0.58 million in the previous quarter**
- **Experienced executive leadership recruited - Ralph Schmitt appointed Managing Director and Chief Executive Officer, and David Garrison appointed Chief Financial Officer**
- **Executed a two-year multimillion dollar exclusive chip supply agreement with SmartBow, a leading provider of animal health solutions**
- **Executed a three-year, multi-million-dollar manufacturing supply agreement with US\$8 billion medical device maker, Abiomed**
- **Completion of \$7.0 million placement to fund business development and R&D**
- **Reaffirmed FY18 revenue guidance of US\$6.25 million to US\$7.25 million**

Sensera Limited (ASX: SE1, "Sensera" or "the Company"), a leading provider of location awareness solutions for the rapidly-growing Internet of Things (IoT) market, is pleased to report on its activities for the quarter ended 31 December 2017.

CASH FLOW

Sales

Sensera achieved quarter-on-quarter growth of 161% in cash receipts from the sale of products and services, increasing from US\$0.58 million in the September quarter to US\$1.50 million for the December quarter. The primary driver of the increase in cash receipts was stronger sales by nanotron of chips, anchors and software.

Operating Expenditure

Cash outflows from operating expenditure before R&D increased by US\$0.53 million (30%), with approximately 50% of the increase derived from product manufacturing and operating costs.

Capital Expenditure

Capital expenditure increased from US\$0.18 million in the previous quarter to US\$0.41 million (227%) in the December quarter, as nanotron and the Company's microdevices facility invested for their manufacturing activities.

R&D

R&D spend increased from US\$0.27 million to US\$0.36 million, up 34% quarter-on-quarter as funds were committed to the development of future generation products and the Company's ongoing spend on intellectual property protection increases with the management of the nanotron patents.

BUSINESS DEVELOPMENT

Two-year deal with SmartBow

Sensera's wholly owned German subsidiary nanotron Technologies GmbH ("nanotron") entered into an exclusive Supply Agreement with Smartbow GmbH ("SmartBow"), the leading animal positioning and health monitoring company. The agreement will see nanotron exclusively deliver nanoLOC location chips, an essential component that enables Smartbow's Farm Animal Health solutions through its Eartag LIFE product.

Smartbow is rapidly expanding its global footprint in Farm Animal Health, both directly and through large-scale distribution agreements. The Farm Animal Health solution enabled by nanotron's nanoLOC chips will support this expansion and is the result of several years of close cooperation between the companies.

Nanotron is close to finalising an agreement to exclusively provide Smartbow with anchor devices and middleware.

Three-year deal with Abiomed

During the quarter, the Company entered a material three-year supply agreement with anchor microdevices customer, Abiomed Inc (NASDAQ: ABMD). Abiomed is a leading manufacturer of medical implant devices headquartered in Danvers, Massachusetts, USA. This multi-year, multimillion dollar supply agreement embeds Sensera's microdevices services business as a key part of the supply chain for Abiomed's high-value medical devices.

While the commercial terms are fixed until November 2020 and are typical of such agreements, the agreement provides for initial order quantities in the first year, volume-based pricing and joint management of rolling forecasts. The parties will review the commercial terms based on future forecasts before the contract expires in 2020.

EXECUTIVE LEADERSHIP

Sensera met its 2017 objective of attracting an experienced CEO, appointing Ralph Schmitt as Chief Executive Officer effective 6 November 2017. The Company subsequently appointed Ralph as Managing Director, as announced on 14 December 2017.

Ralph most recently was an Executive of Toshiba America Electronic Components, Inc. (TAEC), where he led the development of cognitive computing software and systems to leverage the Toshiba product

portfolio which includes semiconductors and storage for industrial, telecommunications, healthcare, multimedia and transportation market applications. He has led multiple NASDAQ listed technology companies in the systems and components markets.

The Company also announced the appointment of David Garrison to the position of Sensera Chief Financial Officer from Monday 18 December 2017. David brings 19 years of experiences as a Chief Financial Officer of public and private companies in the technology, medical device, defence and consumer product sectors.

Most recently, Mr Garrison was CFO at Tecogen Inc (NASDAQ: TGEN), a developer of on-site clean energy systems, since 2014. He brings executive experience in mergers and acquisitions, public company investor relations and managing long-term contracts with revenues linked to operational success.

SHARE PLACEMENT

In November, Sensera announced the completion of a share placement to raise \$7 million before costs via the issue of 23,333,333 shares to sophisticated and institutional investors at \$0.30 share.

Net proceeds of the capital raising have been deployed to support investment in Sensera's business development activities, further strengthen the Company's balance sheet to fund work in progress (WIP), and research and development and vendor payments for the nanotron acquisition.

In addition to the placement shares, the Company issued the following securities:

- 3,884,375 ordinary shares to the vendors of the nanotron business in accordance with the payment terms for the nanotron acquisition announced on 14 August 2017.
- 250,000 shares were issued to nanotron Managing Director, Dr Jens Albers, in lieu of employee liabilities owed to him. Dr Albers also elected to receive the consideration for his nanotron ownership in Sensera shares, demonstrating strong alignment with Sensera shareholders.

OUTLOOK

Combining Sensera's microdevice capability and nanotron's leading location awareness technology has turned the Company into a world-class sensor and location awareness solutions business. The Company has built a solid foundation on which to grow into attractive IoT markets.

The Company has visibility on a growing revenue pipeline, with an FY18 forecast of between US\$6.25 million and US\$7.25 million before the material impact of the SmartBow and Abiomed agreements which will primarily impact FY19 and beyond.

Sensera will monetise its pipeline as it executes on existing demand, including manufacturing for its anchor microdevice clients and supplying its location awareness solutions to animal health and mining customers. The Company is prioritising executing on existing demand for microdevices and the sale and supply of existing nanotron products. However, the company will leverage its microdevices capability and continue to move up the value chain in the IoT sector by incorporating sensor technologies to collate and analyse location aware data to provide valuable insights and commercial benefits to users.

CONFERENCE CALL

Investors are invited to dial in to Sensera's quarterly conference call with CEO Ralph Schmitt on Wednesday 7 February 2018.

Dial-in details will be provided shortly via the ASX platform.

Ralph Schmitt

Managing Director
Sensera Ltd

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About Sensera Limited (ASX: SE1):

Sensera is leading provider of location awareness solutions in the rapidly growing world of the Internet of Things (IoT). Sensera manufactures a family of proprietary microsensors and sensor systems that serve the Medtech, Industrial, Animal Wellness and Mine Safety and Productivity markets. The Company's Nanotron division provides hardware that enables sophisticated location and wellness tracking for farm animals (a US\$5 billion market) and mine safety and collision avoidance (a \$3 billion market), where its wireless tracking solution enable a series of services to clients worldwide.

Shares in Sensera Limited (ASX: SE1) are traded on the Australian Securities Exchange (ASX). For more information, please visit our website: www.sensera.com. Any forward-looking statements in this announcement are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management.

About nanotron:

Nanotron is a leading provider of electronic location-awareness components based in Berlin, Germany. Nanotron specialises in the design, development and sale of chips, modules and software that enable precise real-time positioning and concurrent wireless communication.

Nanotron brings established core markets servicing large blue-chip end-users in the mining and agricultural sectors, a proven product portfolio with volume production and deployment established, and a global distribution network that can fulfil current and new market verticals. For more information, visit www.nanotron.com.

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 December 2017

| Consolidated statement of cash flows | Current quarter \$U.S'000 | Year to date (6 months) \$U.S'000 |
|---|--------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 1,504 | 2,079 |
| 1.2 Payments for | | |
| (a) research and development | (360) | (630) |
| (b) product manufacturing and operating costs | (597) | (948) |
| (c) advertising and marketing | (285) | (411) |
| (d) leased assets | - | - |
| (e) staff costs | (550) | (1,045) |
| (f) administration and corporate costs | (851) | (1,630) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 0 | 11 |
| 1.5 Interest and other costs of finance paid | (2) | (2) |
| 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 | (1,140) | (2,576) |

| Consolidated statement of cash flows | | Current quarter \$U.S'000 | Year to date (6 months) \$U.S'000 |
|--------------------------------------|---|------------------------------|---|
| 2. | Cash flows from investing activities | | |
| 2.1 | Payments to acquire: | | |
| | (a) property, plant and equipment | (406) | (585) |
| | (b) businesses (see item 10) | (819) | (4,619) |
| | (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 | (1,225) | (5,205) |

| | | | |
|-----------|---|-------|-------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | 4,899 | 8,550 |
| 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 | (73) | (352) |
| 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 (6 months) \$U.S'000 |
|--------------------------------------|---|------------------------------|---|
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 4,826 | 8,198 |

| | | | |
|------------|--|--------------|--------------|
| 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 | 2,001 | 4,047 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (1,140) | (2,576) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1,225) | (5,205) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 4,826 | 8,198 |
| 4.5 | Effect of movement in exchange rates on cash held | (12) | (15) |
| 4.6 | Cash and cash equivalents at end of quarter | 4,450 | 4,450 |

| | | | |
|------------|---|------------------------------|-------------------------------|
| 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 | 4,450 | 2,001 |
| 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) | 4,450 | 2,001 |

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

Current quarter
\$U.S'000

228

-

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

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 | 67 |
| 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, including reimbursements for administrative expenses and travel expenses. |

| 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 | 1,036 |
| 9.2 Product manufacturing and operating costs | 1,252 |
| 9.3 Advertising and marketing | 293 |
| 9.4 Leased assets | - |
| 9.5 Staff costs | 392 |
| 9.6 Administration and corporate costs | 921 |
| 9.7 Other (provide details if material) | - |
| 9.8 Total estimated cash outflows | 3,894 |

| 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: 29 January 2018

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.