Sensera Limited
Appendix 4D
Half-year Report
Half-year 31 December 2017

Name of entity: **Sensera Limited**

ABN or equivalent company reference: **73 613 509 041**

Current financial period: **half-year ended 31 December 2017**
Corresponding financial period: **from 6 July 2016 to 31 December 2016**

Results for announcement to the market

				US$
Revenue for ordinary activities	Up	287.0%	to	2,074,466
Net loss after tax (from ordinary activities) for the period attributable to members	Up	74.7%	to	3,355,827
Net loss after tax for the period attributable to members	Up	74.7%	to	3,355,827

	US Cents	US Cents
Basic loss per share	2.5	2.9
Diluted loss per share	2.5	2.9

Explanation of results

Please refer to the Review of operations section on page 3 in the accompanying interim financial report for detailed explanation on the results for the current financial period.

Distributions

	Amount per security	**Franked amount per security**
Interim dividend (per share)	-	-
Final dividend (per share)	-	-
Franking	-	-

No dividends have been paid during the financial period. The Directors do not recommend that a dividend be paid in respect of the financial period.

	31 December 2017	31 December 2016
Net tangible asset backing (cent per share)	**1.91**	6.21

Changes in controlled entities

During the current reporting period, the group acquired 100% equity interest in nanotron Techologies Gmbh. Please refer to Note 19 - Business combination in the accompanying interim report for more information. There were no other changes in controlled entities.

Other information required by Listing Rule 4.2A

N/A

Interim review

The interim financial statements have been reviewed by the Company's independent auditor which includes a paragraph regarding a material uncertainty in relation to going concern.

Sensera Limited

ACN 613 509 041

Interim report
Half-year ended 31 December 2017

Sensera Limited ACN 613 509 041
Interim report - 31 December 2017

Contents

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period from 6 July 2016 to 30 June 2017 and any public announcements made by Sensera Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors	Matthew Morgan *Non-Executive Chairman* Jonathan Tooth *Non-Executive Director* George Lauro *Non-Executive Director* Ralph Schmitt *Managing Director*
Secretary	Phillip Hains
Principal registered office in Australia	Level 3, 62 Lygon St Carlton VIC 3053 Australia (03) 9824 5254
Share register	Boardroom Pty Ltd Grosvenor Place Level 12, 225 George Street Sydney NSW 2000 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia)
Auditor	Grant Thornton Audit Pty Ltd Level 18, King George Central 145 Ann Street Brisbane QLD 4000 (07) 3222 0200
Stock exchange listings	Australian Stock Exchange (ASX: SE1)
Website	http://www.sensera.com

Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Sensera Limited and the entities it controlled at the end of, or during, the half-year 31 December 2017.

Directors

The following persons held office as Directors of Sensera Limited during and since the financial period:

Matthew Morgan, Non-Executive Chairman
Jonathan Tooth, Non-Executive Director
George Lauro, Non-Executive Director
Ralph Schmitt, Managing Director (appointed 14 December 2017)

Principal activities

Sensera Limited is a sensor-based location and situation awareness organisation that provides end-to-end sensor solutions and services in the rapidly growing world of the Internet of Things (IoT). Sensera's proprietary microsensors and sensor systems primarily serve the Animal Wellness, Mine Safety and Productivity and Healthcare markets.

Business strategy, future developments and prospects

The acquisition of nanotron Technologies GmbH ("nanotron") provides a technology platform on which Sensera intends to develop IoT based business solutions which utilises accurate location data, smart sensors and data analytics.

Currently the group's nanotron division provides hardware and software that enables sophisticated location tracking to enable people and or assets to be tracked accurately as part of an IoT solution. nanotron has established a strong presence in the market for farm animals and mining services. nanotron is now prioritising these sectors over the next twelve months with the intention of building on user adoption and customer relationships that have been successfully established.

Recently nanotron entered a multimillion dollar exclusive supply relationship with SmartBow GmbH, a company that has developed and sells an animal wellness solution that tracks and monitors cattle primarily in the dairy industry. This supply agreement will underpin material year on year growth in revenue in FY19 and FY20.

nanotron partners with mining services and system integrator companies such as Schaumberg, GE Mining and Becker to provide mine safety and collision avoidance solutions. nanotron has over 50 commercial implementations in the mining sector across multiple continents. nanotron intends to expand its product offering and the sales and marketing resources for the mining market to not only expand the number of mines operating the nanotron solution but to increase follow on sales in existing mine customers.

nanotron is also developing embedded and analytical software to enhance business solutions through more intelligent location analytics. There may be some opportunistic location aware analytic solutions that are targeted outside of the core business applications described due to this expanded capability.

Sensera Inc which is the group's microdevice fabrication division, provides contract research, design, development, and engineering solutions to small volume high value clients producing or developing sophisticated microdevices predominantly in the MedTech sector.

Sensera Inc has entered a 3-year multimillion dollar supply agreement with Abiomed Inc (AMBD: NASDAQ) and services a growing number of customers in the product development phase. Sensera Inc finalised the development of a sophisticated sensor product it sells to military contractor client originally described as an anchor client for the microdevice business unit. Sensera Inc intends to increase production volume of this product throughout 2018.

Sensera Inc will use the internal research and development capability to develop its own sensor based intellectual property that will be integrated into nanotron's location awareness solutions.

Dividends

No dividends have been paid during the financial period. The Directors do not recommend that a dividend be paid in respect of the financial period.

Review of operations

During the half-year ended 31 December 2017, the Group generated a total operating revenue of US$2,074,466, comprising of revenue from services rendered under the Non-Recurring Engineering ("NRE") contracts in U.S of US$287,937 and from the location tracking business in Europe of US$1,786,529. Net operating loss for the period was US$3,355,827.

As at 31 December 2017, the Group had a total of US$4,460,506 in cash and cash equivalents.

Key highlights and significant events until the date of this report are outlined below:

nanotron Technologies GmbH acquisition

- nanotron is a leading provider of electronic location-awareness components.
- 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 to Sensera a proven product portfolio with an IP protected position in location awareness that is established in core markets where it services large blue-chip end-users in the mining and agricultural sectors.

Leadership

- Appointment of Ralph Schmitt an experienced public company CEO as Managing Director
- Appointment of David Garrison as Chief Financial Officer

Customers & corporate

- Two year multi-million-dollar supply agreement with SmartBow GmbH which will materially impact sales from FY19
- Three year multi-million-dollar value supply agreement with Abiomed Inc (ABMD:NASDAQ) which will materially impact sales from FY19
- Established ISO9001 and commenced process for 13485:2016 accreditation for medical devices
- Completed development of novel sensor for military contractor client
- Validated first of Abiomed’s products ready for manufacturing
- Secured an additional large-scale healthcare client for the microdevice business

Significant changes in the state of affairs

On 23 August 2017, the Group completed the acquisition of 100% equity interest in nanotron Technologies GmbH, a leading provider of location-awareness products and services based in Berlin, Germany for a total consideration of EUR6.4 million.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial periods, or
(b) the results of those operations in future financial periods, or
(c) the Group's state of affairs in future financial periods.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of Directors.

Matthew Morgan
Chairman

Melbourne, 28 February 2018

Level 18
King George Central
145 Ann Street
Brisbane QLD 4000
Correspondence to:
GPO Box 1008
Brisbane QLD 4001

T + 61 7 3222 0200
F + 61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration to the Directors of Sensera Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Sensera Limited for the half-year ended 31 December 2017. I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Cameron Smith

CDJ Smith
Partner – Audit & Assurance

Brisbane, 28 February 2018

	Notes	31 December 2017 US$	From 6 July 2016 to 31 December 2016 US$
Revenue from continuing operations			
Revenue		**2,074,466**	536,077
Cost of sales		**(957,147)**	(619,777)
Gross profit/(loss)		**1,117,319**	(83,700)
Other income		**39,429**	33
Other expenses from ordinary activities			
Selling and marketing		**(409,775)**	(110,211)
General and administration	6	**(3,622,088)**	(1,632,460)
Internal research and development		**(458,378)**	(94,277)
Finance costs		**(22,334)**	-
Loss before income tax		**(3,355,827)**	(1,920,615)
Income tax expense		**-**	-
Loss for the period		**(3,355,827)**	(1,920,615)
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**50,385**	(112,041)
Total comprehensive loss for the period		**(3,305,442)**	(2,032,656)
		US Cents	US Cents
Loss per share from loss attributable to the ordinary equity holders of the Company:			
Basic loss per share	20	**2.5**	2.9
Diluted loss per share	20	**2.5**	2.9

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Sensera Limited
Consolidated statement of financial position
As at 31 December 2017

	Notes	**31 December 2017 US$**	30 June 2017 US$
ASSETS			
Current assets			
Cash and cash equivalents		**4,460,506**	4,049,772
Trade and other receivables		**747,636**	100,813
Inventories		**714,320**	356,491
Other current assets	9	**356,002**	89,063
Total current assets		**6,278,464**	4,596,139
Non-current assets			
Property, plant and equipment	10	**1,473,103**	806,666
Intangible assets	11	**8,349,524**	11,945
Total non-current assets		**9,822,627**	818,611
Total assets		**16,101,091**	5,414,750
LIABILITIES			
Current liabilities			
Trade and other payables	12	**2,970,670**	374,435
Deferred revenue	14	**502,349**	-
Provisions	13	**550,410**	-
Employee benefit obligations		**34,914**	30,860
Total current liabilities		**4,058,343**	405,295
Non-current liabilities			
Deferred revenue	14	**645,334**	-
Total liabilities		**4,703,677**	405,295
Net assets		**11,397,414**	5,009,455
EQUITY			
Contributed equity	15	**20,182,328**	10,793,542
Reserves	16	**(97,293)**	(452,293)
Retained earnings		**(8,687,621)**	(5,331,794)
Total equity		**11,397,414**	5,009,455

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

	Notes	Share capital US$	Reserves US$	Accumulated losses US$	Total equity US$
Opening balance at 6 July 2016		-	-	-	-
Loss for the period		-	-	(1,920,615)	(1,920,615)
Other comprehensive income		-	(112,041)	-	(112,041)
Total comprehensive loss for the period		**-**	**(112,041)**	**(1,920,615)**	**(2,032,656)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax		10,820,423	-	-	10,820,423
Common control reserve		-	(1,208,466)	-	(1,208,466)
Balance at 31 December 2016		**10,820,423**	**(1,320,507)**	**(1,920,615)**	**7,579,301**

	Notes	Share capital US$	Reserves US$	Accumulated losses US$	Total equity US$
Opening balance at 1 July 2017		10,793,542	(452,293)	(5,331,794)	5,009,455
Loss for the period		-	-	(3,355,827)	(3,355,827)
Other comprehensive income	16	-	50,385	-	50,385
Total comprehensive loss for the period		**-**	**50,385**	**(3,355,827)**	**(3,305,442)**
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs and tax	15	9,388,786	-	-	9,388,786
Options issued	16	-	304,615	-	304,615
Balance at 31 December 2017		**20,182,328**	**(97,293)**	**(8,687,621)**	**11,397,414**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	31 December 2017 US$	From 6 July 2016 to 31 December 2016 US$
Cash flows from operating activities			
Receipts from customers		**1,976,165**	210,403
Payments to suppliers and employees		**(4,835,530)**	(1,710,164)
Interest received		**39,429**	33
Interest paid		**(22,334)**	-
Net cash (outflow) from operating activities		**(2,842,270)**	(1,499,728)
Cash flows from investing activities			
Payments for acquisition of subsidiary, net of cash acquired	19	**(4,375,375)**	-
Payments for property, plant and equipment and other assets	10, 11	**(775,608)**	(98,891)
Net cash (outflow) from investing activities		**(5,150,983)**	(98,891)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**8,937,740**	9,869,784
Transaction costs related to issue of shares		**(558,226)**	(740,727)
Net cash inflow from financing activities		**8,379,514**	9,129,057
Net increase in cash and cash equivalents		**386,261**	7,530,438
Cash and cash equivalents at the beginning of the financial period		**4,049,772**	-
Effects of exchange rate changes on cash and cash equivalents		**24,473**	(112,041)
Cash and cash equivalents at end of period		**4,460,506**	7,418,397

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year report

This condensed consolidated interim report for the half-year ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001,* and is presented in United States dollars (US$).

This condensed consolidated interim report does not include all the notes of the type normally included in an annual financial report in accordance with Australian Accounting Standards, and should be read in conjunction with the annual report of the Group for the year ended 30 June 2017 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim report has been prepared in accordance with the accounting policies adopted in the Group's annual report for the year ended 30 June 2017. The accounting policies have been applied consistently throughout the group for the purpose of preparation of this interim report.

(a) Going concern

The group incurred a net loss of US$3,355,827, and had operating cash outflows of US$2,842,270 for the half-year period ended 31 December 2017. As at 31 December 2017, the group's cash and cash equivalents balance was US$4,460,506.

The interim report has been prepared on a going concern basis. In the process of approving the group's internal forecast and business plan for the upcoming periods, the Board has considered the cash position of the Group within the next 12 months from the date of this report. The Board acknowledges the possibility of additional funding to be required in order to meet the Group's working capital requirements and other capital commitments. To the date of this report, the Group has successfully raised a total of approximately AUD21.6 million (before costs) from the initial IPO and subsequent placements to professional and sophisticated investors.

Based on the above considerations, the Board has assessed the resources and opportunities available to the group, and consequently believe that the group will be able to repay its debts as and when they fall due.

(b) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(c) Impact of standards issued but not yet applied by the entity

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

1 Basis of preparation of half-year report (continued)

(c) Impact of standards issued but not yet applied by the entity (continued)

Title of standard	Nature of change	Impact	Mandatory application date
AASB 15 *Revenue from Contracts with Customers*	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. This standard will also add some revenue-related Interpretations: - establishes a new revenue recognition model - changes the basis for deciding whether revenue is to be recognised over time or at a point in time - provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing) - expands and improves disclosures about revenue. The standard permits either a full retrospective or a modified retrospective approach for the adoption.	Management has considered the recognition and measurement requirements of AASB 15 in conjunction with the existing contracts between the Group and its customers. Based on this assessment, management concluded that there would have been no difference to the recognition and measurement of revenue had AASB 15 been adopted and applied during the reporting period, as compared to the current accounting policy on revenue.	Must be applied for financial years commencing on or after 1 January 2018.
AASB 16 *Leases*	AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases. The accounting for lessors will not significantly change.	Management has considered the recognition and measurement requirements of AASB 16 in conjunction with the existing operating lease agreements between the Group and its suppliers. Based on this assessment, management concluded that there would have been a material impact to the financial statements had AASB 16 been adopted and applied during the period, as compared to the current accounting policy on leases. As at 31 December 2017, the Group had an outstanding operating lease commitment of US$842,762.	Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.
AASB 9 *Financial instruments*	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.	Management has not considered the impact of AASB 9 in the current reporting period.	Must be applied for financial years commencing on or after 1 January 2018.

2 Summary of significant accounting policies

(a) Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2 Summary of significant accounting policies (continued)

(a) Principles of consolidation (continued)

The "pooling method" of accounting is used to account for common control business combinations between Sensera Limited and Sensera Inc.

The acquisition method of accounting is used to account for business combinations between the Group and nanotron Technologies Gmbh (refer to note 2(b)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where controlled entities have entered or left the group during the period, the financial performance of those entities is included only for the period that they were controlled. In preparing the interim consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

(b) Business combination (acquisition of nanotron Technologies Gmbh)

The acquisition method of accounting is used to account for applicable business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred
- liabilities incurred
- equity interests issued by the Group

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest’s proportionate share of the acquired entity’s net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred, and
- deferred consideration

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the group’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. As at 31 December 2017, all outstanding deferred consideration is due in less than 12 months and thus management considers the time value of money impact to be minimal.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer’s previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies

(i) Recognition of revenue relating to the provision of services

Revenue relating to the provision of services is recognised based on management's best estimation of the forecast of final cost required to complete the service and the forecast of final margin to be recognised. Management reviews these forecasts on a regular basis and adjusts revenue recognised when there are material changes.

(ii) Fair value of assets and liabilities acquired

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. Management exercises judgement and estimation in determining the fair values at acquisition date of these assets or liabilities.

4 Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer, under the advisement of the full Board of Directors, of that are used to make strategic decisions.

Management considers the business from both a product/service and a geographic perspective and has identified two reportable segments, including:

- Microdevices, represents the integrated, fast turnaround client-specific designing and manufacturing of specialised high performance microsensors and micro-fabricated components based in Boston, United States.
- Locationaware IoT Solutions ("nanotron"), represents the embedded location platform which delivers location-awareness for safety and productivity solutions across industrial and consumer markets. The platform consists of chips, modules and software that enable precise real-time positioning and concurrent wireless communication. The ubiquitous proliferation of interoperable platforms is creating the location-aware Internet of Things. The nanotron business segment bases in Berlin, Germany.

In prior reporting periods, prior to the acquisition of the nanotron business, there was only one reportable segment under AASB 8 *Operating Segment*.

(b) Segment information

The segment information provided to the Chief Executive Officer for the reportable segments for the half-year 31 December 2017 is as follows:

2017	**Microdevices** US$	**nanotron** US$	**Total** US$
Total segment revenue	287,937	1,786,529	2,074,466
Corporate	-	-	-
Total revenue	**287,937**	**1,786,529**	**2,074,466**
Segment adjusted EBITDA	(2,061,708)	(82,330)	(2,144,038)
Corporate	-	-	(1,085,011)
Total adjusted EBITDA	**(2,061,708)**	**(82,330)**	**(3,229,049)**

4 Segment information (continued)

(b) Segment information (continued)

2017	**Microdevices** US$	**nanotron** US$	**Total** US$
Depreciation and amortisation	(89,648)	(14,796)	(104,444)
Finance costs	-	(22,334)	(22,334)
Net loss for the period	**(2,151,356)**	**(119,460)**	**(3,355,827)**
Segment assets	5,152,315	10,667,847	15,820,162
Corporate	-	-	280,929
Total assets	5,152,315	10,667,847	16,101,091
Segment liabilities	(451,807)	(4,142,995)	(4,594,802)
Corporate	-	-	(108,875)
Total liabilities	(451,807)	(4,142,995)	(4,703,677)

(c) Other segment information

During the half-year ended 31 December 2017, US$1,031,991 of the Group's revenue was contributed by two major customers, each contributed to more than 10% of the Group's revenue in the reporting period.

5 Revenue

	31 December 2017 US$	From 6 July 2016 to 31 December 2016 US$
Sale of goods	**1,786,529**	-
Services	**287,937**	536,077
	2,074,466	536,077

6 Expenses

	31 December 2017 US$	From 6 July 2016 to 31 December 2016 US$
General and administration		
Employee related expenses	**1,705,848**	937,401
Rent and occupancy costs	**431,544**	241,136
Accounting, audit, legal and taxation expenses	**272,064**	124,122
Investor relation expenses	**180,405**	22,486
Other consulting expenses	**520,558**	147,518
Insurance expenses	**38,667**	25,340
Depreciation expenses	**104,444**	4,927
Other expenses	**368,558**	129,530
	3,622,088	1,632,460

7 Trade and other receivables

	31 December 2017			30 June 2017		
	Current US$	**Non-current US$**	**Total US$**	Current US$	Non-current US$	Total US$
Trade receivables	**524,405**	**-**	**524,405**	63,270	-	63,270
Provision for impairment of receivables	**(20,955)**	**-**	**(20,955)**	(26,500)	-	(26,500)
	503,450	**-**	**503,450**	36,770	-	36,770
Other receivables	**244,186**	**-**	**244,186**	64,043	-	64,043
	747,636	**-**	**747,636**	100,813	-	100,813

8 Inventories

	31 December 2017			30 June 2017		
	Current US$	**Non-current US$**	**Total US$**	Current US$	Non-current US$	Total US$
Raw materials and stores	**46,154**	**-**	**46,154**	-	-	-
Work in progress - revenue contracts	**495,371**	**-**	**495,371**	580,229	-	580,229
Finished goods	**242,780**	**-**	**242,780**	-	-	-
Provision for loss - revenue contracts	**(69,985)**	**-**	**(69,985)**	(223,738)	-	(223,738)
	714,320	**-**	**714,320**	356,491	-	356,491

9 Other current assets

	31 December 2017 US$	30 June 2017 US$
Current assets		
Prepayments	**339,336**	69,797
Others	**16,666**	19,266
	356,002	89,063

10 Property, plant and equipment

	R&D equipment US$	Furniture and fixtures US$	Leasehold improvements US$	Other assets US$	Total US$
At 1 July 2017					
Cost or fair value	780,904	20,765	35,146	20,659	857,474
Accumulated depreciation	(45,026)	(863)	(979)	(3,940)	(50,808)
Net book amount	735,878	19,902	34,167	16,719	806,666
Half-year ended 31 December 2017					
Opening net book amount	735,878	19,902	34,167	16,719	806,666
Acquisition of subsidiary	-	1,176	8,788	29,230	39,194
Additions	321,627	-	12,817	396,903	731,347
Depreciation charge	(79,387)	(2,076)	(3,952)	(19,028)	(104,443)
Exchange differences	(1)	(1)	-	341	339
Closing net book amount	978,117	19,001	51,820	424,165	1,473,103
At 31 December 2017					
Cost	1,102,531	21,941	56,751	432,337	1,613,560
Accumulated depreciation	(124,414)	(2,940)	(4,931)	(8,172)	(140,457)
Net book amount	978,117	19,001	51,820	424,165	1,473,103

11 Intangible assets

	Goodwill US$	Patents, trademarks and others US$	Total US$
Half-year 31 December 2017			
Opening net book amount	-	11,945	11,945
Additions	-	44,261	44,261
Acquisition of business(*)	5,194,640	3,073,109	8,267,749
Exchange differences	-	25,569	25,569
Closing net book amount	5,194,640	3,154,884	8,349,524

(a) Impairment tests for goodwill

Goodwill is monitored by management at the operating segment level. Management reviews the business performance based on geography and type of business. As at 31 December 2017, management believe there is no adjustment to the carrying value of goodwill as there have been no indications of impairment for the period from the nanotron acquisition in August 2017 to the reporting period end.

(*) These numbers are provisional as set out in Note 19.

12 Trade and other payables

	31 December 2017			30 June 2017		
	Current US$	**Non-current US$**	**Total US$**	Current US$	Non-current US$	Total US$
Trade payables	**581,347**	**-**	**581,347**	156,368	-	156,368
Accrued expenses	**2,357,308**	**-**	**2,357,308**	218,067	-	218,067
Other payables	**32,015**	**-**	**32,015**	-	-	-
	2,970,670	**-**	**2,970,670**	374,435	-	374,435

Accrued expenses include US$2,237,802 in commitments due to the nanotron vendors as part of the consideration when the Group acquired this subsidiary, which is due and payable by 1 July 2018 and 1 October 2018.

13 Provisions

	31 December 2017			30 June 2017		
	Current US$	**Non-current US$**	**Total US$**	Current US$	Non-current US$	Total US$
Service warranties	**186,442**	**-**	**186,442**	-	-	-
Other provisions	**363,968**	**-**	**363,968**	-	-	-
	550,410	**-**	**550,410**	-	-	-

14 Deferred revenue

	31 December 2017			30 June 2017		
	Current US$	**Non-current US$**	**Total US$**	Current US$	Non-current US$	Total US$
Other deferred income	**502,349**	**645,334**	**1,147,683**	-	-	-
	502,349	**645,334**	**1,147,683**	-	-	-

Deferred revenue relates to receipts in customers received for goods and services to be delivered and rendered by the nanotron business.

15 Contributed equity

(a) Share capital

	31 December 2017 No. of shares	30 June 2017 No. of shares	**31 December 2017 US$**	30 June 2017 US$
Ordinary shares - fully paid	**159,763,333**	122,100,000	**20,182,328**	10,793,542

15 Contributed equity (continued)

(b) Movements in ordinary share capital

Details	No. of shares	US$
Opening balance	122,100,000	10,793,542
Issue of ordinary shares to sophisticated and professional investors at AUD0.32 per share	14,330,000	3,637,588
Less: transaction costs	-	(257,620)
Issue of ordinary shares to sophisticated and professional investors at AUD0.30 per share	23,333,333	5,300,152
Less: transaction costs	-	(300,606)
Commitment to issue 3,975,952 ordinary shares to nanotron vendors as part of the 2nd instalment (*)	-	1,009,272
	159,763,333	20,182,328

(*) These shares were subsequently issued in January 2018.

16 Reserves

	Notes	Common control reserve US$	Share- based payments US$	Foreign currency translation US$	Total US$
Balance at 1 July 2017		(1,208,466)	447,072	309,101	(452,293)
Currency translation differences in current period		-	-	50,385	50,385
Share-based payment expenses	22	-	304,615	-	304,615
At 31 December 2017		**(1,208,466)**	**751,687**	**359,486**	**(97,293)**

(a) Options

Details	Number of options	US$
Opening balance 1 July 2017	3,000,000	447,072
Options issued	4,500,000	304,615
Balance 31 December 2017	7,500,000	751,687

Date	Details	No.	Amount US$
30-Nov-17	Issue of options to CEO as part of remuneration	3,000,000	147,947
8-Dec-17	Issue of options to consultants	1,500,000	156,668
		4,500,000	**304,615**

17 Key management personnel disclosures

(a) Key management personnel compensation

	31 December 2017 US$
Short-term employee benefits	**156,006**
Share-based payments	**147,947**
	303,953

(b) Equity instrument disclosures relating to key management personnel

The tables below present the movement in equity held by the group's key management personnel for the half-year period ended 31 December 2017.

(i) Option holdings

Name	Balance at start of the period No.	Granted as compensation No.	Exercised No.	Other changes No.	Balance at end of the period No.	Vested and exercisable No.	Unvested No.
Matthew Morgan	-	-	-	-	-	-	-
Jonathan Tooth	-	-	-	-	-	-	-
George Lauro	-	-	-	-	-	-	-
Ralph Schmitt	-	3,000,000	-	-	-	-	3,000,000

(ii) Share holdings

Name	Balance at the start of the period No.	Received during the year on the exercise of options No.	Received on vesting of rights to deferred shares No.	Other changes during the period No.	Balance at end of the period No.
Matthew Morgan	2,410,000	-	-	141,016	2,551,016
Jonathan Tooth	1,204,000	-	-	150,000	1,354,000
George Lauro	750,000	-	-	165,755	915,755
Ralph Schmitt	-	-	-	-	-

Other changes during the period represent on-market purchases made by the directors.

18 Related party transactions

(a) Parent entities

The parent entity within the Group is Sensera Limited.

(b) Subsidiaries

Subsidiary	Country	Principal activities	Percentage of ownership
Sensera Inc.	United States of America	Design and manufacture of specialised high performance microsensors and MEMS	100%
nanotron Technologies Gmbh	Germany	Provide location-awareness solution for safety and productivity solutions across industrial and consumer markets	100%

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 17.

(d) Transactions/balances with other related parties

The following transactions occurred with related parties:

	31 December 2017 US$
Directors' related entities	
Consulting fee	**212,961**
Lead manager retainer fees	**23,737**
General service agreement fees	**117,498**
Options issued as consultants	**31,333**
Share placement fees	**252,753**

(e) Terms and conditions

All transactions with related parties were made on normal commercial terms and conditions and at market rates.

19 Business combination

(a) Summary of acquisition

On 23 August 2017, the parent entity completed the acquisition of 100% of equity interest in nanotron Technologies Gmbh, a location-awareness solution provider based on Berlin, Germany.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

19 Business combination (continued)

(a) Summary of acquisition (continued)

Details of the purchase consideration, the net assets acquired and goodwill are as follows, at this interim reporting time, these numbers are provisional only and subject to change once finalised:

	US$
Purchase consideration (refer to (b) below):	
Cash paid	**4,441,875**
Ordinary share issued	**1,009,272**
Deferred cash payments	**2,271,736**
Total purchase consideration	**7,722,883**

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value US$
Cash	**66,500**
Trade and other receivables	**76,567**
Inventories	**607,756**
Other current assets	**101,679**
Plant and equipment	**39,194**
Intangible assets	**3,073,109**
Trade and other payables	**(78,809)**
Deferred income	**(1,161,225)**
Other liabilities	**(196,528)**
Net identifiable assets acquired	**2,528,243**
Add: goodwill	**5,194,640**
Net assets acquired	**7,722,883**

There were no acquisitions in the period ending 31 December 2016.

(i) Revenue and loss contribution

The acquired business contributed revenues of US$1,786,529 and net loss of US$119,460 to the group for the period from 23 August 2017 to 31 December 2017.

If the acquisition had occurred on 1 July 2017, the contribution to the group's consolidated revenue and consolidated loss for the half-year ended 31 December 2017 would have been US$2,679,794 and US$179,170 respectively.

(b) Purchase consideration - cash outflow

	31 December 2017 US$	From 6 July 2016 to 31 December 2016 US$
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	**4,441,875**	-
Less: balances acquired		
Cash	**(66,500)**	-
Outflow of cash - investing activities	**4,375,375**	-

19 Business combination (continued)

(b) Purchase consideration - cash outflow (continued)

Acquisition-related costs

Acquisition-related costs of US$472,450 are included in general and administration expenses on the consolidated statement of profit or loss and other comprehensive income, and in operating cash flows in the consolidated statement of cash flows.

20 Loss per share

(a) Basic loss per share

	31 December 2017 US Cents	From 6 July 2016 to 31 December 2016 US Cents
Total basic loss per share attributable to the ordinary equity holders of the Company	**2.5**	2.9

(b) Diluted loss per share

	31 December 2017 US Cents	From 6 July 2016 to 31 December 2016 US Cents
Total diluted loss per share attributable to the ordinary equity holders of the Company	**2.5**	2.9

(c) Reconciliation of losses used in calculating loss per share

	31 December 2017 US$	From 6 July 2016 to 31 December 2016 US$
Basic & diluted loss per share		
Loss attributable to the ordinary equity holders of the Company used in calculating basic loss per share:		
From continuing operations	**3,355,827**	1,920,615

(d) Weighted average number of shares used as denominator

	2017 Number of shares	2016 Number of shares
Weighted average number of ordinary shares used as the denominator in calculating basic & diluted loss per share	**136,389,035**	65,412,921

The outstanding share options as at 31 December 2017 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

21 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

22 Share-based payments

(a) Options granted during the period

	2017 Average exercise price per share option AUD	**Number of options**
As at 1 July	**0.44**	**3,000,000**
Granted during the period	**0.37**	**4,500,000**
Exercised during the period	**-**	**-**
Forfeited during the period	**-**	**-**
As at 31 December - outstanding	**0.40**	**7,500,000**
Vested and exercisable at closing balance	**0.43**	**4,500,000**

No options expired during the periods covered by the above tables.

Share options outstanding at 31 December 2017 have the following expiry date and exercise prices.

Grant date	**Expiry date**	**Exercise price AUD**	**No. of share options 31 December 2017**
26-Apr-17	25-Apr-18	0.300	500,000
26-Apr-17	25-Apr-19	0.400	750,000
26-Apr-17	25-Apr-20	0.500	1,750,000
30-Nov-17	29-Nov-22	0.350	3,000,000
08-Dec-17	15-Aug-20	0.400	1,500,000
			7,500,000

Weighted average remaining contractual life of options outstanding at end of period	3.18

Fair value of options granted

The model inputs for options granted during the half-year 31 December 2017 included:

Grant date	**Exercise price AUD**	**Number of options granted**	**Expected share price volatility**	**Expiry date**	**Dividend yield**	**Risk-free interest rate**	**Fair value per option at grant date US$**
30-Nov-17	0.350	3,000,000	80%	29-Nov-22	Nil	2.13%	0.170
08-Dec-17	0.400	1,500,000	80%	15-Aug-20	Nil	1.94%	0.104
		4,500,000					

22 Share-based payments (continued)

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	31 December 2017 US$	From 6 July 2016 to 31 December 2016 US$
Options issued to consultants	**156,668**	-
Options issued to employees	**147,947**	-
	304,615	-

In the Directors' opinion:

(a) the interim financial statements and notes set out on pages 6 to 24 are in accordance with the *Corporations Act 2001*, including:
   (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting*,
   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the reporting period on that date, and
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors.

Matthew Morgan
Director
Melbourne
28 February 2018

Grant Thornton

Level 18
King George Central
145 Ann Street
Brisbane QLD 4000
Correspondence to:
GPO Box 1008
Brisbane QLD 4001

T + 61 7 3222 0200
F + 61 7 3222 0444
E info.qld@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report to the Members of Sensera Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Sensera Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Sensera Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half-year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of US$3,722,064 during the half-year ended 31 December 2017 and, had net operating cash out flows of US$2,842,270. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' Responsibility for the Half-Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Sensera Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Cameron Smith

CDJ Smith
Partner - Audit & Assurance

Brisbane, 28 February 2018