Name of entity: **Sensera Limited**

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

Current financial period: **half-year ended 31 December 2018**
Corresponding financial period: **half-year ended 31 December 2017**

Results for announcement to the market

				US$
Revenue for ordinary activities	Up	78.1%	to	3,695,141
Net loss after tax (from ordinary activities) for the period attributable to members	Up	49.7%	to	(5,023,214)
Net loss after tax for the period attributable to members	Up	49.7%	to	(5,023,214)

	31 December 2018 US Cents	31 December 2017 US Cents
Basic loss per share	2.4	2.5
Diluted loss per share	2.4	2.5

Explanation of results

Please refer to the Review of operations section on page 2 in the accompanying interim financial report for detailed explanation on the results for the current financial period.

Distributions

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 2018 US Cents	31 December 2017 US Cents
Net tangible asset backing (cent per share)	**0.27**	1.91

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 financial report
Half-year ended 31 December 2018

Directors	Allan Brackin *Independent Non-Executive Chairman*
	Ralph Schmitt *Managing Director*
	Matthew Morgan *Non-Executive Director*
	Jonathan Tooth *Non-Executive Director*
	George Lauro *Non-Executive Director*
	Camillo Martino *Non-Executive 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

Review of operations and activities

Financial Review

Sales

Sensera sales increased during the period and the Company achieved record revenues of US$3.695M in the first half of FY 2019.

The Company expects continued revenue and cash receipt growth in the second half of FY19 and reaffirms a fiscal year 2019 revenue forecast of between US$10.5 million and US$11.5 million.

Operating Expenditure

Operating expenses stayed flat for the first half of FY2019. The Company continues to leverage its current expenditures into higher revenue towards positive operational cash flow expected before the end of FY19. During the period, the Company paid its remaining obligations of US$2.2M for the acquisition of nanotron Technologies. This payment completes all obligations for this acquisition.

Research & Development

Sensera continues to invest in R&D at both the device (chip or component) level and system/software level. The Company successfully completed the scheduled tapeout (design fabrication) of its next-generation nanoLOX controller, a key element to the continued growth of precise real-time location data communication. Sensera saw an increase in R&D for middleware and analytic software development in order to migrate the sensor system deployment to a service-based model during FY20.

Operational Review

Nanotron - IoT System Solutions

In September, nanotron Technologies GmbH achieved and deployed a new release of its nanoLES 3 Location Engine and Server Software. Through nanoLES 3 5K, Sensera can accurately and reliably track up to 5,000 distinct objects in real time - more than double the scope of existing commercial installations.

nanoLES 3 5K software is being deployed in the Company’s lead market of livestock health, where customers use it to accurately track dairy cows and their calves in real time by processing location data collected from wireless ear tags. Solutions based on nanoLES are helping farmers to better manage livestock, enabling production of superior meat and dairy products, boosting farm productivity and greatly simplifying livestock management to improve animal welfare and increase profits. This release will help the companies partner Smartbow/Zoetis enable larger dairy farms, primarily in North America, to use the product, which is being rolled out in early 2019.

The Company made its first shipments against the Smartbow/Zoetis contract during the December quarter. The operations team ramped a sophisticated supply chain in order to meet these customer commitments. The upcoming quarters will continue to see demand against this contract and the additional financing instrument announced to the market on 14 January 2019 will help manage cash as the company works through a lengthy supply chain.

Nanotron engaged into a cooperation and licensing agreement with ultra-wideband (UWB) component provider DecaWave. This enables a solution with even more precise location and longer-range capability using the company’s existing module and software products. This provided a faster time-to-market and lower cost engineering effort to enable this next-generation technology.

Review of operations and activities

Operational Review (continued)

Nanotron - IoT System Solutions (continued)

Nanotron also signed a volume supply agreement with Protran Technology to integrate Nanotron’s smart sensor modules into Protran’s Roadway Worker Protection solution. The agreement aims to help improve the safety of workers in the railway industry. Protran integrated Nanotron’s swarm bee LE (low energy) product, a smart RF sensor module, into its Roadway Worker Protection solution. The Protran solution issues secondary advanced warnings alerting personnel working on or around railway tracks to potentially hazardous situations such as approaching trains. It consists of Protran’s range of Protracker, Portable Train Detection and Collision Avoidance products.

In January, the Company partnered with industrial safety solutions provider Selectronic to launch a new mine safety collision avoidance solution (CAS). The parties’ first joint solution, called the PDS2400, is an RF-based proximity detection solution that supports collision awareness and proximity warning between fast-moving vehicles, as well as between vehicles and people.

The system is targeted at open-pit situations and provides an accuracy of 1m over long ranges of 100m or more, while an optional dual-mode tag can provide even higher accuracy down to 10cm at short ranges of 10m. This opens new market potential as the majority of Nanotron solutions have been for underground mining operations. Basing this new solution on the company’s tag-ready swarm bee smart radio frequency (RF) modules facilitates a modular solution which greatly reduces time-to-market.

Nanotron also launched its 360° Edge Analytics solution, software which processes data from any sensor in conjunction with any location radio technology. Location-aware sensors are increasingly important in complex data acquisition applications, such as sensing gases across extended areas in the mining industry. 360° Edge Analytics represents the first of an entire portfolio of real-time analytics tools and a new line of location-aware wireless sensors suitable for verticals including mining, manufacturing and healthcare.

MicroDevices

During the period, the Company added additional manufacturing capability by acquiring multiple tools in order to bring volume production in-house and reduce cost.

Specifically, the Company acquired and qualified additional thin-film processing equipment including a dicing saw, a wafer bonder and an electroplating cell. These tools empower the Company to provide solutions in extremely demanding applications, including:

- Microfluidic devices for bio-analysis, medical research and drug development
- Pressure sensors for human implantable surgical devices
- Precision accelerometer and gyroscope devices for geo-positioning
- Micro-mirror devices for laser based Automotive self-driving applications

Sensera achieved certification to the ISO 13485:2016 quality standard at the Woburn, MA fabrication facility. ISO 13485:2016 specifies requirements for a quality management system, specifically related to medical devices. After achieving ISO certification, one of Sensera’s projects featured on the cover of National Geographic’s January 2019 “The Future of Medicine” issue, highlighting Sensera’s role in enabling significant medicine advances.

Corporate

Capital Raising

In August, Sensera announced it planned to raise approximately AU$8.83 million through:

- An AU$8.267 million 4 for 9 pro rata non-renounceable entitlement offer of fully paid ordinary shares in Sensera at an offer price of $0.11 per new share, fully underwritten by Morgans Corporate Limited; and
- A $565,000 placement of 5,136,364 fully paid ordinary shares to institutional and sophisticated investors.

Review of operations and activities

Corporate (continued)

Capital Raising (continued)

Proceeds of the capital raising have funded:

- The final payment instalment relating to the Company's acquisition of nanotron;
- Research and development activities; and
- Offer costs and working capital to meet Sensera's intended growth objectives.

Working Capital Facilities to Support Growth

In January, the Company entered into a credit agreement with invoice and supply chain finance provider Timelio Pty Ltd. The facility is based on Sensera's component contract with animal health specialists Smartbow/Zoetis which is guaranteed for FY19 and FY20. The Company has started shipping against this contract which supports Sensera's drive towards operating profitability later in FY19.

The extended cycle time of the supply chain for components makes this an attractive capital structure to free up near term cash for other Company needs. Sensera will continue to consider opportunities to optimize its capital structure through infusions of credit to fund broader working capital needs, potential accretive acquisitions and strategic product development to accelerate the Company's growth and profitability.

In February, Sensera executed a debt agreement with a key investor and a director of the Company in the amount of US$1M to fund the Company's immediate needs for additional working capital.

The promissory note has a term of one year, a simple annual interest rate of 10% payable quarterly and provides the option of term extension. The terms of the note have been determined on an arm's length basis and have been approved by the non-associated directors of the Company.

Board Changes

Sensera announced the appointment of Allan Brackin as the Company's Independent Non-Executive Chairman to succeed Matt Morgan as Chairman on 1 December 2018. Mr Morgan remains a Non-Executive Director of Sensera and Chairman of the Audit and Risk Committee.

Mr Brackin has been involved in the technology industry for more than 30 years. He has been Chairman of Brisbane-based RPM Global (ASX: RUL), a leading enterprise technology, advisory and training provider in the mining industry, since 2011 and Chairman of the Fintech based financial services firm GBST Holdings Ltd (ASX: GBT) since 2015, having served on its Board prior to his appointment as Chairman. In 2014, Mr Brackin was appointed Chairman of telecommunications provider OptiComm Co Pty Ltd. Previously, Mr Brackin was Group CEO of Volante Limited (ASX: VGL), one of Australia's largest IT services companies from 2000-2004.

Outlook

Sensera continues to develop a differentiated and defensible hardware and software technology stack through which the Company is well advanced on its path from a pure product sales (capex) model to an additional solution service model (opex). This development is underpinning improvement in cash flow and growth in revenue from existing animal health, mining and medtech customers, while also broadening the scope of potential new customers.

The Company reiterates its forecast for FY19 growth in revenue of more than 70% to US$10.5 million - US$11.5 million. The company is confident on its forecast given a record backlog and is diligently working a balance of product inventory and working capital to meet this revenue growth. Revenue and gross profit continue to grow ahead of opex and the Company expects to be operating at cash flow positive by the end of FY19.

Your Directors present their report on the consolidated entity consisting of Sensera Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

Directors

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

Allan Brackin, Independent Non-Executive Chairman (appointed 1 December 2018)
Ralph Schmitt, Managing Director
Matthew Morgan, Non-Executive Director
Jonathan Tooth, Non-Executive Director
George Lauro, Non-Executive Director
Camillo Martino, Non-Executive Director (appointed 1 July 2018)

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

Refer to the Review of operations and activities section on page 2.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the period.

Matters subsequent to the end of the financial period

On 14 January 2019, the Group has entered into a credit agreement with invoice and supply chain finance provider Timelio Pty Ltd against working capital assets of Sensera. The facility is based on Sensera’s contract with animal health specialists Smartbow/Zoetis which is guaranteed for FY19 and FY20. The interest rate applicable is 1% per 30-day with a 1.0% plus GST drawdown fee with a limit of A$3 million. A guarantee over all the assets of the group is attached to this facility.

On 25 February 2019 the Group executed a debt agreement with a key investor and a director of the Company in the amount of US$1,000,000 to fund the Company’s immediate needs for additional working capital. This promissory note provides short-term capital with a term of one year, a simple interest rate of 10% payable quarterly and the option of term extension. The note is subordinate to the company’s current senior lender, Timelio Pty Ltd.

No other matter or circumstance has arisen since 31 December 2018 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 7.

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

Matthew Morgan
Non-Executive Director
Brisbane
28 February 2019

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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 2018. 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 2019

	Notes	Consolidated entity 31 December 2018 US$	31 December 2017 US$
Revenue from continuing operations			
Revenue	2	**3,695,141**	2,074,466
Cost of sales		**(1,911,043)**	(957,147)
Gross profit/(loss)		**1,784,098**	1,117,319
Other income		**23,988**	39,429
Other expenses from ordinary activities			
Selling and marketing		**(253,082)**	(409,775)
General and administration	3	**(6,230,368)**	(3,622,088)
Internal research and development		**(313,993)**	(458,378)
Finance costs		**(33,857)**	(22,334)
Loss before income tax		**(5,023,214)**	(3,355,827)
Income tax expense		**-**	-
Loss for the period		**(5,023,214)**	(3,355,827)
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**(32,787)**	50,385
Total comprehensive loss for the period		**(5,056,001)**	(3,305,442)
		US Cents	US Cents
Loss per share from loss attributable to the ordinary equity holders of the Company:			
Basic loss per share	4	**2.4**	2.5
Diluted loss per share	4	**2.4**	2.5

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

	Notes	Consolidated entity 31 December 2018 US$	30 June 2018 US$
ASSETS			
Current assets			
Cash and cash equivalents		**441,851**	2,030,566
Trade and other receivables	5(a)	**2,007,728**	976,708
Contract assets		**80,785**	-
Inventories	6(a)	**1,521,471**	447,696
Other current assets		**516,444**	749,748
Total current assets		**4,568,279**	4,204,718
Non-current assets			
Property, plant and equipment		**829,741**	780,869
Intangible assets		**9,025,624**	9,045,073
Total non-current assets		**9,855,365**	9,825,942
Total assets		**14,423,644**	14,030,660
LIABILITIES			
Current liabilities			
Trade and other payables	5(b)	**3,083,054**	4,233,200
Provisions		**642,477**	472,460
Employee benefit obligations		**105,151**	83,547
Total current liabilities		**3,830,682**	4,789,207
Non-current liabilities			
Deferred tax liabilities		**913,875**	913,875
Total liabilities		**4,744,557**	5,703,082
Net assets		**9,679,087**	8,327,578
EQUITY			
Contributed equity	7(a)	**26,463,450**	20,237,536
Reserves	7(b)	**340,347**	191,538
Retained earnings		**(17,124,710)**	(12,101,496)
Total equity		**9,679,087**	8,327,578

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 1 July 2018		20,237,536	191,538	(12,101,496)	8,327,578
Loss for the period		-	-	(5,023,214)	(5,023,214)
Other comprehensive income	7(b)	-	(32,787)	-	(32,787)
Total comprehensive loss for the period		**-**	**(32,787)**	**(5,023,214)**	**(5,056,001)**
Transactions with owners in their capacity as owners:					
Issue of ordinary shares, net of transaction costs	7	6,055,622	-	-	6,055,622
Share based payments	7(a)	170,292	181,596	-	351,888
Balance at 31 December 2018		**26,463,450**	**340,347**	**(17,124,710)**	**9,679,087**

	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		-	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:					
Issue of ordinary shares, net of transaction costs		9,388,786	-	-	9,388,786
Share based payments		-	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 financial position should be read in conjunction with the accompanying notes.

	Notes	Consolidated entity 31 December 2018 US$	31 December 2017 US$
Cash flows from operating activities			
Receipts from customers		**2,453,766**	1,976,165
Payments to suppliers and employees		**(7,711,969)**	(4,835,530)
Interest received		**23,988**	39,429
Interest paid		**(33,857)**	(22,334)
Net cash (outflow) from operating activities		**(5,268,072)**	(2,842,270)
Cash flows from investing activities			
Payment for acquisition of subsidiary (instalments for the nanotron acquisition)		**(2,225,645)**	(4,375,375)
Payments for property, plant and equipment and other assets		**(71,746)**	(775,608)
Net cash (outflow) from investing activities		**(2,297,391)**	(5,150,983)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**6,412,283**	8,937,740
Transaction costs related to issue of shares		**(356,661)**	(558,226)
Net cash inflow from financing activities		**6,055,622**	8,379,514
Net (decrease) increase in cash and cash equivalents		**(1,509,841)**	386,261
Cash and cash equivalents at the beginning of the financial year		**2,030,566**	4,049,772
Effects of exchange rate changes on cash and cash equivalents		**(78,874)**	24,473
Cash and cash equivalents at end of period		**441,851**	4,460,506

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

1 Segment information

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.

(a) Description of segments

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 ("IoT Solutions"), 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 IoT Solutions business segment bases in Berlin, Germany.

(b) Segment information

The segment information provided to the Chief Executive Officer for the reportable segments for the half-year 31 December 2018 is as follows:

Consolidated entity 31 December 2018	**Microdevices** US$	**IoT Solutions** US$	**Total** US$
Total segment revenue	1,196,605	2,498,536	3,695,141
Corporate	-	-	-
Total revenue	1,196,605	2,498,536	3,695,141
Segment adjusted EBITDA	(1,982,641)	(1,537,323)	(3,519,964)
Corporate	-	-	(1,446,518)
Total adjusted EBITDA	(1,982,641)	(1,537,323)	(4,966,482)
Depreciation and amortisation	(28,799)	5,924	(22,875)
Finance costs	-	-	(33,857)
Net loss for the period	**(2,011,440)**	**(1,531,399)**	**(5,023,214)**
Segment assets	2,214,380	12,096,775	14,311,155
Corporate	-	-	112,489
Total segment assets	**2,214,380**	**12,096,775**	**14,423,644**
Segment liabilities	(1,045,944)	(2,724,290)	(3,770,234)
Corporate	-	-	(974,323)
Total segment liabilities	**(1,045,944)**	**(2,724,290)**	**(4,744,557)**

1 Segment information (continued)

(b) Segment information (continued)

Consolidated entity **31 December 2017**	**Microdevices** US$	**IoT Solutions** 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)
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 segment assets	**5,152,315**	**10,667,847**	**16,101,091**
Segment liabilities	(451,807)	(4,142,995)	(4,594,802)
Corporate	-	-	(108,875)
Total segment liabilities	**(451,807)**	**(4,142,995)**	**(4,703,677)**

2 Revenue

	Consolidated entity	
	31 December 2018 **US$**	31 December 2017 US$
Sale of goods (a)	**3,138,451**	1,786,529
Services (b)	**556,690**	287,937
	3,695,141	2,074,466

(a) recognised by goods transferred at a point in time.

(b) recognised by services transferred over time.

3 Expenses

	Consolidated entity	
	31 December 2018 US$	31 December 2017 US$
General and administration		
Employee related expenses	**3,776,457**	1,705,848
Rent and occupancy costs	**467,617**	431,544
Accounting, audit, legal and taxation expenses	**137,585**	272,064
Investor relation expenses	**82,526**	180,405
Other consulting expenses	**550,817**	520,558
Insurance expenses	**25,327**	38,667
Equipment lease & associated costs	**441,432**	46,205
Depreciation expenses	**22,875**	104,444
Other expenses	**725,732**	322,353
	6,230,368	3,622,088

4 Loss per share

(a) Basic loss per share

	Consolidated entity	
	31 December 2018 US Cents	31 December 2017 US Cents
Total basic loss per share attributable to the ordinary equity holders of the Company	**2.4**	2.5

(b) Diluted loss per share

	Consolidated entity	
	31 December 2018 US Cents	31 December 2017 US Cents
Total diluted loss per share attributable to the ordinary equity holders of the Company	**2.4**	2.5

4 Loss per share (continued)

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

	Consolidated entity	
	31 December 2018 US$	31 December 2017 US$
Basic & diluted loss per share		
Loss attributable to the ordinary equity holders of the Company used in calculating loss per share:		
From continuing operations	**5,023,214**	3,355,827

The outstanding share options as at 31 December 2018 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

(d) Weighted average number of shares used as denominator

	Consolidated entity	
	2018 Number of shares	2017 Number of shares
Weighted average number of ordinary shares used as the denominator in calculating basic & diluted loss per share	**213,293,227**	136,389,035

5 Financial assets and financial liabilities

(a) Trade and other receivables

	Consolidated entity					
	31 December 2018			30 June 2018		
	Current US$	**Non-current US$**	**Total US$**	Current US$	Non-current US$	Total US$
Trade receivables	**1,982,517**	**-**	**1,982,517**	987,938	-	987,938
Provision for impairment	**(39,600)**	**-**	**(39,600)**	(20,931)	-	(20,931)
	1,942,917	**-**	**1,942,917**	967,007	-	967,007
Other receivables	**64,811**	**-**	**64,811**	9,701	-	9,701
	2,007,728	**-**	**2,007,728**	976,708	-	976,708

5 Financial assets and financial liabilities (continued)

(b) Trade and other payables

	Consolidated entity					
	31 December 2018			30 June 2018		
	Current US$	**Non-current US$**	**Total US$**	Current US$	Non-current US$	Total US$
Trade payables	**2,388,338**	**-**	**2,388,338**	822,917	-	822,917
Accrued expenses	**13,484**	**-**	**13,484**	2,412,400	-	2,412,400
Other payables	**681,232**	**-**	**681,232**	997,883	-	997,883
	3,083,054	**-**	**3,083,054**	4,233,200	-	4,233,200

6 Non-financial assets and liabilities

(a) Inventories

	Consolidated entity					
	31 December 2018			30 June 2018		
	Current US$	**Non-current US$**	**Total US$**	Current US$	Non-current US$	Total US$
Raw materials and stores	**199,833**	**-**	**199,833**	35,125	-	35,125
Work in progress	**267,302**	**-**	**267,302**	152,344	-	152,344
Finished goods	**1,054,336**	**-**	**1,054,336**	260,227	-	260,227
	1,521,471	**-**	**1,521,471**	447,696	-	447,696

7 Contributed equity

(a) Share capital

	31 December 2018 No. of shares	30 June 2018 No. of shares	**31 December 2018 US$**	30 June 2018 US$
Fully paid	**244,267,435**	163,971,878	**26,463,450**	20,237,536

7 Contributed equity (continued)

(a) Share capital (continued)

(i) Movements in ordinary shares:

	No. of shares	US$
Opening balance 1 July 2018	163,971,878	20,237,536
Issue of ordinary shares to sophisticated and professional investors	5,136,365	410,190
Issue of ordinary shares under Entitlement Offer	75,159,192	6,002,093
Ordinary shares granted but yet to be issued	-	170,292
	244,267,435	26,820,111
Less: transaction costs	-	(356,661)
Balance 31 December 2018	244,267,435	26,463,450

(b) Reserves

Consolidated entity	Notes	Common control reserve US$	Share- based payments US$	Foreign currency translation US$	Total US$
Balance at 1 July 2018		(1,208,466)	1,014,300	385,704	191,538
Currency translation differences in current period		-	-	(32,787)	(32,787)
Share-based payment expenses	9	-	181,596	-	181,596
At 31 December 2018		**(1,208,466)**	**1,195,896**	**352,917**	**340,347**

(i) Options

Details	Number of options	US$
Opening balance 1 July 2018	8,500,000	1,014,300
Options granted but not issued (*)	1,800,000	32,204
Share based payment expense from previously granted options	-	149,392
Balance 31 December 2018	10,300,000	1,195,896

(*) Includes (i) 800,000 options granted on 1 July 2018 at AUD0.15 exercise price, expiring in 4 years from grant date to an employee (the exercise price was modified from AUD0.35 to AUD0.15 and other terms modified in November 2018 to be within the reasonable market window, which results in a decrease in the fair value of these options); and (ii) 1,000,000 options granted on 1 December 2018 at AUD0.15 exercise price, expiring in 5 years from grant date to a director, both under the existing employee option scheme. These options have not been issued as at 31 December 2018.

8 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.

9 Share-based payments

(a) Options granted during the period

During the half year period ended 31 December 2018, the group has granted 1,800,000 options to an employee and a director.

Fair value of options granted

The model inputs for options granted during the half-year 31 December 2018 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$
1-Jul-18	0.150	800,000	89.78%	30-Jun-22	Nil	2.29%	0.1031
1-Dec-18	0.150	1,000,000	89.39%	30-Nov-23	Nil	2.26%	0.0965
		1,800,000					

(b) Expenses arising from share-based payment transactions

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

	Consolidated entity	
	31 December 2018 US$	31 December 2017 US$
Shares granted to employees under ESOP	**170,292**	-
Shares issued to consultants	**79,770**	-
Options issued to employees and directors	**181,596**	147,947
Options issued to consultants	**-**	156,668
	431,658	304,615

10 Events occurring after the reporting period

On 14 January 2019, the Group has entered into a credit agreement with invoice and supply chain finance provider Timelio Pty Ltd against working capital assets of Sensera. The facility is based on Sensera's contract with animal health specialists Smartbow/Zoetis which is guaranteed for FY19 and FY20. The interest rate applicable is 1% per 30-day with a 1.0% plus GST drawdown fee with a limit of A$3 million. A guarantee over all the assets of the group is attached to this facility.

On 25 February 2019 the Group executed a debt agreement with a key investor and a director of the Company in the amount of US$1,000,000 to fund the Company's immediate needs for additional working capital. This promissory note provides short-term capital with a term of one year, a simple interest rate of 10% payable quarterly and the option of term extension. The note is subordinate to the company's current senior lender, Timelio Pty Ltd.

No other 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.

11 Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year ended 31 December 2018 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 financial 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 2018 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 previous annual report. The accounting policies have been applied consistently throughout the group for the purpose of preparation of this interim report, except for the adoption of the new and amended standards as set out below.

(a) Going concern

The group incurred a net loss of US$5,023,214, and had operating cash outflows of US$5,268,072 for the half-year period ended 31 December 2018. As at 31 December 2018, the group's cash and cash equivalents balance was US$441,851. These conditions indicate a material uncertainty that may cost significant doubt about the Group's ability to continue as a going concern.

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. Since inception, the Group has successfully raised over US$25.1 million from issuing shares, as well as securing additional credit facility to assist with working capital requirements. Subsequent to period end the Board also secured up to approximately AUD4.4 million financing (refer to note 10).

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.

- AASB 9 *Financial Instruments*, and
- AASB 15 *Revenue from Contracts with Customers*.

The impact of the adoption of these standards and the new accounting policies are disclosed in note 12 below. These standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

(c) Estimates and judgements

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group’s last annual financial statements for the year ended 30 June 2018.

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

(d) 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 2018 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.

Title of standard	Nature of change	Impact	Mandatory application date
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. The impact on the financial statements of adopting AASB 16 is estimated to be US$1,219,580.	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.

12 Changes in accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2018, except as described below. Note that the changes in accounting policies specified below only apply to the current period. The accounting policies included in the Group's last annual financial statements for the year ended 30 June 2018 are the relevant policies for the purposes of comparatives.

AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* (2014) became effective for periods beginning on or after 1 January 2018. Accordingly, the Group applied AASB 15 and AASB 9 for the interim period ended 31 December 2018. Changes to the Group's accounting policies arising from these standards are summarised below:

(a) Impact on the financial statements

(i) AASB 15 Revenue from contracts with customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2018. The adoption of AASB 15 has mainly affected revenue from provision of non-recurring engineering services. Management has assessed the cumulative effect of initial application and concluded it to be immaterial as at 1 July 2018.

12 Changes in accounting policies (continued)

(a) Impact on the financial statements (continued)

(ii) AASB 9 Financial instruments

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an ‘expected credit loss’ model for impairment of financial assets. When adopting AASB 9, the Group has applied transitional relief and elected not to restate prior periods. Rather, differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

The adoption of AASB 9 has mostly impacted the impairment of financial assets. For trade receivables and contract assets under AASB 15 the Group applies a simplified approach of recognising lifetime expected credit losses as these items do not have a significant financing component. The impairment allowance for trade receivables remained unchanged at 1 July 2018.

Other areas are not materially impacted by the adoption of AASB 9.

(b) AASB 15 Revenue from contracts with customers - Accounting policies

Revenue arises mainly from the sale of goods and provision of engineering services. To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers. The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

(i) Sale of goods

The Group manufactures and sells a range of MEMS and location-awareness products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(ii) Provision of services

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

12 Changes in accounting policies (continued)

(b) AASB 15 Revenue from contracts with customers - Accounting policies (continued)

(ii) Provision of services (continued)

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by Sensera Limited exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised in the amount to which Sensera Limited has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

(c) AASB 9 Financial instruments – Accounting policies

(i) Investments and other financial assets

Classification

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

From 1 July 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 8 to 22 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 2018 and of its performance for the half year ended on that date, and
(b) there are reasonable grounds to believe that the Sensera Limited 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
Non-Executive Director

Brisbane
28 February 2019

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Independent Auditor's Review Report

To the Members of Sensera Limited

Report on the review of 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 2018, 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 2018 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 11a in the financial report, which indicates that the Group incurred a net loss of US$5,023,214 during the half year ended 31 December 2018 and, had net operating outflows of US$5,268,072. As stated in Note 11a, these events or conditions, along with other matters as set forth in Note 11a, 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 2018 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 2019