

24 April 2019
Australian Securities Exchange (ASX) Announcement

Sensera March 2019 Quarterly Update and Appendix 4C

HIGHLIGHTS:

- **Sensera achieves US\$3.5 million in cash receipts and US\$2.7 million revenue**
- **A\$3 million placement completed and US\$1 million promissory note secured to support working capital and continued growth**
- **Partnership with ClearBlade to deliver 360° Edge Analytics platform and Location as a Service (LAAS) deployments**
- **More than 500 micro-location systems now in service with customers tracking up to 5,000 objects per deployment**
- **Expansion of precision microfabrication capabilities to deliver commercially viable Lab-on-a-Chip and Organ-on-a-Chip diagnostics**
- **Launch of mine safety collision avoidance solution with Selectronic**
- **Investor conference call on April 26, 2019 9 AM AEST**

Sensera Limited (ASX: SE1, "Sensera" or "the Company"), a leading provider of location awareness solutions for the rapidly-growing Internet of Things (IoT) market, is pleased to report on its activities for the quarter ended 31 March 2019.

CASH FLOW

Sales

Sensera achieved significant quarter-on-quarter growth of cash receipts of US\$3.5M from the sale of products and services. This is a material increase over the US\$1.3M in the 2nd fiscal quarter and US\$2.9M received over the first six months of fiscal 19. Revenue also grew over last quarter to US\$2.7M. The company expects solid revenue growth in the 4th fiscal quarter of the year.

Operating Expenditure

Operating expenses grew in the 3rd fiscal quarter from US\$2.8M to US\$3.1M. This will be the companies largest OPEX quarter in the current fiscal year. Variable expenses increased in multiple R&D programs as well as Sales and Marketing. There will be a reduction in OPEX in the final quarter of FY19 as some of these expenses will not repeat.

Research & Development

The company is committed to continue to lead the IOT industry in innovative sensor-based solutions. This quarter was a heavy R&D spend for both our chip development, which produced first silicon for our 3rd generation nanoLOX wireless location aware controller, and the initial release of our 360° Edge Analytics software solution. The spending on both these projects will be reduced in fiscal Q4.

BUSINESSES

Nanotron – IoT System Solutions

In February, Sensera subsidiary nanotron Technologies GmbH announced a partnership with enterprise IoT software platform provider, ClearBlade Inc to deliver a revolutionary 360° Edge Analytics platform solution.

Expanding the two companies' collaboration announced in April 2018, 360° Edge Analytics is the starting point for a new range of configurable analytics tools for the Industrial IoT. By extracting and processing real-time data directly at the edge, actionable insights can be derived with the lowest possible latency. This is a competitive advantage for this type of distributed software solution.

The solution is built on nanotron's location-aware IoT sensors, which generate context information and location mapping. The Company's Edge Anchors then forward 'what, where and when' information from these sensors to nanotron's configurable Analytics Engine. This combination of software and hardware will allow the company to deploy their technology based on offering Location as a Service (LAAS) with a recurring revenue model.

Customers have been requesting a platform which facilitates configurable events that are automatically recognised in real-time data streams in a secure software environment. This combination empowers end users to focus on mapping their applications and business processes onto the analytics platform. The 360° Edge Analytics platform represents a unique solution which helps customers to avoid the risks, time and costs inherent in building their own system from the ground up. First deployments are occurring in 4th quarter of fiscal 19, revenue later in fiscal year 20.

As reported last quarter, in January, nanotron and its industrial safety solutions provider Selectronic announced their first joint product: the PDS2400 Collision Avoidance Solution (CAS) for open-pit mine safety. The PDS2400 is an RF-based proximity detection solution supporting collision awareness and proximity warning between fast moving vehicles and people. It provides a turnkey, ready-to-go automated system, which requires zero calibration before use.

The new solution helps mine operators ensure that they comply with all relevant safety legislation, such as Mine Safety & Health Administration (MSHA) regulations in the USA. The PDS2400 CAS solution includes state-of-the-art vehicle systems with Controller Area Network (CAN) bus-based user displays and personnel tags with wireless chargers.

After the end of the quarter, in April, the Company announced that nanotron and its development partner and location silicon provider Decawave have achieved interoperability of tags from different vendors, shortening time to revenue and leveraging field-proven location infrastructure provided by nanotron. This is the basis of the next generation product for high precision location-aware solutions. The company has engaged in multiple customer proof of concept deployments to validate the solution. Revenue from the Ultra Wide Band based products are expected to start in Q2 of FY20.

The Company has put more than 500 micro-location systems into service over the past 3 years with up to 5,000 tags per deployment – most of them running 24/7 in mission-critical applications such as livestock health for dairy farms, and mine safety / productivity. Highly competitive location readers, also known as 'Edge Anchors', bring ease of deployment and scalability to location infrastructure build-outs.

Nanotron's Edge Anchors using Decawave's Ultra Wide Band (UWB) transceiver chips are now open for use with any tag device based on the same silicon, thanks to a communication protocol named 'Blink'. The initiative is aimed at accelerating the adoption of micro-location solutions and significantly increasing the sales volumes of tags and Edge Anchors. Micro-location is a rapidly growing, multi-billion-dollar market, covering applications in such diverse industrial markets as manufacturing, healthcare, logistics and security.

MicroDevices

Fiscal Q3 represented a revenue growth quarter as multiple customers are now moving towards production. In addition, there has also been an expansion of micro assembly business to augment the MEMS fab capability and offload total manufacturing infrastructure costs. Additional staff and equipment were added in the quarter and will continue to expand as the production levels increase during the last quarter of the current fiscal year.

In February, Sensera announced its subsidiary Sensera Inc. (MicroDevices), which designs and manufactures specialised high-performance sensors and modules, had expanded its capabilities to include chips for Point-of-Care and Lab-on-a-Chip applications, as well as droplet microfluidic devices. The Company achieved this expansion of microfluidic product applications in partnership with newly engaged customers.

The Point-of-Care and Lab-on-a-Chip devices use microchannels coupled with chambers or wells filled with reagents to detect and measure specific biomarkers for diagnostic purposes. They can also be used for rapid and sensitive investigation of nucleic acid samples, DNA and RNA, and proteins.

Microfluidics is commonly used in life sciences research for amplification and manipulation of genetic materials such as DNA or RNA. The adoption of microfluidics over traditional diagnostic methods is growing at a compound annual growth rate (CAGR) of almost 15%. Currently, this represents a US\$5B global market, which is projected to reach US\$15B by 2026 (according to Transparency Market Research Pvt. Ltd.). This growth is likely to be driven by rising demand for Point-of-Care devices enabled by miniaturisation of microfluidic chips, the associated cost reductions, and the rapid return on investment. The company currently has 5 customers engaged in early trials

with meaningful revenue expected late in FY 20.

CORPORATE

A\$3 million placement completed

In March, Sensera announced it had secured firm commitment for a A\$3 million capital raising with institutional and sophisticated investors via the issue of 27.3 million new ordinary shares at A\$0.11 per share. The Placement was strongly supported by Directors and senior management, existing shareholders and sophisticated investors. The proceeds to be used primarily for working capital and go-to-market operating expenses expansion to drive future revenues.

Approximately 25.3 million new fully paid ordinary shares were issued in March under the Company's placement capacity in accordance with ASX Listing Rule 7.1.

A further approximately 2.0 million new shares will be issued to directors, subject to shareholder approval. A Notice of Meeting was lodged on 28 March 2019 for an Extraordinary General Meeting to be held on Monday 29 April 2019.

US\$1 million promissory note to fund working capital

In February, Sensera executed a debt agreement with a key investor and a director of the Company in the amount of US\$1 million 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.

OUTLOOK

The Company reiterates its revenue forecast for FY19. Guidance will be narrowed to US\$10.5 million – US\$11.0 million. The 4th quarter will see a reduction of operating expenses, that in conjunction with strong revenue will drive the quarter near breakeven. The current backlog supports a solid increase in revenue in the quarter with the associated working capital available to support the growth. The Company continues to be committed to operating in a cash flow positive manner by the end of FY19 and into FY20.

CONFERENCE CALL

Sensera will be hosting an investor conference call to discuss the quarter on April 26, 2019 at 9 AM AEST.

Access details will be announced via the ASX platform shortly. Shareholders are invited to send through questions for management ahead of the call to tim@nwrcommunications.com.au.

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Managing Director
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About Sensera Limited (ASX: SE1):

Sensera is an Internet of Things (IoT) solution provider that delivers sensor-based products transforming real-time data into meaningful information, action and value. The company designs and manufactures hardware and software across the vertical technology spectrum from unique structures as MicroElectroMechanical Systems (MEMS) and sensors, as well as wireless networked systems and software that when combined, drive an entire IoT platform solution.

Shares in Sensera Limited (ASX: SE1) are traded on the Australian Securities Exchange (ASX). For more information, please visit our website: www.sensera.com.

Any forward-looking statements in this announcement are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

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

Name of entity

Sensera Limited

ABN

73 613 509 041

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$U.S'000	Year to date (9 months) \$U.S'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,484	6,398
1.2 Payments for		
(a) research and development	(1,170)	(2,570)
(b) product manufacturing and operating costs	(2,117)	(4,494)
(c) advertising and marketing	(744)	(1,710)
(d) leased assets	(209)	(533)
(e) staff costs	(959)	(2,481)
(f) administration and corporate costs	(788)	(2,256)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(12)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	53	192
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,462)	(7,466)

Consolidated statement of cash flows	Current quarter \$U.S'000	Year to date (9 months) \$U.S'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	120	(8)
(b) businesses (see item 10)	-	(2,221)
(c) investments	-	-
(d) intellectual property	50	50
(e) other non-current assets	-	(37)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	170	(2,216)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1,897	8,278
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(190)	(545)
3.5 Proceeds from borrowings	1,865	1,865
3.6 Repayment of borrowings	(250)	(250)
3.7 Transaction costs related to loans and borrowings	(7)	(7)
3.8 Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$U.S'000	Year to date (9 months) \$U.S'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	3,315	9,341

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	449	2,031
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,462)	(7,466)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	170	(2,216)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,315	9,341
4.5	Effect of movement in exchange rates on cash held	15	(203)
4.6	Cash and cash equivalents at end of quarter	1,487	1,487

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$U.S'000	Previous quarter \$U.S'000
5.1	Bank balances	1,487	449
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,487	449

6. Payments to directors of the entity and their associates

- | | Current quarter
\$U.S'000 |
|-----|--------------------------------------|
| 6.1 | 98 |
| 6.2 | - |
| 6.3 | |
- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

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

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

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

9.	Estimated cash outflows for next quarter*	\$U.S'000
9.1	Research and development	140
9.2	Product manufacturing and operating costs	1,850
9.3	Advertising and marketing	430
9.4	Leased assets	151
9.5	Staff costs	780
9.6	Administration and corporate costs	550
9.7	Other (provide details if material)	-
9.8	Total estimated cash outflows	3,901


* To fully understand the Company's estimated subsequent quarter cash position, cash inflows from customer receipts should also be considered. Consistent with previous quarters, it is reasonable to conclude that the company will derive receipts from customers generated from delivering of our services and products.

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

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



 Company secretary

Date: 24 April 2019

Print name: Phillip Hains

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.