

25 July 2019

Australian Securities Exchange (ASX) Announcement

## Sensera June 2019 Quarterly Update and Appendix 4C

### HIGHLIGHTS:

- Sensera achieves record quarterly revenues of US\$3.8m, a 41% increase on the previous quarter. The 4th consecutive quarter of revenue growth.
- For the full year Sensera achieves record annual revenues of US\$10.2m, a 60% increase on the prior year.
- Sensera enters FY20 on a growth trajectory based upon current backlog and customers commitments to support a solid increase in revenue growth.
- New business funnel continuing to build to over US\$80m of opportunities.
- Global agreement signed with Arrow Electronics to cooperate on IoT sensor solutions.
- Expansion of precision fibre optic assembly capability, giving customers a US source in the US\$6.5 billion global fibre optics market. New applications in the medical technology market driving the need for this capability.
- Ultra Wide Band (UWB) sensor network portfolio complete and being deployed in industrial end markets.
- Company's cash position in-line with expectations. Cash receipts expected to improve due to late quarter shipments and revenue growth. Company evaluating options to improve working capital position.

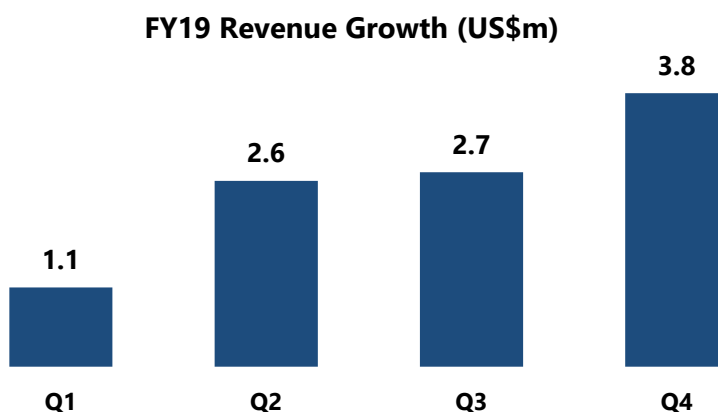
Sensera Limited (ASX: SE1, "Sensera" or "the Company"), an Internet of Things (IoT) solution provider that delivers sensor-based products transforming real-time data into meaningful information, action and value, is pleased to report on its activities for the quarter ended 30 June 2019.

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## CASH FLOW

### Sales

The Company delivered on expectations of solid revenue growth, achieving 41% quarter-on-quarter growth in sales to US\$3.8 million. Both company's divisions had record revenue. This will be the 4<sup>th</sup> consecutive quarter of revenue growth.



Sensera achieved solid cash receipts from the sale of products and services, however as most of the revenue in the quarter was shipped in June, the company expects a material increase in receipts for Q1 in FY20. The company took on additional costs to ship product within the quarter, but still could not meet the entire opportunity due to timing cutoffs. Additional capacity is now in place and the supply chain is staged better to meet revenue growth for FY20.

The new business funnel increased by 10% in the quarter to over US\$80m, with 6 different opportunities evolving into the full evaluation or pilot phase. This is the largest single quarter increase to date.

Q1 of FY20 is shaping up well with more than 50% of backlog in place at the beginning of the quarter. This is the highest level of coverage going into the quarter for the company. The bookings rate in July continues to be strong.

Sensera continued to expand its sales network by adding Arrow Electronics as a global system integrator and distributor. The company also added 2 other specialized channel partners focused on countries in the Middle East during the quarter. It added internal resources in applications and sales to complete the team to drive products into the market for FY20.

### Research & Development

The quarter saw a reduction in R&D as some projects have completed. The company also filed for, and was granted R&D funding in Canada and Germany augmenting the IP and cash position of the company. These funds will become available starting in Q2 FY20 and will advance in-house research in differentiated precise location capability while being deployed in the complete sensor platforms.

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## **Finance**

The company is operating within the cash levels expected ending FY19. Cash receipts are expected to materially improve due to back-end loaded shipments and revenue growth in FQ4. Based on these shipments and backlog supporting material revenue, the company is sufficiently capitalized. In order to accelerate growth and increase working capital Sensera continues to evaluate options engaging in debt related instruments.

## **BUSINESSES**

### ***Nanotron – IoT System Solutions***

In April of Q4, nanotron and its development partner and location silicon provider Decawave 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.

Nanotron's Edge Anchors using Decawave's Ultra Wide Band (UWB) transceiver chips can now be used with any tag device based on the same silicon, via 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.

The Company engaged in multiple customer proof of concept deployments to validate the solution. The Company expects to earn revenue from the UWB based products starting Q2 of FY20.

### ***MicroDevices***

During the quarter, the company increased its output in the micro-assembly area in order to drive increased revenue from existing Medtech customers. This was driven by an additional design that will continue to ramp further during Q1 and throughout FY20. Besides ramping existing capabilities, we also expanded our capabilities to include precision fibre optic assemblies which will allow Sensera's customers' access to complex and specialised polymer fiber coatings, optical alignments, fibre polishing and cable assemblies. This additional capability was primarily driven by new customer demand and synergy with existing micro-assembly capability.

Customers in this field include those in the US\$1 billion global market for medical fibre and the overall US\$6.5 billion global fibre optics market. New applications for Sensera's fibre optic capabilities include enhancement of miniature microscopy, measuring intravascular BP, shape sensing for minimally invasive surgery and illumination of endoscope for cancer detection.

In addition to a strong presence in the medical industry, Sensera's precision micro/electro-optical and mechanical systems and assemblies are used in industrial systems and aerospace applications. Sensera's quality is of the highest level and is endorsed by ISO 9001 and 13485 certifications.

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## OUTLOOK

Sensera enters FY20 on a growth trajectory with the current backlog, secured designs and contracts in place.

With the Company's comprehensive IoT wireless platform continuing to gain favour with customers, Sensera is well-placed to enhance shareholder value through its continued expansion of customer engagements and longer-term shift from a product sale model to a solution service model.

## CONFERENCE CALL

The Company will host an investor conference call to discuss the quarter on July 26, 2019 at 9 am AEDT.

Shareholders are invited to send questions for management ahead of the call to [tim@nwrcommunications.com.au](mailto:tim@nwrcommunications.com.au).

To join the conference call and avoid a queue when calling, please follow the link below. You will be given a dial-in number and unique PIN to enter when you call which will bypass the operator and give you immediate access to the event.

<https://s1.c-conf.com/DiamondPass/sensera-10001296-invite.html>

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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](http://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.

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**About nanotron:**

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

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

## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

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

**Name of entity**

Sensera Limited

**ABN**

73 613 509 041

**Quarter ended ("current quarter")**

30 June 2019

Consolidated statement of cash flows	Current quarter \$U.S'000	Year to date (12 months) \$U.S'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2,876	9,274
1.2 Payments for		
(a) research and development	(111)	(2,681)
(b) product manufacturing and operating costs	(2,217)	(6,711)
(c) advertising and marketing	(536)	(2,246)
(d) leased assets	(218)	(751)
(e) staff costs	(815)	(3,296)
(f) administration and corporate costs	(561)	(2,817)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(4)	(16)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	46	238
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,540)</b>	<b>(9,006)</b>

Consolidated statement of cash flows		Current quarter \$U.S'000	Year to date (12 months) \$U.S'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(227)	(235)
	(b) businesses (see item 10)	-	(2,221)
	(c) investments	-	-
	(d) intellectual property	(10)	40
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(237)</b>	<b>(2,453)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	320	8,598
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	-	(545)
3.5	Proceeds from borrowings	936	2,801
3.6	Repayment of borrowings	(125)	(375)
3.7	Transaction costs related to loans and borrowings	(7)	(14)
3.8	Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$U.S'000	Year to date (12 months) \$U.S'000
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,124</b>	<b>10,465</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,487	2,031
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,540)	(9,006)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(237)	(2,453)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,124	10,465
4.5	Effect of movement in exchange rates on cash held	-	(203)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>834</b>	<b>834</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	834	1,487
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>834</b>	<b>1,487</b>

**6. Payments to directors of the entity and their associates**

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter  
\$U.S'000

129

-

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.



<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$U.S'000</b>
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	

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$U.S'000</b>	<b>Amount drawn at quarter end \$U.S'000</b>
8.1 Loan facilities	3,118	2,571
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.		

Facility	Facility Limit (\$US'000)	Drawdown (\$US'000)	Interest Rate
Timelio Facility	2,118	1,571	1% per month
Promissory Note	1,000	1,000	10% per annum
<b>TOTAL</b>	<b>3,118</b>	<b>2,571</b>	

<b>9. Estimated cash outflows for next quarter*</b>	<b>\$U.S'000</b>
9.1 Research and development	31
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)	-
<b>9.8 Total estimated cash outflows</b>	<b>3,792</b>

\* 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.

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
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: 25 July 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.