

Sensera Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Sensera Limited
ABN:	73 613 509 041
Reporting period:	For the half-year ended 31 December 2020
Previous period:	For the half-year ended 31 December 2019

2. Results for announcement to the market

			US\$
Revenues from ordinary activities	down	21.6% to	1,867,563
Loss from ordinary activities after tax	up	51.2% to	(5,594,721)
Loss for the half-year	up	51.2% to	(5,594,721)
		31 Dec 2020	31 Dec 2019
		US\$	US\$
		Cents	Cents
Basic loss per share		(1.731)	(1.269)
Diluted loss per share		(1.731)	(1.269)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to US\$5,594,721 (31 December 2019: US\$3,700,205). For further comments please refer to the Review of Operations section within the Director's Report.

3. Net tangible assets

	Reporting period	Previous period
	US\$	US\$
	Cents	Cents
Net tangible assets per ordinary security	<u>(1.26)</u>	<u>(1.86)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Name of entities (or group of entities)	nanotron Technologies GmbH (sold 6 October 2021)
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6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

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.

11. Attachments

Details of attachments (if any):

The Interim Report of Sensera Limited for the half-year ended 31 December 2020 is attached.

12. Signed

Signed:



Date: 26 February 2021

Ralph Schmitt;
Executive Director

Sensera Limited

ABN 73 613 509 041

Interim Report - 31 December 2020

Sensera Limited
Corporate directory
31 December 2020

Directors	Mr Camillo Martino - Independent Non-Executive Chairman Mr Ralph Schmitt - Executive Director Mr Jonathan Tooth - Non-Executive Director Mr Simon Peeke - Non-Executive Director
Company secretary	Mr Mark Pryn
Registered office & Principal place of business	C/- Baudin Consulting Pty Ltd Level 14, 440 Collins Street Melbourne VIC 3000
Share register	Boardroom Pty Limited Grosvenor Place Level 12, 225 George Street Sydney NSW 2000 +61 (0)2 9290 9600
Auditor	Grant Thornton Audit Pty Ltd Level 18, 145 Ann Street Brisbane QLD 4000 +61 (0)7 3222 0200
Solicitors	McCullough Robertson Level 11, Central Plaza Two, 66 Eagle Street Brisbane QLD 4000 Australia : +61 (0)7 3233 8888
Bankers	National Australia Bank 330 Collins Street Melbourne VIC 3000
Stock exchange listing	Sensera Limited shares are listed on the Australian Securities Exchange (ASX code: SE1)
Website	www.sensera.com

Sensera Limited
Directors' report
31 December 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Sensera Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

Directors

The following persons were directors of Sensera Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr Camillo Martino, Independent Non-Executive Chairman (Independent Non-Executive Director until appointed Chairman 20 October 2020)

Mr Ralph Schmitt, Managing Director & CEO (up to 22 February 2021) Executive Director

Mr Jonathan Tooth, Non-Executive Director

Mr Simon Peeke, Non-Executive Director (appointed 20 October 2020)

Mr Allan Brackin, Non-Executive Director & Board Chairman (resigned 20 October 2020)

Mr George Lauro, Non-Executive Director (resigned 20 October 2020)

Principal activities

Sensera Limited is an Internet of Things (IoT) sensor solution provider. The Company designs and manufactures MicroElectroMechanical Systems (MEMS) and sensors for applications that improve the way things are done.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the Group after providing for income tax amounted to US\$5,594,721 (31 December 2019: US\$3,700,205).

Group performance for the six months ending 31 December 2020. (1H'21)

	US\$m	1H'21	1H'20	Change %
Revenue from contracts with customers		1.87	2.38	(21)%
Gross Profit		0.98	1.23	(20)%
Gross Profit Margin		52%	52%	
Underlying EBIT (loss)		(1.64)	(2.04)	20%
Statutory Loss after Income Tax		(5.59)	(3.70)	(52)%
Underlying NPAT(loss)		(1.73)	(2.09)	17%

** EBIT is Earnings before interest and tax

Reconciliation of Underlying EBIT and Loss after Income Tax to Statutory Loss

	US\$m	1H'21	1H'20
Statutory Loss after income tax		(5.59)	(3.70)
Add back		-	-
- Loss / (Profit) from discontinued operations		(0.01)	1.63
- Profit from sale of subsidiary		(0.24)	-
- Government COVID-19 funding and other one off gains		(0.78)	-
- Loss/(gain) on share warrant revaluations		4.02	(0.32)
- Non-recurring finance costs		0.87	0.30
- On going lease finance costs		0.09	0.05
Underlying EBIT		<u>(1.64)</u>	<u>(2.04)</u>
Deduct - On going lease finance costs		<u>(0.09)</u>	<u>(0.05)</u>
Underlying Loss after Income Tax		<u><u>(1.73)</u></u>	<u><u>(2.09)</u></u>

Sensera Limited
Directors' report
31 December 2020

The underlying statutory loss after income tax of US\$1.73m, whilst disappointing, represented a 17% improvement on prior period, largely due to a 20% reduction in operating expenses partly offset by a 21% fall in revenues at a consistent gross profit margin.

The revenue from contracts with customers declined US\$0.51m as the Group has experienced a slowdown from customers furloughing development teams and other end customer related business impacts of the COVID-19 environment. The Group flexed spending during the customer slowdowns by eliminating some full-time positions and using part time contractors to meet demand. Despite this the team has still been able to engage in expansion of customers into new biomedical markets and applications. A new customer engagement in a Continuous Glucose Monitoring solution has produced a sensor expected to ramp materially late in FY21. The SARS-CoV-2 sensor developed in conjunction with NanoDx has progressed through the R&D phase and the final product is now in the hands of NanoDx. The Group has engaged in a material agreement that will be fully disclosed once the sensor reaches FDA approval. The Group was also able to engage and develop a laser-based sensor that hit key milestones late in the first half of FY21 to ensure a production level product could be attained and potentially ramp in FY22.

On 6 October 2020, the Group announced the sale of its wholly owned subsidiary nanotron Technologies GmbH (nanotron) to Inpixon (NASDAQ: INPX). This transaction resulted in a profit of sale of US\$0.24m and a profit contribution from discontinued operations of US\$0.01m (2019: US\$1.63m loss). As reported at the time of sale, the sales proceeds were used to extinguish the Group borrowings, giving rise to non-recurring finance costs of \$0.87m comprising interest and early repayment expenses incurred.

The Statutory Loss also includes a US\$4.02m charge (2019: US\$0.32m gain) attributable to the increase in the fair value of the share warrants which are carried as a financial liability as they were issued in connection with borrowing facilities arranged in the prior year. This is a **non-cash** financial liability which will unwind over the period to the share warrants being exercised or expiring. At 31 December 2020, the share warrant financial liability was US\$5.66m (2019:US\$1.22m) and has contributed to net asset deficiency of US\$4.08m.

Other items included in the Statutory Loss include the recognition of US Government Payroll Protection Program (COVID-19) funding received in the prior reported and recognised as income in the current reporting period. This together with other one-off gains totalled US\$0.78m (1H'20: Nil).

Outlook

The Group expects to continue to see some impact from COVID-19 with some customer demand being reduced or delayed. Our largest customer, Abiomed reduced demand in 1H'21 with such impact expected to continue into 2H'21. Pleasingly Abiomed has recently submitted a forecast to return to higher than previous run rate into FQ4 and throughout FY22. There are also several new sensor developments that the Group is currently quoting on that should deliver Non-Recurring Engineering (NRE) revenue. The Group has completed a number of cost reduction efforts focused primarily on the corporate costs and have taken the entire quarterly operational breakeven revenue level down to US\$1.3m. With positive signs emerging on the COVID-19 pandemic and customer operations the Group is confident that current and potential opportunities will return the Group to growth in FQ4 and beyond.

Significant changes in the state of affairs

On 6 October 2020 the Company sold its wholly owned subsidiary, nanotron Technologies GmbH.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

1. On 2 February 2021 the Group received a second grant of US\$620,925 under the US Payroll Protection Program which is designed to protect employment during the COVID-19 pandemic.
2. On 22 February 2021 the Group released a Leadership Transition announcement, whereby Mr. Ralph Schmitt the Managing Director had transitioned to an executive director role and Mr. Tim Stucchi had been promoted to the role of Chief Operating Officer. Remuneration for Mr. Schmitt changed from an employee based annualized US\$300,000 base salary plus bonus and other employee benefits, to a fixed fee of US\$10,000 per month.

Sensera Limited
Directors' report
31 December 2020

3. On 25 February 2021 the Group agreed to receive US\$465,843 from Inpixon (NASDAQ: INPX) as early settlement of the funds held back from the sale of nanotron Technologies GmbH net of working capital and other legal adjustments pursuant to the sale agreement.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Ralph Schmitt
Executive Director

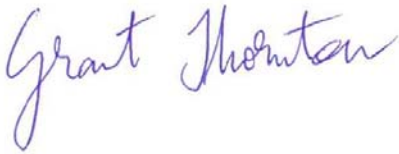
26 February 2021

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 2020, 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 Audit Pty Ltd
Chartered Accountants



CDJ Smith
Partner – Audit & Assurance

Brisbane, 26 February 2021

Sensera Limited
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31 December 2020

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General information

The financial statements cover Sensera Limited as a Group consisting of Sensera Limited and the entities it controlled at the end of, or during, the half-year. The consolidated financial statements are presented in US Dollars, which is the Group's presentation currency.

Sensera Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

C/- Baudin Consulting Pty Ltd
Level 14, 440 Collins Street
Melbourne VIC 3000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2021.

Sensera Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	Consolidated 31 Dec 2020 US\$	31 Dec 2019 US\$
Revenue from continuing operations			
Revenue from contracts with customers	3	1,867,563	2,383,578
Cost of sales		<u>(886,076)</u>	<u>(1,154,616)</u>
Gross profit		<u>981,487</u>	<u>1,228,962</u>
Other income	4	775,405	-
Gain/(loss) on remeasurement of warrant derivative		(4,017,340)	324,150
Other gains/(losses) – net		10,028	(28,893)
Gain on sale of subsidiary, net of tax	6	<u>240,065</u>	<u>-</u>
Total other income / gains and losses		<u>(2,991,842)</u>	<u>295,257</u>
Expenses			
Operation, overheads and administrative expenses	5	(2,182,519)	(2,738,025)
Selling and marketing expenses		<u>(2,080)</u>	<u>(86,196)</u>
Total operating expenses		<u>(2,184,599)</u>	<u>(2,824,221)</u>
Depreciation and amortisation expense		(454,079)	(428,973)
Finance costs	5	(955,469)	(345,308)
Loss before income tax expense from continuing operations		(5,604,502)	(2,074,283)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense from continuing operations		(5,604,502)	(2,074,283)
Profit/(loss) after income tax expense from discontinued operations	6	<u>9,781</u>	<u>(1,625,922)</u>
Loss after income tax expense for the half-year		(5,594,721)	(3,700,205)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations - continuing operations		(975,544)	75,986
Exchange differences on translation of foreign operations - discontinuing operations		<u>295,988</u>	<u>-</u>
Other comprehensive income for the half-year, net of tax		<u>(679,556)</u>	<u>75,986</u>
Total comprehensive income for the half-year		<u><u>(6,274,277)</u></u>	<u><u>(3,624,219)</u></u>
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(6,580,046)	(1,998,297)
Discontinued operations		<u>305,769</u>	<u>(1,625,922)</u>
		<u><u>(6,274,277)</u></u>	<u><u>(3,624,219)</u></u>

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 profit or loss and other comprehensive income
For the half-year ended 31 December 2020

		US\$ Cents	US\$ Cents
Loss per share from continuing operations			
Basic loss per share	20	(1.734)	(0.711)
Diluted loss per share	20	(1.734)	(0.711)
Earnings per share for profit/(loss) from discontinued operations			
Basic earnings per share	20	0.003	(0.557)
Diluted earnings per share	20	0.003	(0.557)
Loss per share			
Basic loss per share	20	(1.731)	(1.269)
Diluted loss per share	20	(1.731)	(1.269)

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 2020

	Note	Consolidated 31 Dec 2020 US\$	30 Jun 2020 US\$
Assets			
Current assets			
Cash and cash equivalents	7	821,324	835,669
Trade and other receivables	8	391,265	311,573
Inventories		373,113	268,264
Current tax asset		16,545	80,119
Other current assets		171,297	75,086
		<u>1,773,544</u>	<u>1,570,711</u>
Assets of disposal groups classified as held for sale	10	-	10,284,984
Total current assets		<u>1,773,544</u>	<u>11,855,695</u>
Non-current assets			
Trade and other receivables	8	641,731	-
Property, plant and equipment	11	428,628	386,106
Right-of-use assets	9	1,171,627	1,566,462
Intangible assets	12	80,805	135,478
Total non-current assets		<u>2,322,791</u>	<u>2,088,046</u>
Total assets		<u>4,096,335</u>	<u>13,943,741</u>
Liabilities			
Current liabilities			
Trade and other payables		1,155,842	847,016
Borrowings	13	-	2,000,000
Lease liabilities	9	906,533	906,533
Employee benefit obligations		106,534	121,860
Other liabilities - government	15	-	620,925
		<u>2,168,909</u>	<u>4,496,334</u>
Liabilities directly associated with assets classified as held for sale	16	-	2,771,050
Total current liabilities		<u>2,168,909</u>	<u>7,267,384</u>
Non-current liabilities			
Borrowings	13	-	3,075,951
Lease liabilities	9	346,786	718,026
Warrant liabilities	14	5,663,912	1,223,007
Total non-current liabilities		<u>6,010,698</u>	<u>5,016,984</u>
Total liabilities		<u>8,179,607</u>	<u>12,284,368</u>
Net assets/(liabilities)		<u>(4,083,272)</u>	<u>1,659,373</u>
Equity			
Issued capital	17	31,271,718	31,173,047
Reserves		(311,399)	123,561
Accumulated losses		<u>(35,043,591)</u>	<u>(29,637,235)</u>
Total equity/(deficiency)		<u>(4,083,272)</u>	<u>1,659,373</u>

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

Sensera Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Issued capital US\$	Common control reserve US\$	Share-based payments reserve US\$	Foreign currency translation reserve US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 July 2019	28,476,830	(1,208,466)	1,137,730	155,605	(21,473,799)	7,087,900
Adjustment for change in accounting policy – AASB16 (net of tax)	-	-	-	-	(82,263)	(82,263)
Balance at 1 July 2019 - restated	28,476,830	(1,208,466)	1,137,730	155,605	(21,556,062)	7,005,637
Loss after income tax expense for the half-year	-	-	-	-	(3,700,205)	(3,700,205)
Other comprehensive income for the half-year, net of tax	-	-	-	75,986	-	75,986
Total comprehensive income for the half-year	-	-	-	75,986	(3,700,205)	(3,624,219)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	2,696,217	-	-	-	-	2,696,217
Share-based payments (note 21)	-	-	101,940	-	-	101,940
Balance at 31 December 2019	<u>31,173,047</u>	<u>(1,208,466)</u>	<u>1,239,670</u>	<u>231,591</u>	<u>(25,256,267)</u>	<u>6,179,575</u>

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

Sensera Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2020

Consolidated	Issued capital US\$	Common control reserve US\$	Share-based payments reserve US\$	Foreign currency translation reserve US\$	Accumulated losses US\$	Total deficiency in equity US\$
Balance at 1 July 2020	31,173,047	(1,208,466)	1,053,625	278,402	(29,637,235)	1,659,373
Loss after income tax expense for the half-year	-	-	-	-	(5,594,721)	(5,594,721)
Other comprehensive income for the half-year, net of tax	-	-	-	(679,556)	-	(679,556)
Total comprehensive income for the half-year	-	-	-	(679,556)	(5,594,721)	(6,274,277)
Foreign currency translation reserve derecognised upon sale of subsidiary	-	-	-	330,928	-	330,928
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 17)	98,671	-	-	-	-	98,671
Share-based payments (note 21)	-	-	102,033	-	-	102,033
Lapsed options	-	-	(188,365)	-	188,365	-
Balance at 31 December 2020	<u>31,271,718</u>	<u>(1,208,466)</u>	<u>967,293</u>	<u>(70,226)</u>	<u>(35,043,591)</u>	<u>(4,083,272)</u>

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

Sensera Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2020

	Note	Consolidated 31 Dec 2020 US\$	31 Dec 2019 US\$
Cash flows from operating activities			
Receipts from customers		3,067,697	7,112,902
Payments to suppliers and employees		<u>(4,399,094)</u>	<u>(10,026,085)</u>
Net cash used in operating activities		<u>(1,331,397)</u>	<u>(2,913,183)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(52,137)	(293,961)
Payments for intangibles		(26,783)	-
Proceeds from disposal of subsidiary (net of cash disposed)	6	<u>7,444,073</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>7,365,153</u>	<u>(293,961)</u>
Cash flows from financing activities			
Proceeds from issue of shares		-	2,154,005
Proceeds from borrowings		-	4,816,134
Share issue transaction costs		-	(137,135)
Interest and other finance costs paid		(403,367)	(294,251)
Repayment of borrowings		(5,745,269)	(1,956,226)
Lease payments		<u>(486,853)</u>	<u>(246,015)</u>
Net cash from/(used in) financing activities		<u>(6,635,489)</u>	<u>4,336,512</u>
Net increase/(decrease) in cash and cash equivalents		(601,733)	1,129,368
Cash and cash equivalents at the beginning of the financial half-year		1,395,057	838,136
Effects of exchange rate changes on cash and cash equivalents		<u>28,000</u>	<u>66,293</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>821,324</u></u>	<u><u>2,033,797</u></u>

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The interim report has been prepared on a going concern basis.

For the period ended 31 December 2020, The Group incurred a net loss of US\$5,594,721, had operating cash outflows of US\$1,331,397, had net current liabilities of US\$395,365 and had a net asset deficiency of US\$4,083,272. As at 31 December 2020, the Group's cash and cash equivalents balance was US\$821,324. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. However, it is important to note the following:

- (1) The net asset deficiency includes a financial liability relating to the fair value of the share warrants issued by the Group totalling US\$5,663,912. This is a non-cash liability which will unwind over the period to the share warrants being exercised or expiring. The loss for the reporting period includes a US\$4,017,340 charge relating to the increase in fair value of the share warrants.
- (2) Subsequent to the end of the reporting period, the Group's cash and working capital positions were strengthened by the receipt of US\$620,925 under the US Payroll Protection Program and an agreement to receive a further US\$465,843 through the early repayment of an otherwise non-current receivable relating to funds held back from the sale of nanotron Technologies GmbH as announced on 6 October 2020.
- (3) In the event, future funding is required to grow the business, the Group is now debt free and has previously demonstrated capacity to raise funds in debt and equity markets.

Based on its assessment of the cash flow projections over the ensuing 12 months from the date of this report, the Board is satisfied that sufficient funds are available for the Group to pay its debts as and when they fall due for at least the next 12 months from the date of this report.

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 2020.

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 1. Significant accounting policies (continued)

Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Note 2. Operating segments

Description of segments and principal activities

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer, under the advisement of the full board, that are used to make strategic decisions, assess performance and determine the allocation of resources.

On 6 October 2020, the Group completed the disposal of nanotron Technologies GmbH and since that date the Group has only one segment being the MicroDevices business based in Boston, United States.

Note 3. Revenue

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

Consolidated	31 Dec 2020 US\$	31 Dec 2019 US\$
Timing of revenue recognition		
Goods transferred at a point in time	1,242,213	1,776,084
Services transferred over time	<u>625,350</u>	<u>607,494</u>
	<u><u>1,867,563</u></u>	<u><u>2,383,578</u></u>

Note 4. Other income

	Consolidated	
	31 Dec 2020 US\$	31 Dec 2019 US\$
Recognition of revenue from US payroll protection program**	620,925	-
Other income	<u>154,480</u>	<u>-</u>
	<u><u>775,405</u></u>	<u><u>-</u></u>

**Refer to Note 15 (Other liabilities - government) for further details.

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 5. Expenses

Consolidated
31 Dec 2020 31 Dec 2019
US\$ US\$

Loss before income tax from continuing operations includes the following specific expenses:

Operation, overheads and administrative expenses

Accounting, audit, legal and taxation expenses	209,494	64,965
Employee benefits	1,044,158	1,680,132
Equipment lease and associated costs	108,624	133,591
Insurance expenses	39,494	31,623
Investor relation expenses	-	30,951
Occupancy costs	328,227	365,637
Other consulting expenses	166,805	138,225
Other expenses	285,717	292,901

Total operation, overheads and administrative expenses	2,182,519	2,738,025
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Finance costs

Interest and finance charges paid/payable on borrowings	181,589	296,238
Interest and finance charges paid/payable on lease liabilities	88,659	49,070
Expenses incurred on early repayment of borrowings	691,373	-
Interest relating to discontinued operations	(6,152)	-

Finance costs expensed	955,469	345,308
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Note 6. Discontinued operations

Description

On 6 October 2020 the Company sold its wholly owned subsidiary, nanotron Technologies GmbH.

The transaction was an equity-based sale of the nanotron entity as well as individual assets of the IOT Solutions division located in the United States.

Under the terms of the transaction, US\$750,000 of sales proceeds are subject to 'holdback' terms to cover transaction representations, warranties and completion clauses. The purchaser holdback is classified as a non-current receivable and the carrying value represents the original holdback discounted to fair value. Refer to Note 8 (Trade and other receivables) and Note 19 (Subsequent events).

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 6. Discontinued operations (continued)

Financial performance information

	Consolidated	
	31 Dec 2020 US\$	31 Dec 2019 US\$
Revenue from contracts with customers	1,274,507	4,486,280
Cost of sales	<u>(405,584)</u>	<u>(2,953,769)</u>
Gross profit	<u>868,923</u>	<u>1,532,511</u>
Other income	28,351	55,152
Other gains/(losses) - net	<u>22,966</u>	<u>(17,098)</u>
Total other income	<u>51,317</u>	<u>38,054</u>
Operation, overheads and administrative expenses	(832,028)	(2,013,375)
Research and development expenses	(40,851)	(48,542)
Selling and marketing expenses	(6,532)	(57,469)
Restructuring expenses	19,994	(1,037,642)
Depreciation and amortisation expense	(44,391)	(39,459)
Finance costs	<u>(6,651)</u>	<u>-</u>
Total expenses	<u>(910,459)</u>	<u>(3,196,487)</u>
Profit/(loss) before income tax expense	9,781	(1,625,922)
Income tax expense	<u>-</u>	<u>-</u>
Profit/(loss) after income tax expense from discontinued operations	<u><u>9,781</u></u>	<u><u>(1,625,922)</u></u>

Cash flow information

	Consolidated	
	31 Dec 2020 US\$	31 Dec 2019 US\$
Net cash used in operating activities	(466,657)	(1,576,674)
Net cash used in investing activities	(26,783)	(8,004)
Net cash from financing activities	<u>276,056</u>	<u>1,680,196</u>
Net increase/(decrease) in cash and cash equivalents from discontinued operations	<u><u>(217,384)</u></u>	<u><u>95,518</u></u>

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 6. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed at disposal date

	Consolidated 31 Dec 2020 US\$
Cash and cash equivalents	342,005
Trade and other receivables	1,221,510
Inventories	762,312
Other current assets	157,852
Property, plant and equipment	432,799
Intangibles	3,481,545
Right-of-use assets	216,511
Total assets	<u>6,614,534</u>
Trade and other payables	1,155,711
Provisions	546,404
Lease liability	214,018
Total liabilities	<u>1,916,133</u>
Net assets	<u><u>4,698,401</u></u>

Details of the disposal

	Consolidated 31 Dec 2020 US\$
Total sale consideration**	8,422,865
Carrying amount of net assets disposed	(4,698,401)
Derecognition of foreign currency translation reserve	(330,928)
Derecognition of goodwill	(4,073,789)
Derecognition of deferred tax liability	920,318
Gain on disposal before income tax	240,065
Income tax expense	-
Gain on disposal after income tax	<u><u>240,065</u></u>

** Total sale consideration is made up of the following:

	Consolidated 31 Dec 2020 US\$
Cash proceeds from sale of subsidiary	7,786,978
Purchaser holdback	750,000
Less purchaser holdback discount to fair value	(113,213)
Total sale consideration	<u><u>8,422,865</u></u>

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 7. Cash and cash equivalents

	Consolidated	
	31 Dec 2020	30 Jun 2020
	US\$	US\$
<i>Current assets</i>		
Cash at bank	<u>821,324</u>	<u>835,669</u>

Note 8. Trade and other receivables

	Consolidated	
	31 Dec 2020	30 Jun 2020
	US\$	US\$
<i>Current assets</i>		
Trade receivables	406,265	326,573
Less: Allowance for expected credit losses	<u>(15,000)</u>	<u>(15,000)</u>
	391,265	311,573
<i>Non-current assets</i>		
nanotron Technologies GmbH sale proceeds held back (i)	<u>641,731</u>	<u>-</u>
	<u>1,032,996</u>	<u>311,573</u>

(i) Refer to Note 6 (Discontinued Operations) for further information.

Note 9. Right-of-use assets

	Consolidated	
	31 Dec 2020	30 Jun 2020
	US\$	US\$
<i>Non-current assets</i>		
Plant and equipment - right-of-use	1,761,733	1,761,733
Less: Accumulated depreciation	<u>(590,106)</u>	<u>(195,271)</u>
	1,171,627	1,566,462
<i>Lease liability</i>		
Current lease liability	906,533	906,533
Non-current lease liability	<u>346,786</u>	<u>718,026</u>
Total lease liability	<u>1,253,319</u>	<u>1,624,559</u>
Maturity analysis - contractual undiscounted cash flows		
Less than one year	906,533	906,533
One to five years	<u>453,266</u>	<u>906,533</u>
Total undiscounted lease liabilities	<u>1,359,799</u>	<u>1,813,066</u>

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 9. Right-of-use assets (continued)

As at 31 December 2020, the Group committed to a lease which had not yet commenced with total expected future cash outflows of US\$416,348 (30 June 2020 \$Nil).

Amounts recognised in the statement of profit or loss and other comprehensive income

	Consolidated	
	31 Dec 2020	31 Dec 2019
	US\$	US\$
Interest expense	88,659	49,070
Lease amortisation expense	417,853	387,773
	<u>506,512</u>	<u>436,843</u>

Short term lease payments are included in note 5.

Note 10. Assets of disposal groups classified as held for sale

	Consolidated	
	31 Dec 2020	30 Jun 2020
	US\$	US\$
<i>Current assets</i>		
Cash and cash equivalents	-	559,388
Trade and other receivables	-	608,789
Inventories	-	888,759
Right-of-use assets	-	235,393
Other current assets	-	35,649
Property, plant and equipment	-	435,608
Intangibles	-	3,447,609
Goodwill	-	4,073,789
	<u>-</u>	<u>10,284,984</u>

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 11. Property, plant and equipment

	Consolidated	
	31 Dec 2020	30 Jun 2020
	US\$	US\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	185,375	104,027
Less: Accumulated depreciation	<u>(57,797)</u>	<u>(47,495)</u>
	<u>127,578</u>	<u>56,532</u>
Fixtures and fittings - at cost	23,312	23,312
Less: Accumulated depreciation	<u>(16,235)</u>	<u>(13,992)</u>
	<u>7,077</u>	<u>9,320</u>
R&D equipment - at cost	435,203	435,203
Less: Accumulated depreciation	<u>(164,865)</u>	<u>(130,035)</u>
	<u>270,338</u>	<u>305,168</u>
Other fixed assets - at cost	76,308	67,488
Less: Accumulated depreciation	<u>(52,673)</u>	<u>(52,402)</u>
	<u>23,635</u>	<u>15,086</u>
	<u><u>428,628</u></u>	<u><u>386,106</u></u>

Note 12. Intangible assets

	Consolidated	
	31 Dec 2020	30 Jun 2020
	US\$	US\$
<i>Non-current assets</i>		
Patents	89,124	141,420
Less: Accumulated amortisation	<u>(8,319)</u>	<u>(5,942)</u>
	<u>80,805</u>	<u>135,478</u>

Note 13. Borrowings

	Consolidated	
	31 Dec 2020	30 Jun 2020
	US\$	US\$
<i>Current liabilities</i>		
Secured loan at fair value	-	1,000,000
Promissory notes - unsecured	<u>-</u>	<u>1,000,000</u>
	<u>-</u>	<u>2,000,000</u>
<i>Non-current liabilities</i>		
Secured loan at fair value	<u>-</u>	<u>3,075,951</u>
	<u>-</u>	<u>5,075,951</u>

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 14. Warrant liabilities

	Consolidated	
	31 Dec 2020	30 Jun 2020
	US\$	US\$
<i>Non-current liabilities</i>		
Warrant derivative	<u>5,663,912</u>	<u>1,223,007</u>

The warrant derivative represents the fair value of following grants of unlisted share warrants to acquire fully paid ordinary shares:

Tranche (Grant date)	Warrants	Expiry date	Exercise price A\$	Fair value per warrant as at 31 December 2020 A\$
Tranche I (19/10/2019)	29,755,556	08/10/2023	\$0.18	\$0.07
Tranche II (25/11/2019)	5,800,000	24/11/2023	\$0.18	\$0.07
Tranche III (20/05/2020)	51,200,000	19/05/2025	\$0.03	\$0.09

Tranche I and Tranche II warrants are held by PURE Asset Management Pty Ltd and Altor Capital Management Pty Ltd. Tranche III warrants are owned by PURE asset Management Pty Ltd. Tranche I and Tranche II were granted as part of the initial secured loan arrangements. Tranche III was granted as part of subsequent secured loan refinancing arrangements. The secured loan arrangements were repaid during the reporting period.

The warrants are all considered to be derivative financial instruments, revalued to fair value at the end of the reporting period in accordance with the accounting standards. The fair value of the warrants as at their respective grant dates were treated as costs associated with arranging and the subsequent refinancing of the secured loan facility referred to above. Any gain or loss arising as a result of fair value revaluations subsequent to grant date were recognised in the statement of profit or loss and other comprehensive income under the heading of Gain/(loss) on remeasurement of warrant derivatives.

Additional information

The warrant derivative liability:

- is a financial instrument measured and recognised on a recurring basis after initial recognition and its Level 3 categorisation within the fair value hierarchy, and
- was not subject to any changes or transfers between the fair value hierarchy levels during the reporting period.

Level 3 within the fair value hierarchy applies; if one or more of the significant inputs is not based on observable market data. This is the case for unlisted equity securities.

Note 15. Other liabilities – government

	Consolidated	
	31 Dec 2020	30 Jun 2020
	US\$	US\$
<i>Current liabilities</i>		
Subsidies and grants received in advance	<u>-</u>	<u>620,925</u>

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 15. Other liabilities - government (continued)

During the year ended 30 June 2020, the Group received specific grants in relation to the COVID-19 pandemic from the US Payroll Protection Program. These amounts were not considered to be income in the year ended 30 June 2020 due to the uncertainties around the process still required to be completed with the US Government to confirm the amounts are not required to be paid back.

During the half year ended 31 December 2020 it was determined that these grants were not required to be paid back and were treated as income in that period.

Note 16. Liabilities directly associated with assets classified as held for sale

	Consolidated	
	31 Dec 2020	30 Jun 2020
	US\$	US\$
<i>Current liabilities</i>		
Trade payables	-	692,450
Other payables	-	44,977
Lease liability	-	229,615
Provision for restructuring	-	529,185
Other employment related provisions	-	354,505
Deferred tax liability	-	920,318
	<u>-</u>	<u>2,771,050</u>

Note 17. Issued capital

	Consolidated			
	31 Dec 2020	30 Jun 2020	31 Dec 2020	30 Jun 2020
	Shares	Shares	US\$	US\$
Ordinary shares - fully paid	<u>323,467,406</u>	<u>322,125,055</u>	<u>31,271,718</u>	<u>31,173,047</u>

Movements in ordinary share capital

Details	Date	Number of shares	US\$
Balance	1 July 2020	322,125,055	31,173,047
Issued at deemed issue price of A\$0.07 to A\$0.11 per share (average of A\$0.10) pursuant to ESOP	17 August 2020	<u>1,342,351</u>	<u>98,671</u>
Balance	31 December 2020	<u>323,467,406</u>	<u>31,271,718</u>

(i) Movements in options

	Number of options	US\$
Balance at 1 July 2020	8,800,000	1,053,625
Lapse of unlisted options	(2,500,000)	(188,365)
Grant of ESOP unlisted options A\$0.06 each (24/09/2020) – refer note 21	9,200,000	-
Options expense	-	102,033
Balance as at 31 December 2020	<u>15,500,000</u>	<u>967,293</u>

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 17. Issued capital (continued)

Share warrants

(i) Unlisted share warrants to acquire fully paid ordinary shares were issued during the prior financial year as follows:

Tranche	Number of warrants	Exercise price \$A	Expiry date
Tranche I (19/10/2019)	29,755,556	Lower of A\$0.18 or the theoretical ex-rights price (TERP) of any future capital raise to increase shares on issue by more than 15%	08/10/2023
Tranche II (25/11/2019)	5,800,000	Lower of A\$0.18 or the theoretical ex-rights price (TERP) of any future capital raise to increase shares on issue by more than 15%	24/11/2013
Tranche III (20/05/2020)	51,200,000	Lower of A\$0.03 or the theoretical ex-rights price TERP of any future capital raise to increase shares on issue by more than 15%	19/05/2025

Note 18. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 19. Events after the reporting period

- On 2 February 2021 the Group received a second grant of US\$620,925 under the US Payroll Protection Program which is designed to protect employment during the COVID-19 pandemic.
- On 22 February 2021 the Group released a Leadership Transition announcement, whereby Mr. Ralph Schmitt the Managing Director had transitioned to an executive director role and Mr. Tim Stucchi had been promoted to the role of Chief Operating Officer. Remuneration for Mr. Schmitt changed from an employee based annualized US\$300,000 base salary plus bonus and other employee benefits, to a fixed fee of US\$10,000 per month.
- On 25 February 2021 the Group agreed to receive US\$465,843 from Inpixon (NASDAQ: INPX) as consideration for the early settlement of proceeds held back from the sale of nanotron Technologies GmbH together with working capital and other adjustments pursuant to the sale agreement. The original amount held back was US\$750,000 due to be repaid in April 2022. As at 31 December 2020 the carrying value of the receivable was US\$641,731 being the original amount held back discounted to its fair value.

No other matter or circumstance has arisen since 31 December 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 20. Loss per share

	Consolidated	
	31 Dec 2020	31 Dec 2019
	US\$	US\$
<i>Loss per share from continuing operations</i>		
Loss after income tax	<u>(5,604,502)</u>	<u>(2,074,283)</u>

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 20. Loss per share (continued)

	US\$ Cents	US\$ Cents
Basic loss per share	(1.734)	(0.711)
Diluted loss per share	(1.734)	(0.711)
	Consolidated	
	31 Dec 2020	31 Dec 2019
	US\$	US\$
<i>Earnings per share for profit/(loss) from discontinued operations</i>		
Profit/(loss) after income tax	<u>9,781</u>	<u>(1,625,922)</u>
	US\$ Cents	US\$ Cents
Basic earnings per share	0.003	(0.557)
Diluted earnings per share	0.003	(0.557)
	Consolidated	
	31 Dec 2020	31 Dec 2019
	US\$	US\$
<i>Loss per share</i>		
Loss after income tax	<u>(5,594,721)</u>	<u>(3,700,205)</u>
	US\$ Cents	US\$ Cents
Basic loss per share	(1.731)	(1.269)
Diluted loss per share	(1.731)	(1.269)
	31 Dec 2020	31 Dec 2019
	Number	Number
<i>Weighted average number of ordinary shares</i>		
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>323,124,522</u>	<u>291,677,550</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>323,124,522</u>	<u>291,677,550</u>

Note 21. Share-based payments

(a) Options granted during the period

During the half year period ended 31 December 2020, the group has granted 9,200,000 options under the ESOP.

Fair value of options granted

The model inputs for options granted during the half-year 31 December 2020 included:

Sensera Limited
Notes to the consolidated financial statements
31 December 2020

Note 21. Share-based payments (continued)

Grant date	Exercise price A\$	Number of options granted	Expected share price volatility %	Expiry date	Dividend yield	Risk-free interest rate %	Fair value per option at grant date A\$
24/09/2020	\$0.06	1,500,000	139.00%	23/09/2024	Nil	0.2800%	\$0.0508
24/09/2020	\$0.06	3,700,000	139.00%	23/09/2025	Nil	0.2800%	\$0.0491
24/09/2020	\$0.06	4,000,000	139.00%	23/09/2025	Nil	0.0280%	\$0.0491

(b) Expenses arising from share-based payment transactions

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

	Consolidated	
	31 Dec 2020	31 Dec 2019
	US\$	US\$
Shares issued to employees under ESOP	98,671	-
Options issued to employees under ESOP	102,033	101,940
	<u>200,704</u>	<u>101,940</u>

Sensera Limited
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Ralph Schmitt
Executive Director

26 February 2021

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 2020, 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, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Sensera Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Sensera Limited financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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\$5,594,721 and had net cash operating outflows of US\$1,331,397 during the half year ended 31 December 2020 and, as of that date, the Group's current liabilities exceeded its current assets by US\$395,365. As stated in Note 1, these events or conditions, 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.

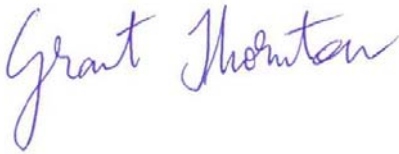
Directors' responsibility for the half year financial report

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 2020 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*.

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.



Grant Thornton Audit Pty Ltd
Chartered Accountants



CDJ Smith
Partner – Audit & Assurance

Brisbane, 26 February 2021