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1 December 2020

SenSen Acquires Snap Network Surveillance

HIGHLIGHTS:

- *SenSen has acquired the business and business assets of Snap Network Surveillance – world leader in AI-powered multi-camera tracking software*
- *Acquisition of all intellectual property including patents, trademarks and know-how for A$1,000,000*
- *Consideration for the transaction is SNS equity priced at the last 7 business days VWAP of A$0.1012 per share, being a total of 9,881,423 shares*
- *Snap's highly-skilled AI software engineers to join SenSen's world-leading technical team, including Dr. Henry Detmold, who is an acknowledged leader in large scale network video surveillance solutions.*
- *Snap is a leading provider of AI-enabled, multi-camera network relationships discovery and visualisation software that allows surveillance camera operators to efficiently track persons of interest over large-scale video surveillance environments.*
- *SenSen will integrate the Snap technology into its proprietary SenDISA platform to offer new ground breaking products and solutions to global markets.*
- *Over the last couple of years, Snap focused primarily on making inroads into the US market and has acquired a number of high security prisons and universities as its customers, including a new customer in Utah state, USA, in November 2020.*
- *Snap also made significant inroads into the Casino market with a number of POCs lined up in the US where tracking people across large-scale surveillance camera networks is mission-critical.*
- *Snap acquisition furthers SenSen's ambition to grow aggressively in the US, following the City of Las Vegas contract win in 2020 and other US customers engaged in POCs, as well as SenSen being admitted to the OTCQB market, headquartered in the US.*

Leading AI solutions provider SenSen Networks Limited (ASX: SNS, "SenSen" or "the Company") is pleased to announce the acquisition of the business and business assets of Snap Network Surveillance Pty Ltd ("Snap") which completed today. The acquisition ("Acquisition") follows the completion of technical and legal due diligence and the execution of the Business Purchase Agreement with Snap, signed contemporaneously with completion.

Snap *(www.snapsurveillance.com)* is a private company based in Adelaide, South Australia, that was formed in 2009 based on technology emanating from the internationally recognised Australian Centre for Visual Technologies (ACVT), now known as the Australian Institute of Machine Learning. Snap designs and builds AI-enabled, multi-camera tracking software that allows customers to take control of their large-scale video surveillance environments.

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Snap's lead product, *Force Multiplier* (FMX), integrates with the world's leading video management software systems including Milestone, Bosch, Honeywell, Genetec to name a few and has been installed on several sites in the US, Australia, Asia, Middle East and Europe. Snap products and solutions are highly relevant to all prospective customers and market segments where there is a need to track persons of interest over large-scale camera networks in real time or forensically. Snap's current and potential customers include Airports, High Security Prisons, Shopping Centres, Universities and Casinos.

SenSen has been independently providing solutions into the same market segments for many years, and upselling the additional SNAP functionality will be appreciated by SenSen's existing customer base and generate additional revenue streams to SenSen.

By combining Snap's AI-powered multi-camera networked tracking technology with SenSen's automated multi-object tracking technology within individual camera views, SenSen plans to release a ground-breaking new product - *"SenTRACK*"- which will have the revolutionary new capability to automatically detect and track people throughout a large-scale video surveillance network.

This is expected to deliver significant new business insights to SenSen's current and prospective customers. Potential applications of the integrated technology includes anti-money laundering applications within Casinos, path-to-purchase of customers within retail stores and COVID-19 related tag and trace applications within facilities. SenTRACK will also deliver high accuracy people occupancy metrics within buildings, which is a key work-place health and safety requirement for all businesses in the post COVID-19 world, simply by tapping into the existing CCTV networks.

Additionally, SenSen has already identified new international customers seeking the integrated SenSen/Snap solution. It is anticipated that the combined offering will allow SenSen to become a market leader in the large-scale video surveillance industry.

Commenting on the Snap Acquisition, SenSen's CEO Subhash Challa said:

"This is a very strategic acquisition for SenSen. Snap's Force Multiplier Product and the background IP will be a fantastic augmentation to the SenSen product portfolio. Adding the ability to seamlessly track objects in a multi-camera environment will be a major benefit for many of SenSen's existing customers providing additional functionality, and to build on our value proposition for new customers in the security and surveillance world."

"I would like to thank the Board and senior staff of Snap including the founding member, Dr. Henry Detmold, for their willingness to explore a common pathway at a time when many sectors of the economy are reluctant to look too far ahead. At SenSen we will continue to scrutinise strategic acquisitions presented to us if they align with our global growth ambitions for the AI platform we have built and continue to further develop."

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Snap Chairman Geoff Thomas said:

"After many years of development, Snap is very happy to find a partner in SenSen to take the product forward into multiple global markets and realise the potential for the IP across multiple market verticals. We are also very pleased to note that the Snap development team has joined SenSen."

Transaction Details

- *Consideration:* A$1,000,000 by way of the issue of fully paid ordinary shares in SenSen ("Consideration Shares").
- *Price:* $0.1012 per Consideration Share (the VWAP of SenSen's fully paid ordinary shares during the seven business days ending on the date prior to the completion).
- *Number of shares*: 9,881,423 (determined by dividing A$1,000,000 by the Price)
- *Escrow*: 50% of the Consideration Shares are escrowed for 6 months from the Completion Date and the remaining 50% of the Consideration Shares are escrowed for 12 months from the Completion Date.
- *SenSen share capital dilution pre-issue:* ~2.2%
- *Completion Date:* today, 1 December 2020.
- *Conditions Precedent:* The following conditions have been satisfied:
    - no breach of the Business Purchase Agreement by Snap;
    - no Material Adverse Change;
    - two Snap employees have accepted offers of SenSen employment;
    - Snap obtained special majority approval of its Board and the consent from all parties holding notes in the Seller to enter into the Business Purchase Agreement.

Grannus Securities acted as Commercial Advisor to SenSen for the Acquisition and earned a A$50,000 Success Fee, paid in cash (50%) and the balance to be paid in SenSen equity at the VWAP price as at the close of the market on 19 May 2020 (A$0.095 or 263,158 shares) ("Advisor Shares"). Thomson Geer Lawyers acted as Legal Advisor to SenSen for the Transaction.

Accompanying this announcement is an Appendix 2A for quotation of both the Consideration Shares and the Advisor Shares and a Cleansing Notice.

This release is approved by the Board of SenSen.

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For further information, please contact:

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About SenSen Networks Limited

SenSen is focused principally on the development, commercialisation and supply of innovative, data-driven business process enhancement solutions, designed to assist customers in their business operations and significantly improve business efficiency and productivity.

SenSen provides video analytics and artificial intelligence data analytics software solutions to customers in the intelligent transportation systems and gaming sectors located in Australia, the US, Canada, Singapore, Europe, New Zealand, India, and UAE.

Disclaimer – forward-looking statements
This release may contain forward-looking statements. These statements are based upon management's current expectations, estimates, projections and beliefs in regards to future events in respect to SenSen's business and the industry in which it operates. These forward-looking statements are provided as a general guide and should not be relied upon as an indication or guarantee of future performance. The bases for these statements are subjected to risk and uncertainties that might be out of control of SenSen Networks Limited and may cause actual results to differ from the release. SenSen Networks Limited takes no responsibility to make changes to these statements to reflect change of events or circumstances after the release.