Quarterly Report

Activities Report for the Quarter ended
30 June 2021

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29 July 2021

SenSen achieves record cash receipts since listing

Highlights

- *Cash receipts in Q4 2021 of A$1.6M, the highest result since listing.*
- *Acquired leading provider of AI solutions to fuel retailers, ScanCam Industries Pty Ltd, adding a client portfolio of independent and national fuel retailers such as BP, Ampol (Caltex) and Chevron (Puma), and access to 6,500 fuel stations around the country.*
    - *SNS completed the acquisition with upfront consideration of A$6.5M (A$1M cash plus A$5.5M in ordinary shares in SenSen); and*
    - *Deferred consideration of up to a maximum of about A$4.1M, should the audited ARR of the ScanCam business reach A$3M within 24 months post the Completion date.*
- *Updated overall Revenue guidance for FY 2022 to >A$11.0M (includes an estimated A$3M in ScanCam revenues).*
- *Updated overall Annual Recurring Revenue (ARR) guidance to ~A$6.5M for FY22 and beyond, based on current confirmed orders and contracts and ScanCam's expected ARR including guidance on North American ARR to exceed A$1.5M.*
- *Expanded North American operations through the hiring of key marketing and sales executives, and opening of North American headquarters in Las Vegas, Nevada, USA.*
- *Net Cash used in Operating Activities of A$1.2M – compared to A$1.8M in the quarter ended March 2021.*
- *Cash and cash equivalents of $5.2M and unused finance facilities available of $1.8M at 30 June 2021.*

Melbourne, Australia – Sensor AI software solutions provider **SenSen Networks Limited** (ASX: SNS), "SenSen" or "the Company") is pleased to provide an update on its activities for the quarter ended 30 June 2021 (Q4 FY21).

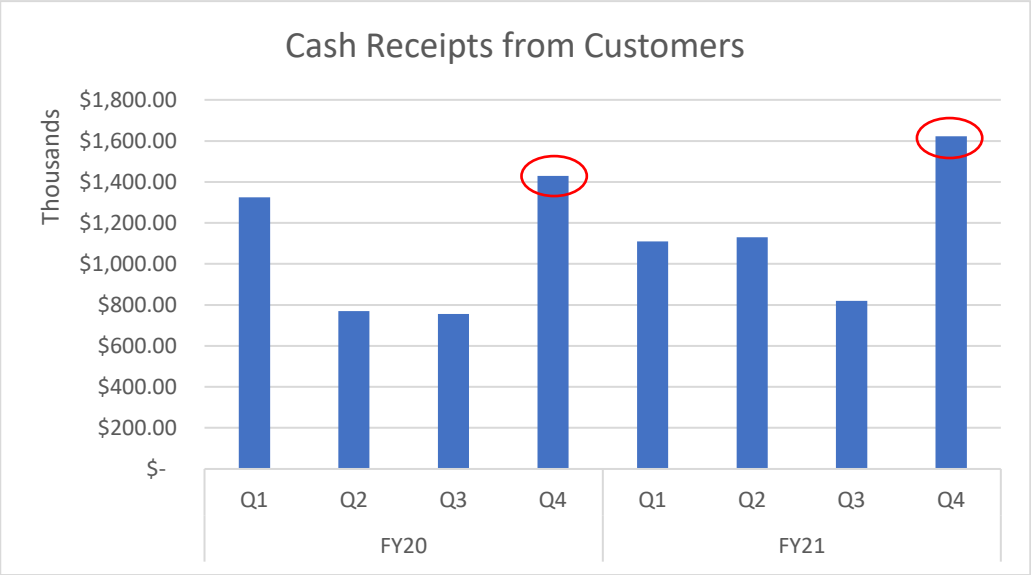
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Financial highlights

The Company recorded cash receipts from customers in Q4 2021 of A$1.6M, the highest quarterly cash receipts since SenSen's listing, and A$200k more than in Q4 FY20. SenSen's expected revenue (unaudited) for FY21 is between $5.3M - $5.5M, representing a 40% increase over FY20.



During this period of growth, SenSen managed to reduce cash used in operating activities by 33% to A$1.2M for Q4 FY21, when compared to previous comparable period of A$1.8m for Q3 FY21. As of 30 June 2021, the Company maintained cash and cash equivalents of $5.2M and unused finance facilities available of $1.8M.

This decrease in operational costs also reflects the minimised spend on recruitment across the Company, as highlighted in the June Investor update. SenSen completed the appointment of key executives covering sales, marketing, account management, project management and other support resources in India. This recruitment drive is aligned to the Company's commitment to service current and new customers as the momentum continues towards revenue growth for FY22 and beyond. This is a result of strong management and operational controls implemented by the executives and the growing maturity of the business.

Commenting on the quarter, SenSen's CEO Dr Subhash Challa said, *"We remain focused on our vision to positively transform people's lives with Sensor AI, as we develop solutions to unsolved problems through the analysis and fusion of data from multiple sensors and position SenSen as a world leader."*

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"Overall this quarter has been one of continued and sustained growth as we delivered on our strategy to expand the commercialisation of our business verticals – Smart Cities, Retail, Casinos and Surveillance – and provide the operational support to grow. Our major achievements include record cash receipts from customers since listing, the acquisition of the fuel theft retail monitoring business ScanCam (approved by shareholders at our EGM), and our expansion into the US through our Las Vegas headquarters, and presenting an updated ARR guidance to the market for FY22. We look forward to updating the market as we continue growth throughout FY22."

Business update

Throughout Q4 FY21, SenSen focused on delivering the company's core strategy – to focus on growth by expanding the customer base across each business vertical.

Smart Cities – USA

- Established physical office in the city of Las Vegas, supported by the government of Nevada.
- Completed the deployment and delivery of SenSen technology automating the parking management and enforcement operations of City of Las Vegas parking. Picture below shows our Gemineye solution in use by an officer. This solution disrupted the market where very expensive specialist technologies are traditionally used for mobile License Plate Recognition (LPR) capabilities.



- SenSen technology is now used by 20+ officers in multiple modes including
  - on city-owned vehicles as Mobile License Plate Recognition systems;
  - as hand-held scanners scanning and alerting on illegally parked vehicles; and
  - monitoring alerts on vehicles of interest in 5 city-owned and operated parking garages.

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- Our groundbreaking innovation GeminEye, converting everyday smart phones into smart AI-powered devices scanning the streets of Las Vegas, is the driving force behind this success.
- This not only generates in excess of $330K per annum, it is also our major reference client in the USA.
- We have established significant partnerships with leading Smart City solution providers in the USA including Passport, AIMS, Conduent, Cox communications and others to accelerate our sales momentum in the USA.
- We have hired 5 sales-focused personnel and 2 additional support engineers and project managers in North America in the last 6 months to agressively grow the market in the region.
- Chicago Parking Meters LLC has ordered two additional systems with a focus on our new groundbreaking and patent pending invention: Environmental Mapping Technology (EMT). We completed delivery of these systems in the month of June 2021.



- We are engaged in 2 new POCs in the USA supporting Cox Communications for curbside analytics.
- We are engaged in a POC with private car parking operators in Canada for our Gemineye LPR solution.

Supported by a stable flagship customer base that includes a range of offerings implemented in Las Vegas, Chicago, Calgary and Edmonton, SenSen's revenue base in North America now completely funds operations in the region.

Coupled with the expanded presence and operational base, SenSen is now well-positioned to continue growth throughout North America.

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Smart Cities – APAC

- Brisbane City Council has ordered two additional systems with a focus on our new groundbreaking and patent pending invention: Environmental Mapping Technology. We completed delivery of these systems in the month of June 2021. This is a great endorsement of our advancing technology after the same technology was trialled successfully by Chicago Parking Meters LLC in the USA.
- With these new orders Brisbane now has 7 vehicle-mounted systems, the largest deployment in Australia. We are confident that more systems will be ordered in the near future.
- In addition, as our systems generate additional infringements tickets due to this expanded fleet and usage, we are confident this will generate additional ongoing software license fees and revenues from Brisbane City Council.
- We have successfully completed trials of GeminEye for automated enforcement using fixed cameras for Secure Parking NZ Limited in Auckland, New Zealand. Further systems have been ordered by the client for installation and testing in Brisbane.
- We have successfully completed trials of GeminEye for automated enforcement by car park operator CarePark. We have also delivered on two production systems for CarePark – one of them to support their operations in Wellington, NZ and another to support their operations in Canberra.
- We are working closely with UbiPark, EasyPark, CelloPark, Duncan Solutions, ITS Global and others within the pay-by-phone and pay-by-plate solutions space in several joint opportunities.
- Ipswich City Council has extended its contract for another 3 years – continuing our track record of zero churn.
- We have successfully completed Bus Lane Enforcement trials in Singapore in collaboration with STE for the Land Traffic Authority. Production orders are expected in the latter part of FY 22 based upon this successful trial.
- Several new trials have been initiated in Singapore with Singapore Police.
- We have established collaboration with a leading drone company based in Sydney: AVCRM (https://remoteaviation.com.au/). AVCRM works with a number of city councils, state and local goverments, and fire and emergency services. We are now working closely on a number of applications where we plan to add our AI capabilities to the live data these drones are collecting.
- We have established partnerships with Unisys Australia, working closely on a number of joint opportunities within the Intelligent Transportation sector.
- We have successfully completed POCs with Mornington Peninsula Council, Adelaide City Council and Melbourne City Council in Q4 FY21.

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In addition to the above, throughout Q4 FY21, SenSen has focused operational activities on the acquisition of the ScanCam fuel theft business, while expanding North American operations in line with accelerated growth plans.

Casino Gaming Solutions Update

Post Q4 FY21, SenSen signed two new competitive POCs, one in The Philippines and one in Australia for its ground breaking new solution SenEYE-D.

SenSen has continued to support current customers and POC clients through the challenges of COVID and has spent the past 18 months continuing to develop products to meet the emerging regulatory challenges of the industry, especially KYC (Know Your Customer), harm minimisation, behaviour monitoring and AML (Anti-Money Laundering).

SenSen Networks Gaming recently exhibited at major trade show NIGA 2021 in Las Vegas, Nevada, USA. This was the first face-to-face gaming exhibition held in more than 18 months.

With over 7000 attendees, the show is mainly focused on tribal casinos, however this year the show was located in Las Vegas which meant visitation from all over the USA.



The show was a great success with over 30 leads produced and many enquiries about our SenGAME, SenEYE-D and the SenTRACK products.

"It was a great sight to have so many visitors at the SenSen booth with the entire casino sector focused on improving its business and interested to see our latest technology and its

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potential to positively transform casino operations," said Heather Scheibenstock, Executive Director, and Chief Sales Officer, Casino Gaming Solutions.

While pursuing these opportunities, SenSen continues to increase awareness among shareholders and the wider business community through a range of activities including added media outreach, presentations to the US investor community via OTC Markets, and expanding our thought leadership capabilities in Sensor AI technology.

Smart Surveillance Solutions Update – USA & Singapore

- All staff and technology from SNAP Surveillance, the company SenSen acquired in November 2020, are now fully integrated into the technology platform SenDISA.
- SenTRACK, a new product line derived from SNAP, has been made available for the market with ground breaking new features to help enhance facility management and surveillance operations of our customers.
- With the post-COVID recovery in the USA, several universities and corporate clients have started to roll out the product.
- The solution is now deployed at:
    - University of Tennessee to support multi-camera people tracking across 3700+ cameras
    - Utah State University to support multi-camera people tracking across 500+ cameras
    - Snapchat corporate faciltiies to support multi-camera people tracking across 1100+ cameras
    - Rockingham County Schools (North Carolina) to support multi-camera people tracking across 70 cameras with potential to extend to 3000 cameras in the near future
    - Riverside University Health System (Riverside, California) to support multi-camera people tracking across 95 cameras with potential to extend to 2300 cameras
    - St Josephs College (Brooklyn, New York) to support multi-camera people tracking across 70 cameras with potential to extend to 1500 cameras
- In addition to the above active and growing customer base, the just-concluded NIGA trade show where SenTRACK was showcased resulted in strong demand pull with over 30 customers showing keen interest in the product with some of them expressing interest to move to POCs in the near term.
- We established a strong working relationship with Milestone (owned by Canon) and Intel for joint marketing of the product line to their customer ecosystem.
- We hired a dedicated resource to support the growing sales, support and pre-sales for the SenTRACK product line.

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- Riding on the above momentum, we expect to see additional revenue streams coming from this business vertical in FY22 and beyond.
- In Singapore, we have completed deployment of high-accuracy security analytics at the head quarters of Singapore Police.
- We have successfully completed several demos and POCs via our distributor D-Ron targeting several high-profile government agencies.

For further information, please contact:

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About SenSen Networks Limited

SenSen Networks Limited (ASX:SNS; OTCQB:SNNSF) is a leading Sensor AI Data enterprise working with people, places and data to solve problems once thought technically impossible. The company's patented network approach enables SenSen to offer customised, real-time and batch processing of data alongside SaaS solutions. The Company's technology fuses complex video and sensor datasets at high speeds across multiple networks to assess and inform strategic actions to its customers across its enterprise verticals: Smart Cities, Casinos, Retail, Smart Surveillance and Emerging Tech. SenSen has clients on four continents and can be found in Australia, New Zealand, Singapore, USA, Canada, 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

SENSEN NETWORKS LIMITED

ABN	**Quarter ended ("current quarter")**
67 121 257 412	June 2021

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	1,623	4,676
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(314)	(1,611)
	(c) advertising and marketing	(58)	(195)
	(d) leased assets		
	(e) staff costs	(1,612)	(4,858)
	(f) administration and corporate costs	(828)	(2,982)
1.3	Dividends received (see note 3)		
1.4	Interest received		4
1.5	Interest and other costs of finance paid	(7)	(131)
1.6	Income taxes paid	(64)	(31)
1.7	Government grants and tax incentives	1	1,619
1.8	Other (provide details if material)	23	107
1.9	**Net cash from / (used in) operating activities**	**(1,235)**	**(3,402)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(g) entities		
	(h) businesses		
	(i) property, plant and equipment	(72)	(279)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
	(j) investments		
	(k) intellectual property		
	(l) other non-current assets		
2.2	Proceeds from disposal of:		
	(m) entities		
	(n) businesses		
	(o) property, plant and equipment		
	(p) investments		
	(q) intellectual property		
	(r) 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**	**(72)**	**(279)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		7,150
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(115)
3.5	Proceeds from borrowings		880
3.6	Repayment of borrowings		(1,294)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(109)	(253)
3.10	**Net cash from / (used in) financing activities**	**(109)**	**6,368**

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Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6,592	2,463
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,235)	(3,402)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(72)	(279)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(109)	6,368
4.5	Effect of movement in exchange rates on cash held	1	27
4.6	**Cash and cash equivalents at end of period***	**5,176**	**5,176**

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 $A'000**	**Previous quarter $A'000**
5.1	Bank balances	4,360	5,776
5.2	Call deposits	816	816
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)***	**5,176**	**6,592**
	**On 6 January 2021, SenSen announced it had completed a $7.15M Placement.*		

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	648
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The amount in item 6.1 comprises an intercompany transfer of funds to SenSen VBI Pvt Ltd, India and SenSen Networks Inc., USA to fund working capital during the quarter ended 31 March 2021.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	2,655	830
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	**2,655**	**830**

7.5	**Unused financing facilities available at quarter end**	**1,825**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Financing Facilities	Facilty	Drawn
CBA Credit Cards	$100,000	
CBA Business Loan	$450,000	$450,000
CBA Overdraft	$225,000	
Subtotal	**$775,000**	**$450,000**
Rocking Horse Loan	$380,000	$380,000
CEO Loan	$500,000	$0
Loan Facility from Speedshield	$1,000,000	$0
Total	**$2,655,000**	**$830,000**

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,235)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,176
8.3	Unused finance facilities available at quarter end (item 7.5)	1,825
8.4	Total available funding (item 8.2 + item 8.3)	7,001
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**(5.7)**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

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8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

29 July 2021

Date: .....

By the Board of SenSen Networks Limited

Authorised by: .....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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