Sensera Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Sensera Limited
ABN:	73 613 509 041
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

				US$
Revenues from ordinary** activities	down	39%	to	2,951,429
Loss from ordinary** activities after tax	reduced by	32%	to	(4,474,795)
Loss for the year	reduced by	46%	to	(4,465,014)

*** Ordinary activities also indicates continuing activities*

Explanatory comments

Refer to the review of operations contained in the attached Annual Report.

3. Net tangible assets

	Reporting period US Cents	Previous period US Cents
Net tangible assets per ordinary security	(0.44)	(1.86)

4. Changes in controlled entities

On 6 October 2020, the Group completed the sale of its wholly owned subsidiary nanotron Technologies GmbH.

Further details are set out in the attached Annual Report (refer to Note 7 Discontinued Operations to the Financial Statements)

There were no other changes during the year.

5. Other information required by Listing Rule 4.3A

a. Details of individual and total dividends or distributions and dividend or distribution payments:	N/A
b. Details of any dividend or distribution reinvestment plans:	N/A
c. Details of associates and joint venture entities:	N/A
d. Other information:	N/A

6. Audit qualification or review

The Financial Statements have been audited and an unqualified opinion has been issued. The Auditor's report contains a paragraph addressing a material uncertainty related to going concern.

7. Statement of comprehensive income together with notes to the statement

Please refer to the Audited Financial Statements contained in the attached Annual Report**.**

8. Statement of financial position together with notes to the statement

Please refer to the Audited Financial Statements contained in the attached Annual Report.

9. Statement of cash flows together with notes to the statement

Please refer to the Audited Financial Statements contained in the attached Annual Report.

10. Statement of changes in equity

Please refer to the Audited Financial Statements contained in the attached Annual Report.

Sensera Limited

ABN 73 613 509 041

Annual Report - 30 June 2021

Sensera Limited
Corporate directory
30 June 2021

Directors	Mr Camillo Martino - Non-Executive Chairman Mr Ralph Schmitt - Managing 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

Review of Operations

Results

	FY2021 US$m	FY2020 US$m	Change %
Revenue from contracts with customers	2.95	4.81	(39%)
Gross profit	1.31	2.54	(48%)
Gross profit margin	44%	53%	
Operating expenses	(4.61)	(5.67)	19%
Underlying EBIT** (loss)	(3.30)	(3.13)	(5%)
- other income / gains and losses	(0.11)	0.76	
- on-going finance costs	(0.17)	(0.85)	
- non recurring finance costs	(0.89)	(1.56)	
- impairment of goodwill (nanotron)	-	(1.89)	
- discontinued operations (nanotron)	0.01	(1.76)	
- income tax (expense) / benefit	-	0.10	
Statutory loss after income tax	(4.46)	(8.33)	

** EBIT is Earnings Before Interest and Tax

Group performance

In October 2020 Sensera sold its IOT Solution subsidiary, nanotron Technolgies GmbH to Inpixon for US$8.7m and the proceeds were used to retire all outstanding debts and to provide additional working capital for the Group. The divestiture of the business allowed Sensera to focus on its primary business of MicroDevices (US subsidiary) sensor development and production using MEMS based technology.

Nanotron's FY20 operating losses totalling US$1.76m were subsequently reclassified as discontinued operations in the year and underlying EBIT (loss) represents a like for like comparison of the MicroDevices business for the year.

The Group recorded revenue of US$2.95m, a 39% reduction on FY20. Over the past year Sensera has transitioned from being focused on R&D customer projects that produced NRE revenue to production development work with the aim of providing consistent revenue from component manufacturing for commercialized product technologies. However during the year a number of customer's businesses were impacted by COVID and Sensera's progress to breakeven has been hampered by product issues and variability in demand by key customer Abiomed; delays to the expected launch of products by Nova Biomedical; the cancelation of the work from Didi; and significant decline in normal R&D work by earlier stage customers.

The lower revenue base also affected gross margins which fell from 53% to 44% due primarily to greater absorption of fixed costs from underutilization in manufacturing. Gross profit reduced to $US1.31m compared to US$2.54m in FY20.

Operating expenses reduced by US$1.06m (19%) to US$4.61m, reflecting the Group's on-going focus on right-sizing the corporate cost base. Overall, the underlying EBIT loss was $US3.30m, 5% higher than the FY20 result despite a 39% reduction of revenue.

The statutory net loss after income tax was reduced to US$4.46m from FY20 loss of $US8.33m. The FY20 result includes debt refinancing charges of US$1.56m and goodwill impairment charges of US$1.89m and as mentioned above, nanotron's losses were reclassified as discontinuing operations.

The FY21 result includes non-recurring finance charges of US$0.89m following the application of nanotron sale proceeds to extinguish debt facilities. Other income / gains and losses include a loss on the remeasurement of share warrant financial liabilities US$0.95m compared to a FY20 gain of US$0.36m and the first tranche of US Payroll Protection Program (PPP) funding of US$0.62m received during FY20 was recognised as income. During the year the Group received a second tranche of PPP funding of $US0.62m which will not be recognised as revenue until the Group can determine a view on the satisfaction of PPP loan forgiveness conditions.

Balance Sheet

On 31 May 2021, 17.0m shares were issued upon the conversion of 17.0m shares warrants with an exercise price of A$0.03 each. The transaction resulted in an increase in share capital of US$1.12m comprising cash proceeds of US$0.40m and a reduction in the share warrant financial liabilities of US$0.72m.

Cash balances at the end of the reporting period were US$0.79m compared to US$1.40m at the end of the previous reporting period. Net cash used in operating activities was reduced to US$1.58m versus US$3.07m in FY20. Proceeds from sale of nanotron was the major contributor to net cash inflows from investing activities of US$7.83m. Net cash used in financing activities was US$6.88m versus. an inflow of US$3.84m in FY20. The financing activities comprised of US$0.40 proceeds from share issues, US$0.71m payment of largely non-recurring finance costs, $5.75m paid to extinguish debt facilities and US$0.82m lease liability principal payments.

Outlook

While some of the impacts of COVID in the business environment are still uncertain, the Company has seen increased trend in spending and hiring by the mostly US customers to reinvigorate the projects using Sensera's MEMs based sensors. The Company has reinitiated a revenue growth trajectory since the 3rd quarter of FY21 and expects revenue growth during FY22. The Company entered the year with confirmed production demand of more than US$4m and this is the strongest demand the company has had entering any year. The Company has also continued to gain new customers for development work (NRE) which will add to the overall expectation of revenue growth in the year.

Sensera Limited
Directors' report
30 June 2021

Your directors present their report on the consolidated entity consisting of Sensera Limited and the entities it controlled at the end of, or during, the year ended 30 June 2021. Throughout the report, the consolidated entity is referred to as the Group, Sensera or the Company.

Directors and Company Secretary

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

Mr Camillo Martino, Non-Executive Director (appointed Board Chairman 20 October 2020)
Mr Ralph Schmitt, Managing Director & CEO (up to 22 February 2021), Executive Director (from 22 February 2021)
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)

Mr Mark Pryn is the Company Secretary.

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 year.

Review of operations

The loss for the Group after providing for income tax amounted to US$4,465,014 (30 June 2020: US$8,330,555).

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the review of operations and activities which precedes this directors' report.

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 year.

Matters subsequent to the end of the financial year

On 6 August 2021, the Group announced the completion of a A$2.5m private placement (before costs) comprising 73,529,037 fully paid ordinary shares at A$0.034 each. Subject to shareholder approval, a total 55,146,786 options are to be issued to the placement investors and the placement broker. The options have an exercise price of $0.085 and will expire 24 months from issue on or about 17 November 2023.

No other matter or circumstance has arisen since 30 June 2021 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.

Likely developments and expected results of operations

Other than the information disclosed in the review of operations and activities preceding this directors' report, there are no likely developments or details on the expected results of operations that the Group has not disclosed.

Environmental regulation

The Group is not affected by any significant environmental regulation in respect of its operations.

Information on Directors

Name:	Mr Camillo Martino
Title:	Non-Executive Director (appointed as Board Chair 20 October 2020)
Experience and expertise:	Camillo has served as Non-Executive Director of Sensera Limited since 1 July 2018. He is a board member and executive advisor to a number of other technology companies. Mr. Martino is currently the Chairman of the Board at Magnachip Semiconductor Corp (NYSE:MX) and has served on this board since August 2016. Mr. Martino also serves on the board at multiple privatelyheld companies, including VVDN Technologies and KeraCel. Camillo was the CEO and Director of Silicon Image, Inc. until it was acquired by Lattice Semiconductor in 2015. His semiconductor experience also includes the position of COO at Zoran Corporation, and earlier in his career, he served at National Semiconductor in four different countries including Japan and China over a nearly 14-year period. Camillo holds a B. Applied Science from the University of Melbourne and a Graduate Diploma in Digital Communication from Monash University, Australia.
Other current directorships:	Magnachip Semiconductor Corp (NYSE: MX), since August 2016.
Former directorships (last 3 years):	Kins Technology Group (Nasdaq: KINZ), since August 2020 MosChip Technologies Limited (BOM: 532407), resigned in May 2019, and Cypress Semiconductor (NASADQ: CY), resigned in April 2020
Special responsibilities:	Board Chair

Name:	Mr Ralph Schmitt
Title:	Managing Director & CEO (up to 22 February 2021), Executive Director (from 22 February 2021)
Experience and expertise:	Ralph was previously an executive of Toshiba America Electronic Components, Inc. (TAEC), where he led the development of cognitive computing software and systems. Toshiba acquired OCZ Technology where Ralph was CEO and ran the wholly owned subsidiary under Toshiba for multiple years. Prior to this Ralph was brought in to lead the turn-arounds as CEO of multiple NASDAQ technology companies: Sipex, Exar and PLX Technologies. Prior to his appointment at Toshiba, Ralph built an extensive executive career including EVP of Sales, Marketing and Business Development at Cypress Semiconductor (NASDAQ: CY), where he oversaw the acquisition of multiple companies and managed the company's revenue growth to over US$1.4 billion. In addition to his executive experience, Ralph has held multiple venture capital advisory and board roles in the hardware and software sectors over the past two decades. He holds a B. Science in Electrical Engineering from Rutgers University and is fluent in German.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None

Name:	Mr Jonathan Tooth
Title:	Non-Executive Director
Experience and expertise:	Jonathan is an experienced director and provides strong corporate governance to the board. He is also chair of the Group's audit and risk committee. Mr Tooth is a director, corporate at Henslow. He has over 25 years' experience in corporate finance, capital raisings, placements and initial public offerings, corporate advice, and restructuring specifically in the small to middle market. Jonathan holds a B. Arts (Economics and Financial Studies) from Macquarie University.
Other current directorships:	Generation Development Group Limited (ASX: GDG), since 1 May 2012 and Vita Life Sciences Limited (ASX: VLS), since 26 July 2012 up to 28 May 2021.
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the audit and risk committee Member of the remuneration and nomination committee

Name:	Mr Simon Peeke
Title:	Non-Executive Director (appointed 20 October 2020)
Experience and expertise:	Simon has been working with Sensera since October 2019 in an investor relations capacity and supporting the finance team. Based in Melbourne, Simon and has a strong financial background coupled with over 20 years of operating experience both at CFO and CEO levels. Earlier in his career he was the Regional Director of Metromedia Technologies which revolutionised the outdoor advertising industry with patented computer painting technology. He has been instrumental in several business turnaround projects and has significant experience in merger and acquisition transactions both acting as a buyer and seller. Simon founded his consulting business in 2015 aimed at providing strategic financial and structuring advice for small cap and privately owned businesses. He was a member of the CPA and received a Bachelor of Business from Monash University.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of remuneration and nomination committee (appointed 20 October 2020) Member of the audit and risk committee (appointed 20 October 2020)

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Mr Mark Pryn

Mark Pryn is a Chartered Accountant and a member of the Governance Institute Australia with over 25 years' corporate experience in senior finance and governance roles, including 10 years as an ASX listed company secretary. Mark is now principal of Baudin Consulting Pty Ltd, a firm focused on providing governance, financial and regulatory compliance services to a broad client base. Mark has extensive board, governance and financial reporting experience within the corporate and not for profit sectors.

Meetings of Directors
The number of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each Director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Mr Camillo Martino	17	17	-	-	-	-
Mr Ralph Schmitt	17	17	-	-	-	-
Mr Jonathan Tooth	17	17	2	2	5	5
Mr Simon Peeke (appointed 20/10/20)	13	13	1	1	3	3
Mr Allan Brackin (resigned 20/10/20)	4	4	1	1	2	2
Mr George Lauro (resigned 20/10/20)	4	4	-	-	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Remuneration report (audited)
The directors present the Sensera Limited, 2021 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

(a) Key management personnel (KMP) covered in this report
(b) Remuneration policy and link to performance
(c) Elements of remuneration
(d) Link between remuneration and performance
(e) Details of remuneration
(f) Service agreements
(g) Share-based compensation
(h) Additional disclosures relating to key management personnel

(a) Key management personnel covered in this report

Non-executive and executive directors

- Mr Camillo Martino, Non-Executive Director (appointed Chairman 20 October 2020)
- Mr Ralph Schmitt, Managing Director & CEO (up to 22 February 2021), Executive Director (from 22 February 2021)
- Mr Jonathan Tooth, Non-Executive Director
- Mr Simon Peeke, Non-executive Director (appointed 20 October 2020)
- Mr Allan Brackin, Independent Non-Executive Chairman (resigned 20 October 2020)
- Mr George Lauro, Non-Executive Director (resigned 20 October 2020)

Other key management personnel

- Mr David Garrison, Chief Financial Officer (CFO) (resigned 7 January 2021)
- Mr Mark Pryn, Company Secretary & Chief Financial Officer (CFO) (appointed as CFO 7 January 2021)
- Mr Tim Stucchi, Chief Operations Officer (appointed 22 February 2021)

(b) Remuneration policy and link to performance

Our remuneration and nomination committee is made up of non-executive directors, with executive participation by invitation. The committee reviews and determines our remuneration annually to ensure it remains aligned to business needs, and meets our remuneration principles. The committee may also engage external remuneration consultants to assist with this review. In particular, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Group to attract and retain key talent,
- aligned to the Group's strategic and business objectives and the creation of shareholder value,
- transparent and easily understood, and
- acceptable to shareholders.

*Executives (executive directors and other key management personnel) **

Element	Purpose	Performance metrics	Potential value
Fixed remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at the market rate
Short term incentive (STI)	Reward for in-year performance and retention	Total shareholder return, financial and operational outcomes	2021 – Nil.** Previously CEO: 100% of FR CFO: 35% of FR
Long term incentive (LTI)	Alignment to long-term shareholder value	EBITDA, annual sales	2021 – Nil.** Previously CEO: 3,000,000 milestones shares upon achieving specified hurdles set out in section (c) of this report. The LTI programme is subject to remuneration and nomination committee review.

* The CFO and Company Secretary role is remunerated under contract with an external consulting firm. Further details are provided below under the heading (f) service agreements.
** The CEO STI and LTI ceased on 22 February 2021, when the CEO's role transitioned into an Executive Director role.

Non-executive directors

Element	Purpose	Performance metrics	Potential value
Fixed remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits	Nil	Positioned at the market rate
Short term incentive (STI)	N/a	N/a	N/a
Long term incentive (LTI) *	N/a	N/a	N/a

* In prior years options were granted to non-executive directors. The fair value of these options as at grant date is included as share based payment remuneration over the vesting period.

Assessing performance

The remuneration and nomination committee is responsible for assessing performance against KPIs and determining the STI and LTI to be paid. To assist in this assessment, the committee may elect to receive data from independently run surveys.

Performance is monitored in detailed quarterly operations reviews throughout the year and a formal extensive evaluation is performed annually.

Share trading policy

Sensera Limited's securities trading policy applies to all directors and executives. See www.sensera.com and follow the link to the 'board charter'. It only permits the purchase or sale of company securities during certain periods.

(c) Elements of remuneration

(i) Fixed annual remuneration (FR)

Key management personnel may receive their fixed remuneration as cash, or cash with non-monetary benefits such as health insurance and car allowances. FR is reviewed annually, or on promotion. Historically, it has been benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalization. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organization and performance of the individual.

(ii) Short-term incentives (STI)

Executive employees are eligible to receive a short-term incentive (STI) as part of their total remuneration if they achieve certain performance indicators as set by the board. The STI can be paid either by cash, or a combination of cash and the issue of equity in the company, at the determination of the remuneration and nomination committee and ultimately the board.

Previously, the Group's CEO and CFO were entitled to short-term incentives in the form of cash bonus up to 100% and 35%, respectively of FR against agreed key performance indicators (KPIs). On an annual basis, KPIs were reviewed and agreed in advance of each financial year and included total shareholder return, financial and operational outcomes. During the reporting period, these incentives ceased to exist following the resignation of the CFO on 7 January 2021 and the transition of the CEO role into an Executive Director role on 22 February 2021.

(iii) Long-term incentives (LTI)

Executives may also be provided with longer-term incentives through the Group's 'employee security ownership plan' (ESOP), that was approved by shareholders at the annual general meeting held on 9 December 2020. The aim of the ESOP is to allow executives to participate in, and benefit from, the growth of the Group as a result of their efforts and to assist in motivating and retaining those key employees over the long-term. Continued service is the condition attached to the vesting of the options. The board at its discretion determines the total number of options granted to each executive.

Prior to 22 February 2021, the CEO's remuneration package included the following milestone-based share-based payments whereby the milestone must be achieved by 30 June 2021:

- 1,000,000 shares payable on achieving US$1 million EBITDA
- 1,000,000 shares payable on achieving US$2 million EBITDA
- 1,000,000 shares payable on achieving US$50 million in annual sales

These LTI’s ceased to exist on 22 February 2021, and were thereby forfeited, when the CEO’s role transitioned into an Executive Director role**.**

Refer to the table on page 15 for details of options issued to the former CEO (now Executive Director) and the former CFO. These options do not have milestone hurdles attached; however, option vesting is subject to the holder remaining in office up to the vesting date. There are no other vesting conditions.

(d) Link between remuneration and performance

Statutory performance indicators

We aim to align our executive remuneration to our strategic and business objectives and the creation of shareholder wealth. The table below shows measures of the Group's financial performance for the last 5 years. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded.

	2021	2020	2019	2018	2017
Loss for the year attributable to owners (US$)	4,465,014	8,330,555	9,535,057	6,769,702	5,331,794
Basic loss per share (US$ cents)	1.40	2.71	4.03	4.51	5.67
Share price at year end (A$)	0.04	0.03	0.12	0.19	0.29

Principles used to determine the nature and amount of remuneration

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role.

ASX listing rules require the aggregate non-executive directors' remuneration (fee pool) to be determined periodically by a general meeting. Since listing in 2016, the maximum aggregate non-executive director remuneration has been set at a A$300,000 per annum. For the year ended 30 June 2021, fees paid to non-executive directors were A$83,336 being 28% of the maximum fee pool.

Voting and comments made at the Company's 9 December 2020 Annual General Meeting ('AGM')

At the 2020 AGM, 97.60% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

(e) Details of remuneration

Amounts of remuneration
The following tables show details of the remuneration expense recognised for the Group's key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
						Options	Shares	
2021	Cash salary and fees US$	Cash bonus US$	Non-monetary US$	Super-annuation US$	Long service leave US$	Equity-settled US$	Equity-settled US$	Total US$
Non-Executive Directors:								
Mr Camillo Martino	24,895	-	-	-	-	5,593	-	30,488
Mr Jonathan Tooth	22,404	-	-	-	-	-	-	22,404
Mr Simon Peeke	14,936	-	-	-	-	-	-	14,936
Mr Allan Brackin	-	-	-	-	-	5,221	-	5,221
Mr George Lauro	-	-	-	-	-	-	-	-
Executive Directors:								
Mr Ralph Schmitt - CEO *	138,461	-	-	-	-	59,830	-	198,291
Mr Ralph Schmitt - Executive director *	40,000	-	-	-	-	24,305	-	64,305
Other Key Management Personnel:								
Mr David Garrison	206,108	-	-	-	-	46,617	-	252,725
Mr Mark Pryn **	46,096	-	-	-	-	-	-	46,096
Mr Tim Stucchi **	65,372	-	-	-	-	34,222	-	99,594
	558,272	-	-	-	-	175,788	-	734,060

* Managing Director & CEO (up to 22 February 2021), Executive Director (from 22 February 2021).
** From date of KMP appointment.

For the year ended 30 June 2021, the board reset non-executive remuneration levels with effect from 1 November 2020, the CFO resigned effective 6 January 2021 and the CEO transitioned to an executive director role effective 22 February 2021. For the year ended 30 June 2021, all available STI's were forfeited.

2020	Short-term benefits: Cash salary and fees US$	Short-term benefits: Cash bonus US$	Short-term benefits: Non-monetary US$	Post-employment benefits: Super-annuation US$	Long-term benefits: Long service leave US$	Share-based payments: Options: Equity-settled US$	Share-based payments: Shares: Equity-settled US$	Total US$
Non-Executive Directors:								
Mr Allan Brackin	26,856	-	-	-	-	26,109	-	52,965
Mr Jonathan Tooth	30,213	-	-	-	-	-	-	30,213
Mr George Lauro	20,142	-	-	-	-	-	-	20,142
Mr Camillo Martino	20,142	-	-	-	-	14,561	-	34,703
Mr Matthew Morgan	7,553	-	-	-	-	-	-	7,553
Executive Directors:								
Mr Ralph Schmitt	242,154	-	-	-	-	61,442	-	303,596
Other Key Management Personnel:								
Mr David Garrison	191,585	-	-	-	-	27,879	-	219,464
	538,645	-	-	-	-	129,991	-	668,636

As a contribution towards organisational operating cost restructuring, for the year ended 30 June 2020, the non-executive directors, executive director and certain other key management personnel agreed to be remunerated at lower levels than set out in their respective service agreements. For the year ended 30 June 2020 all available STI's were forfeited.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2021	Fixed remuneration 2020	At risk - STI 2021	At risk - STI 2020	At risk - LTI 2021	At risk - LTI 2020
Non-Executive Directors:						
Mr Camillo Martino	82%	58%	-	-	18%	42%
Mr Jonathan Tooth	100%	100%	-	-	-	-
Mr Simon Peeke	100%	100%	-	-	-	-
Mr Allan Brackin	-	51%	-	-	100%	49%
Mr George Lauro	-	100%	-	-	-	-
Executive Directors:						
Mr Ralph Schmitt- CEO	70%	80%	-	-	30%	20%
Mr Ralph Schmitt- Executive director	62%	-	-	-	38%	-
Other Key Management Personnel:						
Mr David Garrison	82%	87%	-	-	18%	13%
Mr Mark Pryn	100%	-	-	-	-	-
Mr Tim Stucchi	82%	-	-	-	18%	-

(f) Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. As noted above, for the year ended 30 June 2021, the non-executive directors, executive director and other key management personnel agreed to be remunerated at lower levels than set out in their respective service agreements. Details of these agreements are as follows:

Name:	Mr Camillo Martino
Title:	Non-Executive Director (up to 20 October 2020), Independent Non-Executive Chairman (from 20 October 2020)
Term of agreement:	Unspecified
Details:	Fixed remuneration: A$50,000 per annum including director fee, effective 1 November 2020. Notice Period: Unspecified Previously: Fixed remuneration: A$60,000 per annum including director and consulting fees, effective 1 July 2018 Notice period: Unspecified

Name:	Mr Ralph Schmitt
Title:	Managing Director & CEO (up to 22 February 2021), Executive Director (from 22 February 2021)
Term of agreement:	Unspecified
Details:	Fixed remuneration: US$120,000 per annum including director fee, effective 22 February 2021. Notice period: Unspecified Previously: Fixed remuneration: US$300,000 per annum including director fee, effective 6 November 2017. Notice period: 30 days by either party

Name:	Mr Jonathan Tooth
Title:	Non-Executive Director
Term of agreement:	Unspecified
Details:	Fixed remuneration: A$30,000 per annum including director fees, effective 1 July 2020 Notice period: Unspecified

Name:	Mr Simon Peeke
Title:	Non-Executive Director (appointed 20 October 2020)
Term of agreement:	Unspecified
Details:	Fixed remuneration: A$30,000 per annum including director and consulting fees, effective 1 November 2020 Notice period: Unspecified

Name:	Mr Allan Brackin
Title:	Independent Non-Executive Chairman (resigned 20 October 2020)
Term of agreement:	Unspecified
Details:	Fixed remuneration: A$80,000 per annum including director fee, effective 1 December 2018 Notice period: Unspecified

Name:	Mr George Lauro
Title:	Non-Executive Director (resigned 20 October 2020)
Term of agreement:	Unspecified
Details:	Fixed remuneration: A$60,000 per annum including director and consulting fees, effective 1 December 2017 Notice Period: Unspecified

Name:	Mr David Garrison (resigned 7 January 2021)
Title:	Chief Financial Officer
Term of agreement:	Indefinite until terminated pursuant to termination clause
Details:	Fixed remuneration: US$210,000 per annum, effective 18 December 2017 Notice period: Unspecified

Name:	Mr Mark Pryn
Title:	Company Secretary (appointed 28 February 2020) and Chief Financial Officer (appointed 7 January 2021)
Term of agreement:	Unspecified
Details:	Services provided pursuant to an engagement letter with Baudin Consulting Pty Ltd. With effect from 11 March 2021 a base fee of A$96,000 applies.

Name:	Mr Tim Stucchi
Title:	Chief Operating Officer (COO) (appointed 22 February 2021)
Term of agreement:	Indefinite until terminated pursuant to termination clause.
Details:	Fixed remuneration: US$190,000 per annum, effective 1 March 2021. Notice period is unspecified.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

(g) Share-based compensation

Issue of shares
There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2021.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price A$	Fair value per option at grant date A$
Mr Ralph Schmitt	750,000	30/11/2017	06/11/2017	29/11/2022	0.35	0.2328
Mr Ralph Schmitt	750,000	30/11/2017	06/11/2018	29/11/2022	0.35	0.2328
Mr Ralph Schmitt	750,000	30/11/2017	06/11/2019	29/11/2022	0.35	0.2328
Mr Ralph Schmitt	750,000	30/11/2017	06/11/2020	29/11/2022	0.35	0.2328
Mr Ralph Schmitt	1,333,334	24/09/2020	24/09/2021	23/09/2025	0.06	0.0491
Mr Ralph Schmitt	1,333,333	24/09/2020	24/09/2022	23/09/2025	0.06	0.0491
Mr Ralph Schmitt	1,333,333	24/09/2020	24/09/2023	23/09/2025	0.06	0.0491
Mr Camillo Martino	250,000	29/04/2019	02/07/2019	02/07/2023	0.15	0.0646
Mr Camillo Martino	250,000	29/04/2019	02/07/2020	02/07/2023	0.15	0.0646
Mr Camillo Martino	250,000	29/04/2019	02/07/2021	02/07/2023	0.15	0.0646
Mr Tim Stucchi ***	666,667	24/09/2020	24/09/2021	23/09/2025	0.06	0.0491
Mr Tim Stucchi ***	666,667	24/09/2020	24/09/2022	23/09/2025	0.06	0.0491
Mr Tim Stucchi ***	666,666	24/09/2020	24/09/2023	23/09/2025	0.06	0.0491
Mr David Garrison *	375,000	08/12/2017	08/12/2017	08/03/2021	0.35	0.1997
Mr David Garrison *	375,000	08/12/2017	08/12/2018	08/03/2021	0.35	0.1997
Mr David Garrison *	375,000	08/12/2017	08/12/2019	08/03/2021	0.35	0.1997
Mr David Garrison *	375,000	08/12/2017	08/12/2019	08/03/2021	0.35	0.1997
Mr David Garrison *	500,000	24/09/2020	24/09/2020	23/10/2021	0.06	0.0508
Mr David Garrison *	500,000	24/09/2020	24/09/2021	23/10/2021	0.06	0.0508
Mr David Garrison *	500,000	24/09/2020	24/09/2022	07/01/2021	0.06	0.0508
Mr Allan Brackin **	333,333	29/04/2019	1/12/2019	20/10/2020	0.15	0.0675
Mr Allan Brackin **	333,333	29/04/2019	1/12/2020	20/10/2020	0.15	0.0675
Mr Allan Brackin **	333,334	29/04/2019	1/12/2020	19/12/2020	0.15	0.0675

* Resigned 7 January 2021 and allowed 60 days to exercise vested $0.35 options and expiry date set to 23 October 2021 for first two tranches of $0.06 options.
** Resigned 20 October 2020.
*** Became a KMP effective 22 February 2021

Options granted carry no dividend or voting rights. Option vesting is subject to the holder remaining in office up to the vesting date. There are no performance conditions due to the board determining that no performance conditions were required.

(h) Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Other additions *	Other disposals **	Balance at the end of the year
Ordinary shares					
Mr Camillo Martino	772,727	-	-	-	772,727
Mr Ralph Schmitt	3,009,228	-	-	-	3,009,228
Mr Jonathan Tooth	11,798,714	-	-	-	11,798,714
Mr Simon Peeke (appointed 20 October 2020)	-	-	76,693	-	76,693
Mr Allan Brackin (resigned 20 October 2020)	1,984,091	-	-	(1,984,091)	-
Mr George Lauro (resigned 20 October 2020)	915,755	-	-	(915,755)	-
Mr David Garrison (resigned 7 January 2021)	1,515,691	-	-	(1,515,691)	-
Mr Tim Stucchi (appointed as COO 22 February 2021)	-	-	1,773,124	-	1,773,124
	19,996,206	-	1,849,817	(4,415,537)	17,430,486

* Other additions relate to KMP holdings on the date they were appointed as a KMP.
** Other disposals relate to KMP holdings on the date they ceased to be a KMP.

Option holding
The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as remuneration	Exercised	Expired/ forfeited/ Other *	Balance at the end of the year
Options over ordinary shares					
Mr Camillo Martino	750,000	-	-	-	750,000
Mr Ralph Schmitt	3,000,000	4,000,000	-	-	7,000,000
Mr Allan Brackin (resigned 20 October 2020)	1,000,000	-	-	(1,000,000)	-
Mr David Garrison (resigned 7 January 2021)	1,500,000	1,500,000	-	(3,000,000)	-
Mr Tim Stucchi (appointed as COO 22 February 2021)	-	-	-	2,000,000	2,000,000
	6,250,000	5,500,000	-	(2,000,000)	9,750,000

* Other changes incorporates changes resulting from the lapse/forfeiture of options or amounts held at the commencement of becoming KMP.

Other transactions with key management personnel and their related parties
On 7 October 2020, the Group fully repaid a US$650,000 promissory note from a related entity of Director, Mr Jonathan Tooth. The promissory note was taken out during the 2019 financial year with an interest rate of 11.75% per annum payable quarterly.

This concludes the remuneration report, which has been audited.

Shares under option and warrants

(i) Unissued ordinary shares of Sensera Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price A$	Number under option
30 November 2017	29 November 2022	0.35	3,000,000
29 April 2019	3 July 2023	0.15	750,000
24 September 2020	23 October 2021	0.06	1,000,000
24 September 2020	23 September 2025	0.06	7,700,000
			12,450,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

(ii) Unissued ordinary shares of Sensera Limited subject to warrants at the date of this report are as follows:

Grant date	Expiry date	Exercise price A$	Number
09/10/2019	23/10/2023	0.18	29,755,556
25/11/2019	24/11/2023	0.18	5,800,000
20/05/2020	19/05/2025	Lower of $0.03 or the TERP of any future capital raise to increase shares on issue by more than 15%	34,200,000
			69,755,556

Shares issued on the exercise of options and/or warrants
On 31 May 2021 17,000,000 fully paid ordinary shares were issued upon the exercise of 17,000,000 share warrants.

There were no other ordinary shares of Sensera Limited issued on the exercise of options or warrants during the year ended 30 June 2021 and up to the date of this report.

Insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 33 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 33 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of Grant Thornton Audit Pty Ltd
There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

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 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

Mr Ralph Schmitt
Executive Director

30 August 2021

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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 audit of Sensera Limited for the year ended 30 June 2021, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

CDJ Smith
Partner – Audit & Assurance

Brisbane, 30 August 2021

Corporate Governance Statement

Sensera Limited and the board are committed to achieving and demonstrating the highest standards of corporate governance. Sensera Limited has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council.

The 2021 corporate governance statement is dated as at 30 August 2021 and reflects the corporate governance practices in place throughout the 2021 financial year and up to the 30 August 2021. The 2021 corporate governance statement was approved by the board on 30 August 2021. A description of the Group's current corporate governance practices is set out in the Group's corporate governance statement which can be viewed at sensera.com.

Sensera Limited
Contents
30 June 2021

General information

These financial statements are consolidated financial statements for the Group consisting of Sensera Limited and its subsidiaries. A list of subsidiaries is included in note 29 (Interests in other entities).

Sensera Limited is a 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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 August 2021. The Directors have the power to amend and reissue the financial statements.

Sensera Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	Consolidated 2021 US$	Consolidated 2020 US$
Revenue			
Revenue from contracts with customers	2	2,951,429	4,811,885
Cost of sales		(1,642,845)	(2,269,162)
Gross profit		1,308,584	2,542,723
Other income	3	775,405	-
Gain/(loss) on remeasurement of warrant derivative		(952,402)	357,510
Other gains/(losses) - net	4	(179,017)	(42,158)
Fair value gain on refinanced secured loan		-	444,687
Gain on sale of subsidiary, net of tax	7	240,065	-
Total other income / gains and losses		(115,949)	760,039
Operation, overheads and administrative expenses	5	(4,604,194)	(5,320,747)
Research and development expenses		-	(66,098)
Selling and marketing expenses	5	(2,426)	(287,822)
		(4,606,620)	(5,674,667)
Impairment of goodwill		-	(1,886,061)
Additional finance costs attributable to secured loan refinancing		-	(1,555,742)
Finance costs	5	(1,060,810)	(855,201)
Loss before income tax benefit from continuing operations		(4,474,795)	(6,668,909)
Income tax benefit	6	-	99,984
Loss after income tax benefit from continuing operations		(4,474,795)	(6,568,925)
Profit/(loss) after income tax expense from discontinued operations	7	9,781	(1,761,630)
Loss after income tax benefit for the year		(4,465,014)	(8,330,555)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations - continuing operations		(687,112)	122,797
Exchange differences on translation of foreign operations - discontinuing operations		626,916	-
Other comprehensive income for the year, net of tax		(60,196)	122,797
Total comprehensive income for the year		(4,525,210)	(8,207,758)
Total comprehensive income for the year is attributable to:			
Continuing operations		(5,162,147)	(6,446,128)
Discontinued operations		636,937	(1,761,630)
		(4,525,210)	(8,207,758)

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 year ended 30 June 2021

		US Cents	US Cents
Loss per share from continuing operations			
Loss per share	35	(1.4)	(2.1)
Diluted loss per share	35	(1.4)	(2.1)
Earnings per share for profit/(loss) from discontinued operations			
Loss per share	35	-	(0.6)
Diluted loss per share	35	-	(0.6)
Loss per share			
Loss per share	35	(1.4)	(2.7)
Diluted loss per share	35	(1.4)	(2.7)

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 30 June 2021

	Note	Consolidated 2021 US$	2020 US$
Assets			
Current assets			
Cash and cash equivalents	8	787,266	1,395,057
Trade and other receivables	9	272,804	920,362
Inventories	10	394,608	1,157,023
Current tax asset	6	-	80,119
Other current assets	12	115,730	110,735
Total current assets		1,570,408	3,663,296
Non-current assets			
Property, plant and equipment	13	394,936	821,714
Right-of-use assets	11	1,742,489	1,794,702
Intangible assets	14	78,428	7,664,029
Total non-current assets		2,215,853	10,280,445
Total assets		3,786,261	13,943,741
Liabilities			
Current liabilities			
Trade and other payables	15	1,145,094	1,584,443
Borrowings	16	-	2,000,000
Lease liabilities	11	779,260	1,002,497
Employee benefit obligations		85,106	121,860
Provisions	19	-	883,690
Other liabilities - government	20	620,925	620,925
Total current liabilities		2,630,385	6,213,415
Non-current liabilities			
Borrowings	16	-	3,075,951
Lease liabilities	11	987,256	851,677
Warrant liabilities	17	1,605,346	1,223,007
Deferred tax liabilities		-	920,318
Total non-current liabilities		2,592,602	6,070,953
Total liabilities		5,222,987	12,284,368
Net assets/(liabilities)		(1,436,726)	1,659,373
Equity			
Issued capital	21	32,392,028	31,173,047
Reserves	22	(243,356)	123,561
Accumulated losses		(33,585,398)	(29,637,235)
Total equity/(deficiency)		(1,436,726)	1,659,373

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 year ended 30 June 2021

Consolidated	Issued capital US$	Common control reserve US$	Share-base payments reserves 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	(21,556,062)	7,005,637
Loss after income tax benefit for the year	-	-	-	-	(8,330,555)	(8,330,555)
Other comprehensive income for the year, net of tax	-	-	-	122,797	-	122,797
Total comprehensive income for the year	-	-	-	122,797	(8,330,555)	(8,207,758)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 21)	2,696,217	-	-	-	-	2,696,217
Share-based payments (employees) (note 32)	-	-	165,277	-	-	165,277
Lapsed options	-	-	(249,382)	-	249,382	-
Balance at 30 June 2020	31,173,047	(1,208,466)	1,053,625	278,402	(29,637,235)	1,659,373

Consolidated	Issued capital US$	Common control reserve US$	Share-base payments reserves 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 year	-	-	-	-	(4,465,014)	(4,465,014)
Other comprehensive income for the year, net of tax	-	-	-	(60,196)	-	(60,196)
Total comprehensive income for the year	-	-	-	(60,196)	(4,465,014)	(4,525,210)
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs (note 21)	1,218,981	-	-	-	-	1,218,981
Share-based payments (employees) (note 32)	-	-	210,130	-	-	210,130
Lapsed options	-	-	(516,851)	-	516,851	-
Balance at 30 June 2021	32,392,028	(1,208,466)	746,904	218,206	(33,585,398)	(1,436,726)

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

	Note	Consolidated 2021 US$	Consolidated 2020 US$
Cash flows from operating activities			
Receipts from customers and others		4,260,187	12,387,097
Payments to suppliers and employees		(6,456,123)	(16,143,041)
		(2,195,936)	(3,755,944)
Government assistance - COVID-19		620,925	687,072
Net cash used in operating activities	23	(1,575,011)	(3,068,872)
Cash flows from investing activities			
Payments for property, plant and equipment		(77,694)	(68,110)
Payments for intangibles		-	(136,859)
Proceeds from disposal of subsidiary (net of cash disposed)		7,444,073	-
Proceeds from early settlement of receivable from disposal of subsidiary		465,830	-
Net cash from/(used in) investing activities		7,832,209	(204,969)
Cash flows from financing activities			
Proceeds from issue of shares	21	395,403	2,154,005
Proceeds from borrowings		-	4,816,134
Share issue transaction costs	21	-	(137,135)
Interest and other finance costs paid		(711,100)	(408,086)
Repayment of borrowings		(5,745,269)	(1,956,226)
Principal payment for lease liability		(819,023)	(629,930)
Net cash from/(used in) financing activities		(6,879,989)	3,838,762
Net increase/(decrease) in cash and cash equivalents		(622,791)	564,921
Cash and cash equivalents at the beginning of the financial year		1,395,057	838,136
Effects of exchange rate changes on cash and cash equivalents		15,000	(8,000)
Cash and cash equivalents at the end of the financial year	8	787,266	1,395,057

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

Note 1. Operating segments

Description of segments and principal activities
Management has determined the operating segments based on reports reviewed by the full board and management 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 2. Revenue

(a) Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2021 US$	Consolidated 2020 US$
Timing of revenue recognition		
Goods transferred at a point in time	1,950,619	3,174,023
Services transferred over time	1,000,810	1,637,862
	2,951,429	4,811,885

(i) Information about major customers

The Group had the following major customers with revenues amounting to 10 percent or more of total group revenues:

	Consolidated 2021 US$	Consolidated 2020 US$
Customer A (MicroDevices)	1,933,792	3,307,000
Customer B (MicroDevices)	369,000	NA

Note 2. Revenue (continued)

(b) Accounting policies and significant judgments

(i) Sale of goods

Revenue from the sale of microelectromechanical systems (MEMS) and location awareness products are recognised at a point in time. The performance obligation is satisfied when the customer has access and thus control of the product. This occurs at the time of delivery of goods to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(ii) Services

Revenue from the provision of engineering services is recognised over time in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided, because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours.

Some contracts include multiple deliverables. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

In the case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are invoiced on a monthly basis and consideration is payable when invoiced.

Critical judgments in allocating the transaction price

Revenue relating to the provision of services is recognised based on managements' best estimate of forecast final costs required to complete the service and the forecast final margin. Management reviews these forecasts on a regular basis and adjusts revenue recognised when there are material changes.

(iii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Note 3. Other income

	Consolidated	
	2021 US$	2020 US$
Recognition of government assistance from US payroll protection program**	620,925	-
Other income	154,480	-
	775,405	-

**Refer to note 20 (Other liabilities - government) for further details.

Note 4. Other gains/(losses) - net

	Consolidated 2021 US$	Consolidated 2020 US$
Foreign exchange gains/(loses)	9,393	(42,158)
Early settlement discount applied to purchaser holdback on subsidiary sale proceeds (refer note 7 'Discontinued operations')	(184,496)	-
Other	(3,914)	-
	(179,017)	(42,158)

Note 5. Expenses

	Consolidated 2021 US$	Consolidated 2020 US$
Loss before income tax from continuing operations includes the following specific expenses:		
Operation, overheads and administrative expenses		
Accounting, audit, legal and taxation expenses	380,345	390,219
Depreciation and amortisation (i)	1,010,493	898,137
Employee benefits expense (ii)	1,881,836	2,412,357
Equipment lease and associated costs	164,053	158,564
Insurance expenses	80,078	61,735
Investor relation expenses	-	42,108
Occupancy costs	269,347	630,088
Other consulting expenses	341,859	175,242
Other expenses	476,183	552,297
Total operation, overheads and administrative expenses	4,604,194	5,320,747
Selling and marketing expenses		
Employee benefits expense (ii)	-	149,248
Business development	-	3,797
Marketing consultants	-	3,832
Travel	2,426	130,946
Total selling and marketing expenses	2,426	287,823
(i) Depreciation and amortisation		
Depreciation of property, plant and equipment	116,117	108,710
Depreciation of right of use assets	889,622	783,485
Amortisation of intangibles	4,754	5,942
	1,010,493	898,137
Finance costs		
Interest and finance charges paid/payable on borrowings	187,644	739,205
Interest and finance charges paid/payable on lease liabilities	170,422	113,765
Expenses incurred on early repayment of borrowings	702,145	-
Other	599	2,231
Finance costs expensed	1,060,810	855,201

Note 5. Expenses (continued)

	Consolidated 2021 US$	Consolidated 2020 US$
(ii) Employee benefits expense		
Included in operation, overheads and administrative expenses	1,881,836	2,412,357
Included in selling and marketing expenses	-	149,248
Included in production of inventory	1,182,494	1,532,892
Total employee benefits expense	3,064,330	4,094,497

Note 6. Income tax

	Consolidated 2021 US$	Consolidated 2020 US$
Income tax benefit		
Decrease / (increase) in current tax asset	80,119	(80,119)
Other	(80,119)	(19,865)
Aggregate income tax benefit	-	(99,984)
Income tax benefit is attributable to:		
Loss from continuing operations	-	(99,984)
Aggregate income tax benefit	-	(99,984)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit from continuing operations	(4,474,795)	(6,668,909)
Profit/(loss) before income tax expense from discontinued operations	9,781	(1,761,630)
	(4,465,014)	(8,430,539)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(1,160,904)	(2,318,398)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Net impact of amounts not deductible (taxable)	170,175	778,267
	(990,729)	(1,540,131)
Difference in overseas tax rates	3,951	(79,238)
Tax losses and other timing differences for which no deferred tax asset is recognised	986,778	1,519,385
Income tax benefit	-	(99,984)

	Consolidated 2021 US$	Consolidated 2020 US$
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	20,156,301	26,286,360
Potential tax benefit @ 25.0% (2020:27.5%)	5,039,075	7,228,749

Note 6. Income tax (continued)

	Consolidated 2021 US$	Consolidated 2020 US$
Current tax asset		
Current tax asset	-	80,119

Note 7. 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 were subject to 'holdback' terms to cover transaction representations, warranties and completion clauses. During February 2021 the Group agreed to an early settlement of the purchaser holdback for US$465,830 resulting in a loss of US$184,496.

Financial performance information

	Consolidated 2021 US$	Consolidated 2020 US$
Revenue from contracts with customers	1,274,507	6,985,914
Cost of sales	(405,584)	(3,861,480)
	868,923	3,124,434
Other income	28,351	166,015
Other gains/(losses) - net	22,966	(31,512)
Total other income	51,317	134,503
Operation, overheads and administrative expenses	(832,028)	(2,285,747)
Research and development expenses	(40,851)	(127,980)
Selling and marketing expenses	(6,532)	(1,321,746)
Restructuring expenses	19,994	(1,217,555)
Depreciation and amortisation expense	(44,391)	(65,349)
Finance costs	(6,651)	(2,190)
Total expenses	(910,459)	(5,020,567)
Profit/(loss) before income tax expense	9,781	(1,761,630)
Income tax expense	-	-
Profit/(loss) after income tax expense from discontinued operations	9,781	(1,761,630)

Note 7. Discontinued operations (continued)

Cash flow information

	Consolidated 2021 US$	Consolidated 2020 US$
Net cash used in operating activities	(466,657)	(1,979,492)
Net cash used in investing activities	(26,783)	(34,832)
Net cash from financing activities	276,056	1,952,187
Net decrease in cash and cash equivalents from discontinued operations	(217,384)	(62,137)

Carrying amounts of assets and liabilities disposed at disposal date of 6 October 2020.

	Consolidated 6 Oct 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	6,614,534
Trade and other payables	1,155,711
Provisions	546,404
Lease liability	214,018
Total liabilities	1,916,133
Net assets	4,698,401

Details of the disposal

	Consolidated 2021 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
Gain on disposal after income tax	240,065

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

Note 7. Discontinued operations (continued)

	Consolidated 2021 US$
Cash proceeds from sale of subsidiary	7,786,078
Purchaser holdback	750,000
Less purchaser holdback discount to fair value	(113,213)
	8,422,865

Note 8. Cash and cash equivalents

	Consolidated 2021 US$	2020 US$
Current assets		
Cash at bank	787,266	1,395,057

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2021 US$	2020 US$
Balances as above	787,266	1,395,057
Balance as per statement of cash flows	787,266	1,395,057

Note 9. Trade and other receivables

	Consolidated 2021 US$	2020 US$
Current assets		
Trade receivables	285,378	846,114
Less: Allowance for expected credit losses	(15,000)	(27,011)
	270,378	819,103
Other receivables	2,426	101,259
	272,804	920,362

Note 9. Trade and other receivables (continued)

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are generally due for settlement in accordance with the milestones specified in the non-recurring engineering (NRE) contracts with customers, and settlement for goods delivered to customers, which are both typically less than 12 months and therefore classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Details about the Group's impairment policies and the calculation of the loss allowance are provided in note 25 (Financial risk management) section b (credit risk).

(ii) Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(iii) Impairment and risk exposure

Information about the impairment of trade receivables and the Group's exposure to credit risk and foreign currency risk can be found in note 25 Financial risk management.

Note 10. Inventories

	Consolidated 2021 US$	Consolidated 2020 US$
Current assets		
Raw materials and stores	294,129	187,723
Work in progress	77,487	62,289
Finished goods	22,992	907,011
	394,608	1,157,023

Note 11. Right-of-use assets and lease liabilities

(a) Amounts recognised in the statement of financial position

	Consolidated 2021 US$	Consolidated 2020 US$
Non-current assets		
Land and buildings - right-of-use	768,470	235,393
Less: Accumulated depreciation	(120,078)	(7,153)
	648,392	228,240
Plant and equipment - right-of-use	1,094,097	1,761,733
Less: Accumulated depreciation	-	(195,271)
	1,094,097	1,566,462
Total lease right-of-use assets	1,742,489	1,794,702

Note 11. Right-of-use assets and lease liabilities (continued)

Additions to right-of-use assets during the year were US$1,065,648.

Lease liability

Current lease liability	779,260	1,002,497
Non-current lease liability	987,256	851,677
Total lease liability	1,766,516	1,854,174
Maturity analysis - contractual undiscounted cash flows		
Less than one year	990,348	1,002,700
One to five years	1,040,232	1,077,802
Total undiscounted lease liabilities	2,030,580	2,080,502

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

	Consolidated	
	2021 US$	**2020 US$**
Interest expense	170,422	115,955
Lease depreciation expense	889,622	790,521
	1,060,044	906,476
Interest expense - discontinued operations	6,651	-
Lease depreciation expense - discontinued operations	23,019	-
	29,670	-
Total	1,089,714	906,476

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

	Straight line
Leasehold property	2.75 years
Plant and equipment	2 years

(c) Description of leases and term
Equipment lease

This lease relates the fabrication plant and equipment housed at Woburn, Massachusetts USA. During the year the lease expiry date was extended from June 2022 to October 2023 and the monthly lease repayments reduced from US$75,541 to US$47,500. The lease payments are discounted at the Group's incremental borrowing rate of 10% (2020:11.75%).

Property lease

- The lease relates to property occupied in Woburn, Massachusetts USA.
- Monthly rental is US$35,029.
- The lease term adopted is from 1 March 2021 to 1 March 2023. The contractual arrangements are a 12 month lease with options for a 12 month extension. The Group is virtually certain the 12 month extension will be adopted.
- The lease payments are discounted at the Group's incremental borrowing rate of 10%.

(d) Lease payments not recognised as a liability
The Group has elected not to recognise a lease liability for short-term leases or leases of low value assets.

Note 11. Right-of-use assets and lease liabilities (continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the profit or loss. Short-term leases are leases with a lease term of 12 months or less. The lease expense, relating to lease payments not included in the measurement of the lease liability is shown below. These costs are included under the headings of occupancy costs and equipment lease and associated costs. Refer to note 5 (Expenses)

	Consolidated	
	2021 US$	2020 US$
Short-term leases	300,565	702,753
Low value leases	-	-
	300,565	702,753

Note 12. Other current assets

	Consolidated	
	2021 US$	2020 US$
Current assets		
Prepayments	80,674	97,660
Deposits and other items	35,056	13,075
	115,730	110,735

Note 13. Property, plant and equipment

	Consolidated	
	2021 US$	2020 US$
Non-current assets		
Leasehold improvements - at cost	185,375	107,127
Less: Accumulated depreciation	(77,762)	(47,495)
	107,613	59,632
Fixtures and fittings - at cost	23,312	33,134
Less: Accumulated depreciation	(18,654)	(13,992)
	4,658	19,142
R&D equipment - at cost	455,003	435,203
Less: Accumulated depreciation	(204,219)	(130,035)
	250,784	305,168
Other fixed assets - at cost	82,064	490,174
Less: Accumulated depreciation	(50,183)	(52,402)
	31,881	437,772
	394,936	821,714

Note 13. Property, plant and equipment (continued)

Consolidated	R&D equipment US$	Furniture and fittings US$	Leasehold improvements US$	Other fixed assets US$	Total US$
Balance at 1 July 2019	327,432	13,008	58,331	521,856	920,627
Additions	42,937	10,708	21,680	(7,209)	68,116
Exchange differences	-	-	-	(6)	(6)
Depreciation expense	(65,201)	(4,574)	(20,379)	(76,869)	(167,023)
Balance at 30 June 2020	305,168	19,142	59,632	437,772	821,714
Additions	19,800	-	81,348	(23,454)	77,694
Disposal of subsidiary	-	(7,879)	1,440	(426,360)	(432,799)
Reclassification from intangibles	-	-	-	52,296	52,296
Exchange differences	-	(1,943)	(4,540)	20,003	13,520
Depreciation expense - discontinuing operations	-	-	-	(21,372)	(21,372)
Depreciation expense	(74,184)	(4,662)	(30,267)	(7,004)	(116,117)
Balance at 30 June 2021	250,784	4,658	107,613	31,881	394,936

(i) Depreciation methods and useful lives

Property, plant and equipment is recognised at historical cost less depreciation.

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

R&D equipment	6 years
Furniture and fixtures	5 years
Leasehold improvements	5 years
Other fixed assets	3 - 10 years

See note 37(o) (Summary of significant accounting policies) for the other accounting policies relevant to property, plant and equipment.

Note 14. Intangible assets

	Consolidated 2021 US$	**Consolidated 2020 US$**
Non-current assets		
Goodwill	-	5,959,850
Less: Impairment	-	(1,886,061)
	-	4,073,789
Patents	89,124	141,420
Less: Accumulated amortisation	(10,696)	(5,942)
	78,428	135,478
Capitalised development costs	-	2,979,795
Software	-	474,967
	78,428	7,664,029

Note 14. Intangible assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill US$	Patents US$	Capitalised development costs US$	Software US$	Total US$
Balance at 1 July 2019	5,959,850	130,030	2,896,091	480,171	9,466,142
Additions	-	11,390	125,469	-	136,859
Exchange differences	-	-	(41,765)	(5,204)	(46,969)
Impairment of assets	(1,886,061)	-	-	-	(1,886,061)
Amortisation expense	-	(5,942)	-	-	(5,942)
Balance at 30 June 2020	4,073,789	135,478	2,979,795	474,967	7,664,029
Disposal of subsidiary	(4,073,789)	-	(2,983,084)	(498,461)	(7,555,334)
Exchange differences	-	-	3,289	23,494	26,783
Reclassifications in/(out)	-	(52,296)	-	-	(52,296)
Amortisation expense	-	(4,754)	-	-	(4,754)
Balance at 30 June 2021	-	78,428	-	-	78,428

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Note 15. Trade and other payables

	Consolidated 2021 US$	2020 US$
Current liabilities		
Trade payables	822,898	1,178,498
Accrued expenses	245,302	370,652
Other payables	76,894	35,293
	1,145,094	1,584,443

Refer to note 25 for further information on financial risk management.

Trade payables are unsecured and are usually paid within 30 to 60 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short- term nature.

(i) Trade payables
The balance as at 30 June 2021 includes US$27,855 (2020: US$26,378) due to key management personnel of the Group.

Note 16. Borrowings

	Consolidated 2021 US$	2020 US$
Current liabilities		
Secured loan at fair value (ii)	-	1,000,000
Promissory notes - unsecured (i)	-	1,000,000
	-	2,000,000
Non-current liabilities		
Secured loan at fair value (ii)	-	3,075,951
	-	5,075,951

Refer to note 25 for further information on financial risk management.

(i) Promissory notes
The promissory notes were fully repaid on 7 October 2020. Promissory notes (unsecured) comprise a debt agreement with a key investor and a related entity of Mr Jonathan Tooth, a director of Sensera Limited. During February and March 2019, the lenders provided US$1,000,000 to fund the Group's immediate needs for additional working capital. US$650,000 was provided by Mr Tooth with the key investor providing the US$350,000 balance. These promissory notes were due to mature in February 2020 and had an interest rate of 10% p.a. In October 2019, these notes were extended for a term of 24 month with a simple interest rate of 11.75% p.a. (payable quarterly), with an option to extend if agreed by both parties, indefinitely. The unsecured notes were subordinate to the Group's senior lender, PURE Asset Management Pty Ltd and Altor Capital Pty Ltd.

(ii) Secured loan at fair value
This facility was fully repaid on 7 October 2020.

(iii) Fair value
The fair values of borrowings at amortised cost are not materially different to their carrying amounts, since the interest payable on those borrowings is close to current market rates and all borrowings are classified as current. Borrowings due within 12 months equal their carrying amounts as the impact of discounting is not material.

(iv) Risk exposures
Details of the Group’s exposure to risks arising from borrowings are set out in note 25 (Financial risk management).

Note 17. Warrant liabilities

	Consolidated 2021 US$	2020 US$
Non-current liabilities		
Warrant derivative	1,605,346	1,223,007

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

Note 17. Warrant liabilities (continued)

Tranche (Grant date)	Warrants	Expiry date	Exercise price A$	Fair value per warrant as at 30 June 2021 A$
Tranche I (19/10/2019)	29,755,556	23/10/2023	0.18	0.05
Tranche II (25/11/2019)	5,800,000	24/11/2023	0.18	0.05
Tranche III (20/05/2020)	51,200,000	19/05/2025	Lower of $0.03 or the theoretical ex-rights price TERP of any future capital raise to increase shares on issue by more than 15%	0.05

Movements in warrants

	Tranche I Number of warrants	Tranche II Number of warrants	Tranche III Number of warrants	Total Number of warrants
Balance as at 1 July 2019	-	-	-	-
Warrants issued	29,755,556	5,800,000	51,200,000	86,755,556
Balance as at 30 June 2020	29,755,556	5,800,000	51,200,000	86,755,556
Balance as at 1 July 2020	29,755,556	5,800,000	51,200,000	86,755,556
Warrants exercised (25 May 2021) Refer note 21 (Share Capital)	-	-	(17,000,000)	(17,000,000)
Balance as at 30 June 2021	29,755,556	5,800,000	34,200,000	69,755,556

All warrants are held by PURE Asset Management Pty Ltd and Altor Capital 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. Refer note 16 (Borrowings).

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.

Refer to note 25 for further information on financial risk management.

Refer to note 18 for further information on recognised fair value measurements.

Note 18. Recognised fair value measurements

Fair value hierarchy
The following table provides the fair values of the Group's financial instruments measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the- counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Consolidated - 2021	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial liabilities				
Warrant derivatives	-	-	1,605,346	1,605,346
Total liabilities	-	-	1,605,346	1,605,346

Consolidated - 2020	Level 1 US$	Level 2 US$	Level 3 US$	Total US$
Financial liabilities				
Warrant derivatives	-	-	1,223,007	1,223,007
Total liabilities	-	-	1,223,007	1,223,007

There were no transfers between levels of the hierarchy for recurring fair value measurements during the year ended 30 June 2021 or 30 June 2020.

Note 19. Provisions

	Consolidated	
	2021 US$	**2020 US$**
Current liabilities		
Restructuring (i)	-	529,185
Other	-	354,505
	-	883,690

(i) Restructuring
The prior year restructuring provision balance comprises one off redundancy charges and legal costs incurred by the Group's former subsidiary nanotron Technologies GmbH which was sold in October 2020. (Refer note 7 'Discontinued operations').

Note 20. Other liabilities - government

	Consolidated	
	2021	**2020**
	US$	**US$**
Current liabilities		
Government assistance received in advance	620,925	620,925

During the years ended 30 June 2020 and 30 June 2021, the Group received specific assistance in relation to the COVID-19 pandemic and the current and prior year liabilities relate to the US Payroll Protection Program. During the reporting period the US Government via its agents confirmed that the assistance conditions were satisfied and the amount shown a liability as at 30 June 2020 was duly recognised as income in the year ended 30 June 2021. A further grant of US$620,925 was received during the reporting period and is carried as a liability until the US Government via its agents confirms the assistance conditions are satisfied. Refer note 24 (Critical estimates and judgements).

Note 21. Issued capital

	Consolidated			
	2021	**2020**	**2021**	**2020**
	Shares	**Shares**	**US$**	**US$**
Ordinary shares - fully paid	340,467,406	322,125,055	32,392,028	31,173,047

Movements in ordinary share capital

Details	**Date**	**Number of shares**	**US$**
Balance	1 July 2019	272,751,012	28,476,830
Issue at A$ 0.08 pursuant to placement	8 October 2019	37,500,000	2,077,800
Issue at A$ 0.08 pursuant to SPP	8 October 2019	1,375,000	76,205
Deemed issue between A$0.08 and A$0.11 pursuant to ESOP (FY19)		10,499,043	679,347
Less: Transaction costs arising on share issues		-	(137,135)
Balance	01 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	1,342,351	98,672
Shares issued on conversion of warrants	31 May 2021	17,000,000	1,120,309
Balance	30 June 2021	340,467,406	32,392,028

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 21. Issued capital (continued)

Options
Information relating to options, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out below.

(i) Movements in options

	Number of options	US$
Balance at 1 July 2019	10,300,000	1,137,730
Issue of ESOP unlisted options A$0.15 each (01/01/2019)	150,000	5,053
Issue of ESOP unlisted options A$0.105 each (01/01/2019)	100,000	3,676
Lapse of unlisted options at A$0.50 (25/04/2020)	(1,750,000)	(249,382)
Amortisation of share-based payments for options issued in prior period	-	156,548
Balance at 30 June 2020	8,800,000	1,053,625

	Number of options	US$
Balance at 1 July 2020	8,800,000	1,053,625
Lapse of unlisted options	(5,550,000)	(516,851)
Grant of ESOP unlisted options A$0.06 each (24/09/2020) – refer note 32	9,200,000	-
Option fair value amortisation (Share-based payment)	-	210,130
Balance at 30 June 2021	12,450,000	746,904

(ii) Options outstanding at the end of the reporting period.

Grant date	Expiry date	Exercise price A$	Number of options	Number vested
30/11/2017	29/11/2022	0.35	3,000,000	3,000,000
29/04/2019	03/07/2023	0.15	750,000	500,000
24/09/2020	23/10/2021	0.06	1,000,000	500,000
24/09/2020	23/09/2025	0.06	3,700,000	-
24/09/2020	23/09/2025	0.06	4,000,000	-
			12,450,000	4,000,000

Note 22. Reserves

	Consolidated 2021 US$	Consolidated 2020 US$
Common control reserve	(1,208,466)	(1,208,466)
Foreign currency translation reserve	218,206	278,402
Share-based payments reserve	746,904	1,053,625
	(243,356)	123,561

Note 22. Reserves (continued)

(i) Nature and purpose of reserves

Common control
The common control reserve recognises differences arising from the business combination between Sensera Limited and Sensera Inc. under the pooling of interest method.

Foreign currency translation
Exchange differences arising on translation of operations into United States dollars are recognised in other comprehensive income as described in note 37 (Summary of significant accounting policies) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed.

Share-based payments
The share-based payment reserve records items recognised as expenses on valuation of share options issued to key management personnel, other employees and eligible contractors.

Note 23. Cash flow information
(a) Reconciliation of profit/(loss) after income tax to net cash inflow from operating activities

	Consolidated	
	2021 US$	2020 US$
Loss after income tax benefit for the year	(4,465,014)	(8,330,555)
Adjustments for:		
Depreciation and amortisation	1,054,884	963,486
Impairment of goodwill	-	1,886,061
Share-based payments	308,802	165,277
Foreign exchange differences	(15,000)	152,911
Finance costs	1,179,373	857,391
Additional finance costs attributable to secured loan refinancing	-	1,555,742
(Gain)/loss on remeasurement of warrant derivative	952,402	(357,510)
Fair value gain on refinanced secured loan	-	(444,687)
Gain on sale of subsidiary	(240,065)	-
Loss on derecognition of proceeds held back from disposal of a subsidiary	184,496	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(92,420)	1,081,326
Decrease/(increase) in inventories	102	(5,185)
Decrease/(increase) in other operating assets	(82,497)	266,804
Decrease in trade and other payables	(8,970)	(1,442,258)
Increase in customer deposits	-	620,925
Decrease in employee benefits	-	(13,854)
Increase/(decrease) in other provisions	(351,104)	383,340
Decrease in other operating liabilities	-	(408,086)
Net cash used in operating activities	(1,575,011)	(3,068,872)

(b) Non-cash investing and financing activities

Shares issued to employees under the employee security ownership plan (ESOP) for no cash consideration. Refer to note 21 (Issued capital).

Note 24. Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

(a) Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Estimation of revenue relating to the provision of services. Refer to note 2 (Revenue).
- Determination of operating segments. Refer to Note 3 (Operating segments)
- Judgements and estimates relating to the determination of amounts included in the disposal of subsidiary. Refer to Note 7 (Discontinued operations)
- Estimation of expected credit losses on trade receivables. Refer to Note 9 (Trade and other receivables)
- Determination of incremental borrowing rate and the inclusion of lease extension options. Refer to note 11 (Right-of - use assets and lease liabilities).
- Estimated useful lives to determine amortisation. Refer to Note 14 (Intangible assets).
- Estimate of property, plant and equipment useful lives. Refer to note 13 (Property, plant and equipment).
- Estimation of the valuation of warrant derivatives. Refer to Note 17 (Warrant liabilities)
- Assessing whether or not the assistance conditions had been fully satisfied for the US Payroll Protection Program funding received. Refer note 20 (Other liabilities – government).
- Estimation of share-based payments. Refer to Note 32 (Share based payments)
- Evaluation of going concern. Refer to note 37 (Summary of significant accounting policies).
- The impact of Coronavirus (COVID-19) pandemic is ongoing and it is not practicable to determine the potential impact positive or negative after the reporting date.

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

Note 25. Financial risk management

Financial risk management objectives

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

Risk	Exposure arising from	Measurement	Management's assessment and control
Market risk - foreign exchange	Transactions denominated in A$ and EUR from the Group's operations	Cash flow forecasting	On 6 October 2020, the Group sold nanotron Technologies GmbH which eliminated the Group's exposure to EUR. As at and for the years ended 30 June 2020 and 2021, there were no open forward exchange contracts.
	Translation of the Group's A$ and EUR operations to US$ on consolidation	N/A	N/A
Credit risk	Receivables from NRE contracts collectible only on completion of milestones specified in these contracts	Cash flow forecasting	Management works closely with its key customers to ensure that milestones are achieved in a timely manner in order to receive payments for services provided
Liquidity risk	Ability to repay creditors when payments are due	Cash flow forecasting	Management reviews the Group's cash position and run rate (versus budget) on a monthly basis to ensure payments are made when they fall due.

Note 25. Financial risk management (continued)

The Group's risk management is carried out by the board and the Group's senior management team to identify, evaluate and hedge financial risks (if required). This process includes reviewing the effectiveness of internal controls relating to market risk, credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

Amounts recognised in profit or loss and other comprehensive income

During the year, the following foreign exchange related amounts were recognised in profit or loss and other comprehensive income:

	Consolidated 2021 US$	Consolidated 2020 US$
Amounts recognised in profit or loss:		
Net foreign exchange gain/(loss) included in other gains/(losses)	(9,393)	(73,670)
	-	-
Net gain/(losses) recognised in other comprehensive income (note 22 Reserves):	-	-
Translation of foreign currency operations	(60,196)	122,797

Sensitivity

The sensitivity of the profit or loss to changes in the exchange rates arises mainly from A$ and up to 6 October 2020 EUR denominated financial instruments and the impact on other components of equity arises from the translation of foreign currency financial statements into US$.

	Impact on loss for the period 2021 US$	Impact on loss for the period 2020 US$	Impact on other components of equity 2021 US$	Impact on other components of equity 2020 US$
US$/A$ exchange rate - change by 1.8% (2020: 1.8%)*	29,606	100,763	13,009	1,585
US$/EUR exchange rate - change by 0.8% (2020: 0.8%)*	-	2,624	-	227

* Holding all other variables constant

(b) Credit risk

Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to customers who are public and private organisations in the technology industry, including outstanding receivables.

(i) Risk management

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

The Group's customer base consists of public sectors, listed companies in the United States and large and reputable private entities. Management maintain a close relationship with their customers' executives and senior management to ensure that milestones specified in the contracts are met in a timely manner. Management updates its cost forecasts on a regular basis for all on-going contracts.

Note 25. Financial risk management (continued)

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

(ii) Impairment of financial assets

The Group has one type of financial asset subject to the expected credit loss model being trade receivables for sales of inventory and from the provision of engineering services.

Trade receivables and contract assets

The Group applies the AASB 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The ECL rates are based on the payment profiles of sales over a period of 36 months before 30 June 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 30 June 2021 from the ECL method was determined to be US$15,000 (2020: US$27,011). This amount was ascertained based on an individual client analysis; the identified loss beyond this at a portfolio level was determined to be immaterial.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 121 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(i) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not material.

Contractual maturities of financial liabilities

Consolidated - 2021	Weighted average interest rate %	1 year or less US$	Between 1 and 2 years US$	Between 2 and 5 years US$	Over 5 years US$	Remaining contractual maturities US$
Non-derivatives						
Non-interest bearing						
Trade payables	-	822,898	-	-	-	822,898
Total non-derivatives		822,898	-	-	-	822,898

Note 25. Financial risk management (continued)

Consolidated - 2020	Weighted average interest rate %	1 year or less US$	Between 1 and 2 years US$	Between 2 and 5 years US$	Over 5 years US$	Remaining contractual maturities US$
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,178,498	-	-	-	1,178,498
Interest-bearing						
Promissory notes	11.75%	1,175,000	-	-	-	1,175,000
Loans	16.00%	1,600,000	-	3,568,103	-	5,168,103
Total non-derivatives		3,953,498	-	3,568,103	-	7,521,601

Note 26. Capital management

(a) Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Management assesses the Group’s capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

As at 30 June 2021, the Group had a total credit facility capacity of US$ Nil (2020: US$5,412,000) of which US$ Nil was drawn down (2020: US$5,412,000) with a consortium of external parties, including a related party.

(b) Dividends

No dividends were declared or paid to members for the year ended 30 June 2021 (2020: US$ nil). The Group’s franking account balance was US$ nil at 30 June 2021 (2020: US$ nil).

Note 27. Contingent liabilities

The Group had no contingent liabilities at 30 June 2021 (2020: US$ nil).

Note 28. Commitments

The Group had no commitments at 30 June 2021 (2020: US$ nil).

Note 29. Interests in other entities

The Group's principal subsidiaries at 30 June 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
Sensera Inc.	United States	100.00%	100.00%
nanotron Technologies GmbH	Germany	-	100.00%

Note 30. Events after the reporting period

On 6 August 2021, the Group announced the completion of a A$2.5m private placement (before costs) comprising 73,529,037 fully paid ordinary shares at A$0.034 each. Subject to shareholder approval, a total 55,146,786 options are to be issued to the placement investors and the placement broker. The options have an exercise price of $0.085 and will expire 24 months from issue on or about 17 November 2023.

No other matter or circumstance has arisen since 30 June 2021 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 31. Related party transactions

(a) Subsidiaries
Interests in subsidiaries are set out in note 29.

(b) Key management personnel compensation

	Consolidated 2021 US$	Consolidated 2020 US$
Short-term employee benefits	558,272	538,645
Share-based payments	175,788	129,991
	734,060	668,636

Detailed remuneration disclosures are provided in the remuneration report.

(c) Loans to/from related parties

	Consolidated 2021 US$	Consolidated 2020 US$
Loans from director related entity		
Beginning of the year	673,150	650,000
Loans repayments made	(650,000)	-
Interest charged	20,506	83,685
Interest paid	(43,656)	(60,535)
End of year	-	673,150

Note 31. Related party transactions (continued)

(d) Terms and conditions

On 22 February 2019, the Group entered into a US$650,000 unsecured promissory note loan arrangement with an entity controlled by Mr Jonathan Tooth, a director of Sensera Limited. Details of the terms and conditions are set out under the note 16 (Borrowings – promissory notes). This loan facility was repaid in full on 7 October 2020.

Note 32. Share-based payments

(a) Employee security ownership plan

The 'employee security ownership plan' (ESOP) was last approved by shareholders at the 2020 annual general meeting. The plan is designed to provide long-term incentives for employees (including directors) and consultants to deliver long-term shareholder returns.

Set out below are summaries of options granted under the plan:

	Number of options 2021	Weighted average exercise price A$ 2021	Number of options 2020	Weighted average exercise price A$ 2020
Outstanding at the beginning of the financial year	8,800,000	0.29	10,300,000	0.41
Granted during the year	9,200,000	0.06	250,000	0.13
Lapsed during the year	(5,550,000)	0.26	(1,750,000)	0.50
Outstanding at the end of the financial year	12,450,000	0.14	8,800,000	0.29
Vested and exercisable at the end of the financial year *	4,000,000	0.29	5,941,666	0.33

* *Option vesting is subject to the holder remaining in office and or employment up to the vesting date. There are no other vesting conditions.*

Share options outstanding at the end of the year have the following expiry date and exercise prices:

2021

Grant date	Expiry date	Exercise price A$	Balance at the start of the year	Number granted	Number exercised	Number expired/ lapsed	Balance at the end of the year
08/12/2017	15/08/2020	0.40	1,500,000	-	-	(1,500,000)	-
30/11/2017	29/11/2022	0.35	3,000,000	-	-	-	3,000,000
08/12/2017	17/12/2022	0.35	1,500,000	-	-	(1,500,000)	-
01/07/2018	30/06/2022	0.15	800,000	-	-	(800,000)	-
29/04/2019	03/07/2023	0.15	750,000	-	-	-	750,000
29/04/2019	19/12/2020	0.15	1,000,000	-	-	(1,000,000)	-
01/01/2019	30/11/2023	0.15	150,000	-	-	(150,000)	-
01/01/2019	31/12/2023	0.11	100,000	-	-	(100,000)	-
24/09/2020	23/10/2021	0.06	-	1,500,000	-	(500,000)	1,000,000
24/09/2020	23/09/2025	0.06	-	7,700,000	-	-	7,700,000
			8,800,000	9,200,000	-	(5,550,000)	12,450,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.11 years (2020) 2.19 years.

Note 32. Share-based payments (continued)

(i) Fair value of options granted

The assessed fair value of options at grant date was determined using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

During the year ended 30 June 2021, 9,200,000 (2020: 250,000) options were granted. The model inputs for these options included:

Grant date	Expiry date	Share price at grant date A$	Exercise price A$	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date A$
24/09/2020	23/09/2024	0.06	0.06	139.0000%	-	0.2800%	0.0508
24/09/2020	23/09/2025	0.06	0.06	139.0000%	-	0.2800%	0.0491
24/09/2020	23/09/2025	0.06	0.06	139.0000%	-	0.2800%	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 2021 US$	Consolidated 2020 US$
Shares issued to employees under ESOP	98,672	-
Options issued to employees under ESOP	210,130	165,277
Total	308,802	165,277

Note 33. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Group:

	Consolidated 2021 US$	Consolidated 2020 US$
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	146,097	194,512
Other services - Grant Thornton Audit Pty Ltd		
Other advisory - tax compliance	-	2,686
	146,097	197,198

Note 34. Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

	Consolidated 2021 US$	Consolidated 2020 US$
Current		
Cash and cash equivalents	-	1,395,057
Trade and other receivables	-	920,362
Inventories	-	1,157,023
Other current assets	-	110,735
Total current assets pledged as security	-	3,583,177
Non-current		
Property, plant and equipment	-	821,714
Intangible assets	-	7,664,029
Total non-current assets pledged as security	-	8,485,743
Total assets pledged as security	-	12,068,920

Note 35. Loss per share

(a) Reconciliation of loss used in calculating loss per share

	Consolidated 2021 US$	Consolidated 2020 US$
Loss per share from continuing operations		
Loss after income tax	(4,474,795)	(6,568,925)
	Cents	**Cents**
Loss per share	(1.4)	(2.1)
Diluted loss per share	(1.4)	(2.1)

	Consolidated 2021 US$	Consolidated 2020 US$
Earnings per share for profit/(loss) from discontinued operations		
Profit/(loss) after income tax	9,781	(1,761,630)
	US Cents	**US Cents**
Loss per share	-	(0.6)
Diluted loss per share	-	(0.6)

Note 35. Loss per share (continued)

Basic and diluted loss per share

Loss from continuing operations attributable to the ordinary equity holders of the company used in calculating loss per share:

	Consolidated	
	2021 US$	**2020 US$**
Loss per share		
Loss after income tax	(4,465,014)	(8,330,555)
	US Cents	**US Cents**
Loss per share	(1.4)	(2.7)
Diluted loss per share	(1.4)	(2.7)

(b) Weighted average number of shares used as the denominator

	2021 Number	**2020 Number**
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	324,738,391	307,047,580

On the basis of the Group's losses, the outstanding options and warrants at 30 June 2021 and 30 June 2020 were considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

Note 36. Parent entity information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

Statement of profit or loss and other comprehensive income

	Parent	
	2021 US$	**2020 US$**
Loss after income tax	(4,260,660)	(7,703,026)
Total comprehensive income	(4,260,660)	(7,703,026)

Note 36. Parent entity information (continued)

Statement of financial position

	Parent 2021 US$	Parent 2020 US$
Total current assets	119,949	14,509
Total assets	290,721	8,278,973
Total current liabilities	144,638	2,320,642
Total liabilities	1,749,984	6,619,600
Equity		
Issued capital	32,392,028	31,173,047
Foreign currency translation reserve	(722,713)	(435,626)
Share-based payments reserve	746,904	1,053,625
Accumulated losses	(33,875,482)	(30,131,673)
Total equity/(deficiency)	(1,459,263)	1,659,373

As at 30 June 2021, the intercompany loan balance between the parent and its subsidiaries amounted to nil (2020: nil) due to a US$2,019,930 impairment loss on the intercompany loans recognised during the year ended 30 June 2021 (2020: US$5,108,014).

An impairment loss on intercompany investments of US$1,498,058 was recognised during the year ended 30 June 2021 (2020: US$1,149,786).

(b) Guarantees entered into by the parent entity
The parent entity has provided a guarantee over the event of default caused by its subsidiary Sensera, Inc. in relation to its equipment lease arrangements.

(c) Contingent liabilities of the parent entity
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

(d) Contractual commitments for the acquisition of property, plant or equipment
The parent entity has not entered into any contractual commitments for the acquisition of property, plant or equipment in the year ended 30 June 2021 (2020: nil).

(e) Determining the parent entity financial information
The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(f) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 37. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Sensera Limited and its subsidiaries.

Note 37. Summary of significant accounting policies (continued)

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Sensera Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Sensera Limited Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, and derivative financial instruments.

(iii) Going concern

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

For the period ended 30 June 2021, The Group incurred a net loss of US$4,465,014, had operating cash outflows of US$1,575,011, had net current liabilities of US$1,059,977 and had a net asset deficiency of US$1,436,726. As at 30 June 2021, the Group's cash and cash equivalents balance was US$787,266. 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:

The net asset deficiency includes a financial liability relating to the fair value of the share warrants issued by the Group totalling US$1,605,346. 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$952,402 charge relating to the increase in fair value of the share warrants.

On 6 August 2021, the Group announced the completion of a A$2.5m private placement (before costs) comprising 73,529,037 fully paid ordinary shares at A$0.034 each. 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.

(iv) 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.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Note 37. Summary of significant accounting policies (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. This has been identified as the Executive Director.

(d) Foreign currency translation
(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in US dollars (US$), which is Sensera Limited's presentation currency due to a significant portion of its operations being located in the United States. The functional currency of the parent is the Australian dollar (A$), which is different to its presentation currency of US dollars.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position
- income and expenses for each consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Note 37. Summary of significant accounting policies (continued)

(e) Revenue recognition
The accounting policies for the Group's revenue from contracts with customers are explained in note 2 (Revenue).

(f) Government grants
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 and when the conditions of the grant have been met. Refer to note 20 (Other liabilities - government).

(g) Income tax
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(h) 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 37. Summary of significant accounting policies (continued)

(i) Leases

Right of use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(j) Impairment of non-financial assets
Goodwill and intangible assets that have an indefinite useful life and intangible assets not yet ready for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(k) Cash and cash equivalents
For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(l) Trade and other receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Note 37. Summary of significant accounting policies (continued)

See note 9 (Trade and other receivables) for further information about the Group's accounting for trade receivables and note 25 (Financial risk management) for a description of the Group's impairment policies.

(m) Inventories
Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(n) Investments and other financial assets

(i) Classification

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through Other comprehensive income (OCI) or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(v) Income recognition Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Note 37. Summary of significant accounting policies (continued)

(o) Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the Group are disclosed in note 13 Property, plant and equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Refer to note 37(h) (Summary of significant accounting policies).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(p) Intangible assets
Patents and trademarks
Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

(q) Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(r) Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(s) Provisions
Provisions for service warranties and other obligations are recognised when the Group has present service obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Note 37. Summary of significant accounting policies (continued)

(t) Employee benefits
(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Share-based payments

Share-based compensation benefits are provided to employees via the 'employee security ownership plan' (ESOP).

Employee options

The fair value of options granted under the ESOP is recognised as a share-based payment expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the company's share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the company over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(u) Contributed equity
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Loss per share
(i) Basic loss per share is calculated by dividing:

- the loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(w) Rounding of amounts
The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

Note 37. Summary of significant accounting policies (continued)

(x) Goods and Services Tax (GST)
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(y) Financial liabilities
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss. This category generally applies to interest-bearing loans and borrowings.

Note 37. Summary of significant accounting policies (continued)

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(z) Derivative financial instruments
Initial recognition and subsequent measurement

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(aa) New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2021. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Sensera Limited
Directors' declaration
30 June 2021

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 37 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial 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.

The Directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors.

On behalf of the Directors

Mr Ralph Schmitt
Executive Director

30 August 2021

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Independent Auditor's Report

To the Members of Sensera Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Sensera Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 37(a)(iii) in the financial statements, which indicates that the Group incurred a net loss of US$4,465,014 and had net operating cash outflows of US$1,575,011 during the year ended 30 June 2021, and as of that date, the Group's current liabilities exceeded its current assets by US$1,059,977.

GrantThornton

As stated in Note 37(a)(iii), these events or conditions, along with other matters as set forth in Note 37(a)(iii), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue (Note 2)	
The Group has recognised revenue of US$2,951,429 during the year. In accordance with AASB 15 *Revenue from Contracts with Customer*, revenues from goods and services are recognised based on the completion of performance obligations under each contract. This area is a key audit matter due to the nature and assessment of performance obligations and the importance of the revenue balance to users of the financial statements.	Our procedures included, amongst others: • Understanding the processes and controls used by the Group to record revenues, receivables and contract assets and liabilities; • Assessing the revenue recognition policies for appropriateness and compliance with AASB 15; • Performing testing on selected transactions to determine whether revenue was recognised in line with the Group's revenue recognition policy and accounting standards, including tracing to contracts or agreements to evaluate the identification of performance obligations and the timing of revenue recognition; • Analytically reviewing revenue values and associated ratios, with any items outside of audit expectations investigated further; • Evaluating certain significant receivable balances by obtaining the corresponding sales contracts and other supporting documentation and testing that appropriate amounts were recognised at the reporting date; and • Evaluating the adequacy of related disclosures in the financial report.
Discontinued operations (Note 7)	
The Group sold its German subsidiary nanotron Technologies GmbH during the year. This area is a key audit matter due to the estimates and judgements required in determining the accounting requirements in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations.*	Our procedures included, amongst others: • Reviewing the sale agreements; • Reviewing Management's calculation regarding the above gain, profit and holdback amounts; • Agreeing significant amounts back to source documentation; and • Evaluating the adequacy of related disclosures in the financial report.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 7 to 15 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Sensera Limited, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

CDJ Smith
Partner – Audit & Assurance

Brisbane, 30 August 2021

Sensera Limited
Shareholder information
30 June 2021

The shareholder information set out below was applicable as at 24 August 2021.

Equity security holders

Substantial holders
There are no substantial holders in the Company.

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities that hold voting rights.

Sensera Limited
Fully Paid Ordinary Shares

Name/Address 1	Balance as at 24-08-2021	%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	17,000,000	4.106%
UBS NOMINEES PTY LTD	15,188,942	3.669%
GUERILLA NOMINEES PTY LTD <TOOTH RETIREMENT PLAN A/C>	11,798,714	2.850%
CITICORP NOMINEES PTY LIMITED	11,027,549	2.664%
ACN 075312980 PTY LTD <BEACON UNIT A/C>	6,795,278	1.641%
TIALING PTY LTD <TIALING SUPER FUND A/C>	5,911,780	1.428%
JAMBER INVESTMENTS PTY LTD <THE AMBER SCHWARZ FAM A/C>	5,270,842	1.273%
EVELYN FAMILY BENEFICIARY PTY LTD <KAB A/C>	4,411,764	1.066%
MR ARTHUR BROMIDIS	4,200,000	1.015%
BUMPY BRIDGE PTY LTD <RGB INVESTMENT A/C>	4,200,000	1.015%
DJAKINVEST PTY LTD <SEESWELL SUPERFUND A/C>	3,470,000	0.838%
DR STUART LLOYD PHILLIPS & MRS FIONA JANE PHILLIPS <SL & FJ PHILLIPS S/F A/C>	3,105,000	0.750%
SUPER RLS PTY LTD <RPLS SUPER FUND A/C>	2,949,057	0.712%
T & N ARGYRIDES INVESTMENTS PTY LTD <T & N ARGYRIDES PENSION A/C>	2,941,176	0.710%
MR DARREN VLATKO OZEBEK	2,909,641	0.703%
MR RALPH SCHMITT	2,809,228	0.679%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,780,843	0.672%
INVESCO NOMINEE PTY LTD	2,750,000	0.664%
MR JOSHUA LEIGH SWEETMAN & MRS CAROLINE SWEETMAN <LACKACASH FAMILY A/C>	2,750,000	0.664%
MR ANTON DE SILVA GUNAWARDENA & MRS THERESE SASHA MARIETTE FERNANDO <SEROTUTOR SUPERFUND A/C>	2,718,597	0.657%
Total Securities of Top 20 Holdings	114,988,411	27.775%
Total of Securities	**413,996,443**	