

18 Oct 2021
Australian Securities Exchange (ASX) Announcement

Sensera Quarterly Update and Appendix 4C

HIGHLIGHTS:

- **FQ1 revenue of US\$505k and cash receipts of US\$408k**
- **Cash position at US\$1,146k**

Sensera Limited (Company) (ASX:SE1) is providing Appendix 4C for the first quarter of the financial year 2022 (Q1FY22). The Company achieved quarterly revenue of US\$505k, down from US\$633k last quarter. Cash receipts were US\$408k.

In the quarter the Company had backlog that it could not fulfill for Abiomed due to sensor sensitivity issues, cutting the revenue potential in half. At the date of this report these issues have been mitigated and Abiomed continued to forecast strong demand for the year and has placed orders to cover their near term requirements. The Company expects to make up for some of the lost production over the balance of FY22.

As was previously released, work on a high visibility sensor design at NanoDX for COVID-SARS was discontinued as the customer could not build a final product that met the requirements for FDA approval. The decision was taken by NanoDx to attempt an entirely different way to build the sensor. It should be noted that this application has not had material revenue for Sensera in the past few quarters. The transition and disposition of the Traumatic Brain Injury sensor with NanoDX is not resolved, but the company is not planning on any future business with this customer.

In the quarter, Nova Biomedical has also been supplied with a new sensor design which is currently in test. The company continues to progress multiple customer opportunities through the design and validation phases of product development and expects additional NRE revenue over the next few quarters. There was one new NRE based customer that progressed into the design stage on a microfluidic based sensor design during Q1FY22.

The quarter ending cash position was US\$1,146k, driven primarily by cash generation from a capital raising of US\$1.7m. As previously described, in FY20 the Company received PPP of US\$1,242k in two separate loans of US\$621k each and these were recognised as income in FY20. During the fourth quarter of FY20 the Company was officially notified that the first payment of US\$621k was fully forgiven. The Company was also informed by the U.S. SBA on September 24, 2021 that the second loan will also be fully forgiven.

Operating activity payments for the quarter were US\$1,566k, an increase of US\$678k over the previous quarter. The increase is partly attributable to include timing differences of US\$356k relating to a reduction in net payables. The majority of the balance is related to inventory and order placement increases to ramp for higher production rates for the balance of FY22. Some of these expenditures were required to be earlier than normal due to supply chain concerns in order to ensure material is available as required.

Payments to related parties were US\$51k comprising of director fees and emoluments excluding administrative and travel expense reimbursement.

The Company expects Q2FY22 to be a growth quarter, however we continue to have challenges in the current market environment in developing new business to lessen the reliance on our major customer, Abiomed and to reach and exceed breakeven. We remain subscale and accordingly the Board has made the decision to explore strategic alternatives in order to drive shareholder value.

This announcement was authorised for release by the Board of Directors.

For more information, please contact:

Ralph Schmitt

Executive Director

+1 781 404 6500

info@sensera.com

Simon Peeke

Director

Investor Relations

+61 404 443 323

speeke@sensera.com

About Sensera Limited (ASX: SE1):

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.

Shares in Sensera Limited (ASX: SE1) are traded on the Australian Securities Exchange (ASX). For more information, please visit our website: www.sensera.com.

Any forward-looking statements in this announcement are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management.

Appendix 4C

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

Name of entity

Sensera Limited

ABN

73 613 509 041

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$US'000 (unaudited)	Year to date \$US'000 (unaudited)
1. Cash flows from operating activities		
1.1 Receipts from customers	408	408
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(662)	(662)
(c) advertising and marketing	-	-
(d) leased assets	(98)	(98)
(e) staff costs	(560)	(560)
(f) administration and corporate costs	(246)	(246)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(42)	(42)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	9	9
1.9 Net cash from / (used in) operating activities	(1,191)	(1,191)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(45)	(45)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$US'000 (unaudited)	Year to date \$US'000 (unaudited)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (transaction costs)	-	-
2.6	Net cash from / (used in) investing activities	(45)	(45)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,717	1,717
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (finance lease repayments)	(122)	(122)
3.10	Net cash from / (used in) financing activities	1,595	1,595

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	787	787
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,191)	(1,191)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(45)	(45)

Consolidated statement of cash flows		Current quarter \$US'000 (unaudited)	Year to date \$US'000 (unaudited)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,595	1,595
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,146	1,146

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$U.S'000	Previous quarter \$U.S'000
5.1	Bank balances	1,146	787
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,146	787

6.	Payments to related parties of the entity and their associates	Current quarter \$U.S'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	51
6.2	Aggregate amount of payments to related parties and their associates included in item 2 and 3	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>The amount at 6.1 includes the payment of directors' fees and emoluments excluding reimbursement for administrative expenses and travel expenses.</p>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$U.S'000	Amount drawn at quarter end \$U.S'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$US'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,191)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,146
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,146
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.96
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. Revenue is expected to improve in Q2 and beyond. Refer to Quarterly Activity Report for further commentary.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: No. Refer to the above response to 8.6.1.	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. Refer to the above response to 8.6.1.	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date:18 October 2021.....

Authorised by:By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.