



Message from the Chairman

Dear extended family of SenSen,

A massive 'thank you' to all our supporters as we come to the end of a milestone year. It's been 12 months of customer wins, technological advancements, product releases and major announcements about global expansion ... and I can assure you the best is yet to come.

As a world-leading AI solutions platform company with a diverse set of products and features – think SAP or Siemens in their formative years – we dedicated 2019 to making strategic investments in the verticals we believe will outperform the market for years and decades to come. We expanded internationally, diversified revenue streams and commercialised new product lines while maintaining revenue momentum. Importantly, we secured a premium-priced investment from a leading Japanese partner who will take our flagship Retail & Leisure product into even more global markets starting immediately.

As we move into the Christmas and New Years holiday season, I want to take this opportunity to highlight the significance of the deal and what it means to the company and you as our shareholder.

In a worldwide vote of confidence for SenSen's potential to disrupt the Retail & Leisure sector, we have secured a landmark investment from leading Asian

conglomerate Angel Japan Co Ltd. A multi-faceted global investment and partnership agreement signed in December 2019 gives Angel exclusive distribution rights to lead the global expansion drive for our SenGAME 3.0.

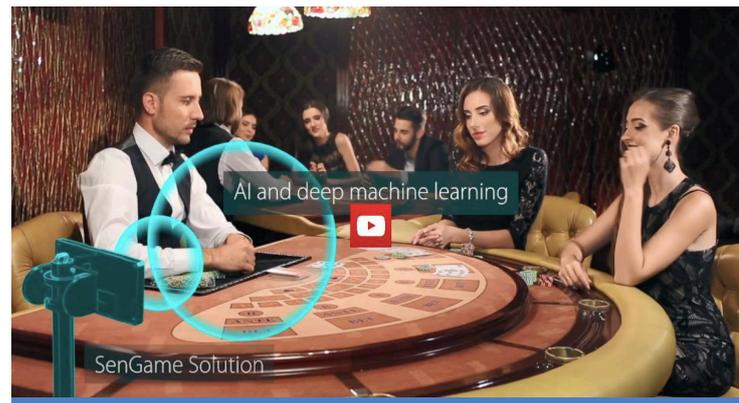
Angel is a dominant player in the casino industry selling high-quality casino equipment including playing cards, Angel Shoe, chips and gaming-related devices to casinos worldwide. Angel's principal business office is located in Kyoto, Japan, with manufacturing facilities in Japan and Singapore. Angel also has offices in the United States, Macau, Australia and the Philippines.

SenSen considers this is an important step in distributing SenGAME 3.0 globally for the following reasons:

1. This is a SaaS business model - SenSen will receive recurring Software as a Service licence fees per table, per month for SenGAME 3.0 and its variants.
2. As part of the 5-year distribution agreement, SenSen will receive a minimum payment of USD5M (AUD7.3M) for SenGAME 3.0 alone. Thus, any downside risk associated with slower-than-expected sales is protected by the annual minimum payment.
3. However, as outlined in a recent Australian stockbroking firm's report on SenSen, this "minimum payments" scenario is simply too low as it represents implementation of SenGAME 3.0 on only approximately 1,000 tables by FY2025, a fraction of the world's estimated 50,000–60,000 tables globally.*
4. The report goes on to suggest that a low-end, extremely achievable number of tables to have SenGAME 3.0 implemented by FY2025 is in the order of 5,000 tables on generating approximately \$20M per year for SenSen.
5. In a further sign of faith, Angel has taken a 4.99% equity stake in SenSen at a price of \$0.15 per share (a premium of 68% over the last traded price prior

to signing the distribution agreement), raising AUD3.3M for the company and strategically aligning with SenSen's vision in the process.

6. The exclusivity and the financials above are just for table games within Casinos. There is significant opportunity in retail, hospitality, slot machines, security and other businesses associated with casinos that are ripe for similar disruption by SenSen technology. These opportunities are not part of the exclusive arrangement and SenSen aims to offer solutions directly and via other channel partners to access them to generate additional revenue streams.



SenGAME 3.0 was invented by SenSen to process video images in real time to determine the number of players at a casino table; the number of hands dealt by dealers; and the value of bets placed by players. This information can be used for business intelligence purposes by casino owners and managers.

The significant progress SenSen has achieved both in the Smart Cities and Retail & Leisure verticals is highlighted in our recent AGM presentation accessible by clicking this link:

<https://www.sensennetworks.com/wp-content/uploads/2019/11/02179593.pdf>

I wish you all a Merry Christmas and a very Happy New Year and I look forward to bringing more great news and success stories from around the globe in 2020.

Dr Subhash Challa
Founder & Executive Chairman
SenSen Networks Ltd

Highlights of 2019

It's been some year. Apart from the deal with Angel Japan Co Ltd, here are some highlights from the past 12 months:

- With GeminEye, we invented a way of packing a whole suite of Smarty City AI features onto a smartphone; it's a world first and a game changer in this sector.
- Launched US operations with first US customer – Chicago Parking Meters.
- Acquired one new Smart City customer a month for the last seven months – Cairns, Gold Coast, Tweed Heads, Geelong, Chicago Parking Meters, Singapore LTA and Qatar.
- Existing customers continued to expand their deployments and use cases with Brisbane and Logan ordering additional systems as an example.
- Multiple agencies around the world have successfully completed trials and are currently negotiating commercial terms for post-trial roll-outs of SenSen products.
- Launched new product lines for protecting privacy and reducing false alarms in video analytics systems worldwide, both of which already have traction with customers.
- Added to our Patent Vault by filing a number of international patents to enhance enterprise value.
- Key people were added in sales and marketing roles to all our industry verticals.
- In terms of global marketing, we presented at 12 international industry conferences and expos, averaging one per month, to demonstrate and promote the suite of SenSen products.
- Recruited six new distribution channels within the Smart Cities vertical and three new distribution channels within the Retail & Leisure vertical.

We are delighted to report continued and growing support from existing customers, not just in Australia but also in key international markets.



GeminEye – A Smart City Solution in the Palm of Your Hand

GeminEye, a SenSen invention released in 2019, is the world's first AI-powered affordable and accurate smartphone app – a Smart City platform in the palm of your hand.

Until now, many Smart City solutions have been out of reach of local municipalities as they required expensive equipment such as vehicle-mounted cameras and CCTV systems. By capturing data and analysing it directly on a smartphone, GeminEye saves time and money while still ensuring civic compliance, asset management and traffic data collection.

Using the app is easy. Simply mount a smartphone onto a motorbike, dashboard or fixed pole, or hold it in your hand while walking, and select the activity you want to detect. GeminEye does the rest by pulling information from video, sensors and other data points, and automating what used to be labour-intensive processes directly on the phone.

An especially popular version is our kerbside unit, a patent-pending invention that allows a highly advanced AI system to be deployed where there are significant constraints of power and communications – problems we've solved in our R&D laboratory.

GeminEye has already been ordered by customers in Canada and Qatar and we have trials under way in:

USA – e-scooter littering and enforcement, and parking enforcement

Singapore – off-street parking compliance

India – Toll enforcement

Dubai – Traffic survey applications

Canada – Car park occupancy

Norway – Parking enforcement

Australia – Policing applications

New Zealand – Car park occupancy

Thailand – Monitoring footpaths for dangerous vehicle intrusions



Revenue from Add-Ons

A perennial problem with video analytics systems is a high number of false alarms. But that's all about to change.

Singapore has just been announced as the first international customer for SenSen's newly developed AI-based system that filters results into good or bad tranches to reduce the human workload of responding to false triggers. We call it AI-FARM which stands for AI-based False Alarm & Monitoring.

In Singapore, AI-FARM will be used to reduce false alarms from cameras monitoring traffic incidents, including stopped vehicles on highways and motorways. In Australia, the system is already in use by Brisbane City Council.

AI-FARM is one of three new products targeting Smart City customers launched in 2019. Apart from the GeminEye AI app on a smartphone (see story elsewhere on these pages), there is also an Automated Privacy Masking solution which hides people's faces from images captured for enforcement purposes. There is increasing demand for this feature due to adoption of privacy laws worldwide such as General Data Protection Regulation in Europe.



Chicago Streets Flowing Smoothly Thanks to SenSen

After several years spent rolling out services in Canada, SenSen is expanding south of the border into the highly promising US market. First stop: Chicago.

We have signed our first US customer contract with Chicago Parking Meters (CPM) delivering solutions to improve parking space management throughout the municipality.

Signed in October 2019, the deal will see SenSen collect on-street data related to parking signs in and around metered parking spaces which will be used to digitize CPM's metered parking spaces and signage.

Dennis Pedrelli, Chicago Parking Meters CEO: "CPM is impressed with SenSen's solutions and capabilities. We are excited to explore your AI solutions to further improve the on-street parking experience which already includes Flowbird's state-of-the-art pay boxes, Passport-powered ParkChicago mobile payment system and ParkChicagoMap. We look forward to rolling out the next stage of technology with SenSen."

Subhash Challa, SenSen CEO: "This is a watershed milestone for SenSen as we progress our global expansion strategy. Chicago is a flagship city in the US and CPM has set the international benchmark for how it manages a city's on-street parking. We are very excited to be working with CPM to assist in further enhancing the parking space management efficiency."



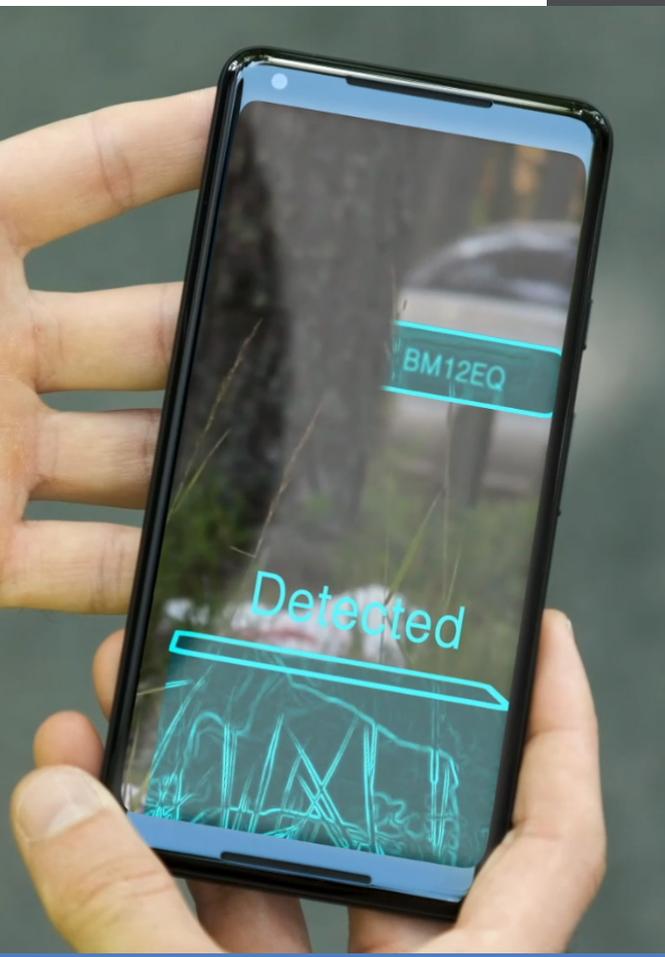
People: US Introduction

In a sign of SenSen's commitment to the growing US market, we have appointed respected IT executive and technologist Anil A. Kumar as Director Operations based in Los Angeles.

Anil is working with customers in Chicago and on a number of upcoming projects that we expect to unveil in the New Year.

Apart from extensive experience as an electrical engineer and networking, Anil brings skills in next-generation peer-to-peer platforms. He previously held senior management positions at Ericsson, Occam Networks and CA Calix.

Anil can be reached at anil.kumar@sensennetworks.com.





78 Extra Cameras Deployed in Singapore

Building on several successful Smart City projects in Singapore, SenSen has received a new order to supply software maintenance services for an additional 78 cameras monitoring illegal parking activities.

This adds to the software maintenance services already provided for 258 cameras in Singapore's CBD, bringing the total number of cameras under software maintenance to 336.

In Singapore, our long-term partner is ATT Systems Group, a regional system integrator whose competitive edge lies in its ability to provide

a one-stop solution service. We chose ATT because the company is highly regarded for delivering intelligent customised systems for government and commercial clients.

SenSen will earn additional monthly Software as a Service revenue under the maintenance contract.

Also in Singapore, SenSen provides software maintenance services for video analytics solutions at Changi Airport. This contract was renewed in 2019.



