

Quarterly Report



Activities Report for the Quarter ended
30 June 2022

21 July 2022

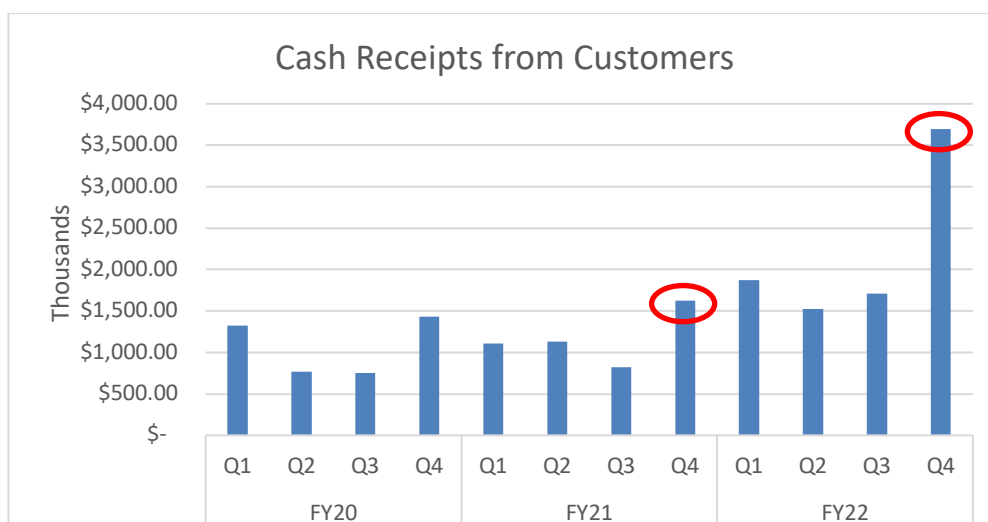
SenSen Announces Record Quarterly Cash Receipts

Melbourne, Australia – Leading sensor AI software and solution provider SenSen Networks Limited (ASX:SNS, “SenSen” or “the Company”) provides an update on its activities for the quarter ended 30 June 2022 (Q4 FY22).

Highlights for Q4 FY22

- Record Q4 customer cash receipts of A\$3.7M, a 128% increase over the PCP in Q4 FY21.
- Cash and cash equivalents increased to ~A\$5.8M (versus A\$5.7M at 31 March 2022) and unused finance facilities available of A\$1.8M as at 30 June 2022.
- SenSen won multiple contracts from new and existing customers over the last quarter for a combined minimum value of ~A\$3.8M in upfront & SaaS recurring revenues from FY23.
- Forward looking annual recurring revenues closing in on ~A\$8M (MRR x 12).
- Cost reduction initiatives of ~A\$2.5M expected to benefit FY23 as the Company drives towards cash flow positivity.

Financial update



The Company recorded Q4 cash receipts from customers of A\$3.7M, a 128% increase over the PCP in Q4 FY21 and a A\$2M (~118%) improvement from Q3’s cash receipts from customers of A\$1.7M.

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Sydney: 3 Spring Street, Sydney NSW 2000

Las Vegas: Office #8, International Innovation Center, 300 South 4th St, Suite 180, Las Vegas NV 89101

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As noted in Item 6 of the Company's Appendix 4C Cashflow Statement, net payments made to related parties and their associates totalled A\$754K for the quarter. The payments comprise intercompany transfer of funds to/from SenSen VBI Pvt Ltd (India) and SenSen Networks Canada Ltd (Canada) to fund working capital for international growth during the quarter ended 30 June 2022.

SenSen also reported Net Cash used in Operating Activities of A\$1.3M during the quarter as it continues to invest in sales and marketing initiatives and R&D to drive top-line growth.

During the period SenSen drew down A\$1.5M from a short-term working capital loan facility with Rocking Horse Nominees Pty Ltd. This loan is secured over SenSen's expected Research and Development refund for FY22 and will be paid back in full when the R&D grant is received in October 2022.

SenSen finished the quarter with A\$5.8M of cash and cash equivalents, and unused finance facilities of A\$1.8M, versus cash and cash equivalents of A\$5.7M and unused finance facilities of A\$1.8M at 31 March 2022.

Cost Controls

As SenSen drives towards cash flow positivity, management continues to review SenSen's cost base to ensure the business is operating at maximum efficiency. So far, this review has led to actions taken to decrease the operational cost base by ~A\$2.5M in FY23 including reductions in staff costs, professional services, IT, travel and administrative costs.

These cost reductions have been carefully implemented to avoid any impact on the Company's ability to continue aggressively growing its revenue. The cost base is now largely fixed and not expected to materially increase in the near term as the Company continues to expand revenue.

Operational Update

SenSen has been successful in continuing its land and expand strategy, winning multiple contracts in Q4 FY22 with new and existing global customers covering all business verticals including Smart Cities, Casinos, Fuel Retail and Surveillance with total new minimum contract value amounting to ~A\$3.8M in both upfront and Software as a Service (SaaS) recurring revenues from FY23:

Smart Cities

- Australia – City of Adelaide – SenSen won a new 5-year contract to provide up to 10 mobile parking enforcement (SenFORCE) units along with associated software and services.
- North America – Concord Parking – SenSCAN and Gemineye solutions for parking
- Singapore – Port of Singapore projects for Security and Safety using AI.
- Melbourne, Victoria – VicRoads for Intersection monitoring and Tram stop safety.

Casinos

- Solaire – Strengthening an existing 3-year relationship with Solaire, SenSen won a new contract to roll out table game analytics solution SenGAME to an additional 135

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tables, bringing the total number of SenGAME tables at Solaire to 200 and adding both upfront and recurring monthly revenues.

Fuel Retail and Surveillance

- Vibe Petroleum – 3-year contract with initial 26 sites for fuel theft reduction solution.

Commenting on the Company's June quarter results, SenSen CEO Dr Subhash Challa said, *"In the current challenging economic conditions, delivering growth while reducing costs is a pressing priority and I am pleased to share the excellent progress made by our team in this regard. Delivering record sales cash inflows for Q4 FY2022 of A\$3.7M with forward looking ARR (MRR x12) closing in on ~A\$8M shows the resilience of our company, our technology platform, products and the team. It's a great foundation to help us continue to deliver positive results into the future."*

This release is approved by the Board of SenSen.

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About SenSen Networks Limited

SenSen Networks Limited (ASX:SNS; OTCQB:SNNSF) is a leading Sensor AI Data enterprise working with people, places and data to solve problems once thought technically impossible. The company's patented network approach enables SenSen to offer customised, real-time and batch processing of data alongside SaaS solutions.

The Company's technology fuses complex video and sensor datasets at high speeds across multiple networks to assess and inform strategic actions to its customers across its enterprise verticals: Smart Cities, Casinos, Retail, Smart Surveillance and Emerging Tech. SenSen has clients on four continents and can be found in Australia, New Zealand, Singapore, USA, Canada, India and UAE.

Disclaimer – Forward-looking statements

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

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Appendix 4C

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

Name of entity

SENSEN NETWORKS LIMITED

ABN

67 121 257 412

Quarter ended ("current quarter")

June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	3,716	8,826
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(1,127)	(3,330)
(c) advertising and marketing	(153)	(585)
(d) leased assets		
(e) staff costs	(2,492)	(9,316)
(f) administration and corporate costs	(1,296)	(5,496)
1.3 Dividends received (see note 3)		
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(27)	(74)
1.6 Income taxes paid	79	(247)
1.7 Government grants and tax incentives	0	1,934
1.8 Other (provide details if material)	0	20
1.9 Net cash from / (used in) operating activities	(1,298)	(8,267)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	0	(1,127)
(b) businesses		
(c) property, plant and equipment	(30)	(220)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(g) entities		
	(h) businesses		
	(i) property, plant and equipment		
	(j) investments		
	(k) intellectual property		
	(l) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(30)	(1,347)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	9,996
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	0	(352)
3.5	Proceeds from borrowings	1,500	2,300
3.6	Repayment of borrowings	0	(1,267)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)	(98)	(474)
3.10	Net cash from / (used in) financing activities	1,402	10,204
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,699	5,176
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,298)	(8,267)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(30)	(1,347)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,402	10,204

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	67	74
4.6	Cash and cash equivalents at end of period*	5,840	5,840

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,024	4,882
5.2	Call deposits	816	816
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)* <i>*During November and December 2021, SenSen announced it had completed a SPP and placements amounting to \$10.0M.</i>	5,840	5,699

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(754)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<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>		

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

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 \$A'000	Amount drawn at quarter end \$A'000																											
7.1	Loan facilities	3,775	1,950																											
7.2	Credit standby arrangements																													
7.3	Other (please specify)																													
7.4	Total financing facilities	3,775	1,950																											
7.5	Unused financing facilities available at quarter end		1,825																											
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.																													
	<table border="1"> <thead> <tr> <th>Financing Facilities</th> <th>Facility</th> <th>Drawn</th> </tr> </thead> <tbody> <tr> <td>CBA Credit Cards</td> <td>\$100,000</td> <td></td> </tr> <tr> <td>CBA Business Loan</td> <td>\$450,000</td> <td>\$450,000</td> </tr> <tr> <td>CBA Overdraft</td> <td>\$225,000</td> <td></td> </tr> <tr> <td>Subtotal</td> <td>\$775,000</td> <td>\$450,000</td> </tr> <tr> <td>Rocking Horse Loan</td> <td>\$1,500,000</td> <td>\$1,500,000</td> </tr> <tr> <td>CEO Loan</td> <td>\$500,000</td> <td></td> </tr> <tr> <td>Loan Facility from Speedshield</td> <td>\$1,000,000</td> <td></td> </tr> <tr> <td>Total</td> <td>\$3,775,000</td> <td>\$1,950,000</td> </tr> </tbody> </table>	Financing Facilities	Facility	Drawn	CBA Credit Cards	\$100,000		CBA Business Loan	\$450,000	\$450,000	CBA Overdraft	\$225,000		Subtotal	\$775,000	\$450,000	Rocking Horse Loan	\$1,500,000	\$1,500,000	CEO Loan	\$500,000		Loan Facility from Speedshield	\$1,000,000		Total	\$3,775,000	\$1,950,000		
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8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,298)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,840
8.3	Unused finance facilities available at quarter end (item 7.5)	1,825
8.4	Total available funding (item 8.2 + item 8.3)	7,665
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.9
	<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: N/A	
	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: N/A	

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

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: N/A

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

Compliance statement

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

21 July 2022

Date:

By the Board of SenSen Networks Limited

Authorised by:

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

Notes

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