



ASX Announcement

10 November 2023

CLEANSING NOTICE - 708AA(10) and 708A(5)(e) of the Corporations Act 2001 (Cth)

SenSen Networks Limited (ASX: SNS) (“**SenSen**” or the “**Company**”) gives this notice under section 708AA(10) of the *Corporations Act 2001* (Cth) (**Corporations Act**) and section 708A(5)(e) of the Corporations Act.

SenSen confirms as follows:

- (a) **Entitlement Offer** - On Wednesday, 11 October 2023, SenSen announced the launch of a A\$2.09 million entitlement offer of new fully paid ordinary shares (**New Shares**) at an offer price of A\$0.04 per New Share (**Entitlement Offer**). The Entitlement Offer is comprised of a fully underwritten¹ 1 – for – 13 pro rata traditional non-renounceable entitlement offer of New Shares to raise gross proceeds of approximately A\$2.09 million.
 - (b) **Issue of Deferred Shares** - Further, on Monday, 6 November 2023 SenSen issued 17,036,806 Shares (**Deferred Shares**) as deferred consideration to shareholders of Scancam Industries Pty Ltd (**Deferred Share Issue**).
 - (c) **Angel proceedings** - As detailed in the ASX Announcement of Friday, 27 October 2023, the Federal Court of Australia proceedings and the Republic of the Philippines Regional Trial Court proceedings commenced by Angel Group Co., Ltd and its related companies (**Angel**), whereby it was alleged that SenSen had infringed Angel's patents (**Proceedings**), have been settled on a without admissions basis. As detailed in the ASX Announcement dated Friday, 27 October 2023, under the terms of the settlement agreement with Angel (**Settlement Agreement**) it has been agreed:
 - SenSen will transfer certain customer contracts in the casino market to Angel.
 - SenSen will transfer certain intellectual property rights owned by SenSen, relating to the gaming industry, to Angel.
 - SenSen and Angel will release each other in relation to claims and possible claims.
 - The Proceedings will be dismissed with the parties to bear their own costs.
 - SenSen will not be selling SenGAME or SenEYE-D Solutions to casinos from the date of execution of the Settlement Agreement.
- As previously disclosed to the market, the gaming component of SenSen's business reflects less than 10% of its annual revenue.
- (d) **Angel placement** - As detailed in the ASX Announcement of Friday, 27 October 2023, in addition to the above, SenSen and Angel entered into a placement agreement (**Placement Agreement**) pursuant to which Angel has subscribed for 45 million ordinary shares in SenSen (**Placement Shares**) for A\$0.04 per Subscription Share to raise a total of A\$1.8 million. The Placement Shares will be issued once the Proceedings have been dismissed.
 - (e) **Contract to be signed** - SenSen notes that in respect of the excluded information notice lodged on the ASX on Wednesday, 11 October 2023, the Contract remains subject to finalisation. Once finalised, it will

¹ Refer to the Appendix 3B and Offer Booklet for a description of the terms and conditions of the underwriting arrangement.

immediately announce the Contract to the market and will name the counterparty, as required under ASX Listing Rule 3.1.

Purpose of this Notice

The purpose of this notice is to:

- lodge a new notice under 708AA(10) of the Corporations Act with respect to the Entitlement Offer;
- lodge a new notice under 708A(5)(e) of the Corporations Act with respect to the Deferred Shares; and
- provide updated information of the capital structure of the Company following the issue of the Deferred Shares and an increase in the relevant interest of the holdings of the Underwriter to the Entitlement Offer, being Ankla Pty. Ltd, an entity within the Mizikovsky Group, SenSen's largest shareholder.

Cleansing Notice – Deferred Share Issue

In respect of the Share Issue, the Company gives notice as required under section 708A(5)(e) of the Corporations Act as follows:

- 1 the Company issued the 17,036,806 Deferred Shares without disclosure to eligible shareholders under Part 6D.2 of the Corporations Act;
- 2 this notice is given under section 708A(9) of the Corporations Act;
- 3 as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) section 674 of and section 674A the Corporations Act; and
- 4 as at the date of this notice, there is no "excluded information" as defined in section 708A(7) or section 708A(8) of the Corporations Act that has not already been disclosed to investors generally To that end, please see the excluded information notice lodged immediately prior to this notice.

Cleansing Notice – Entitlement Offer

In respect of the Entitlement Offer, the Company gives notice as required under section 708AA(10) of the Corporations Act as follows:

- 1 the Company will be issuing the New Shares under the Entitlement Offer without disclosure to eligible shareholders under Part 6D.2 of the Corporations Act;
- 2 this notice is given under section 708AA(10) of the Corporations Act, updating its previous section 708AA(2)(f) notice dated Wednesday, 11 October 2023 and Friday 27 October 2023 respectively;
- 3 as at the date of this notice, the Company has complied with:
 - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (b) sections 674 and 674A of the Corporations Act;
- 4 as at the date of this notice, there is no "excluded information" as defined in sections 708AA(8) or 708AA(9) of the Corporations Act that has not already been disclosed to investors generally; and
- 5 the potential effect that the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors including the number of New Shares taken up by each eligible shareholder. However, the Company notes the following:

Structure of the Entitlement Offer and Underwriting

- (a) The number of New Shares which will be issued under the Entitlement Offer is approximately 52.4 million New Shares (subject to rounding of fractional entitlements) to raise approximately A\$2.09 million, equating to approximately 7.7% of all the issued shares in the Company following completion of the Entitlement Offer.

- (b) The Entitlement Offer will be conducted in one part only as a traditional entitlement offer.
- (c) The Company will not offer a shortfall oversubscription facility as part of Entitlement Offer.
- (d) The Entitlement Offer is fully underwritten by Ankla Pty. Ltd, an entity within the Mizikovsky Group, SenSen's largest shareholder (**Underwriter**).
- (e) The key terms of the underwriting agreement between the Company and the Underwriter in connection with the Entitlement Offer (**Underwriting Agreement**) is set out in the Offer Booklet released to the ASX on Thursday, 19 October 2023. In summary, subject to any termination rights in the Underwriting Agreement, entitlements to New Shares for which valid applications are not received before the Entitlement Offer closes will be taken up by the Underwriter. Information is also contained in the Appendix 3B lodged on Wednesday, 11 October 2023.
- (f) As at the date of this notice, the Underwriter (with its associated entities) is the Company's largest shareholder and directly or indirectly holds a relevant interest in 15.2% of the issued shares of the Company. These holdings are held as follows:

Underwriter	Registered holders	Class and number of securities	Percentage of votes
Ankla Pty. Ltd.	Ankla Pty. Ltd, L Mizikovsky & M Mizikovsky Skylevi Pty Ltd Rainrose Pty Ltd Sunstar Australia Pty Ltd Winothai Family Acc Super Sin Chareon Pty Ltd (Mizikovsky Group)	Total of 106,156,254 ordinary shares (held via the Mizikovsky Group)	15.2%

Impact of the Entitlement Offer and Underwriting on Control of the Company

- (g) The Company intends to market the Entitlement Offer to existing shareholders to reduce as far as possible the requirement of the Underwriter to underwrite the Entitlement Offer.
- (h) The number of New Shares that will be required to be taken up by the Underwriter, and therefore the increase in the Underwriter's relevant interest in the voting shares of the Company as a result of the Entitlement Offer, will depend on how many New Shares are taken up under the Entitlement Offer by persons other than the Underwriter and their associates.
- (i) However, the number of voting shares in which the Underwriter has a relevant interest may not exceed 20% of the issued shares of the Company. The table below sets out the Underwriter's relevant interests in the Company following completion of the Entitlement Offer under several scenarios.

Given the Directors and members of the management team that hold Shares in SenSen intend to take up their full Entitlement, this is detailed at 100%, 75%, 50% and 30% take-up.

Event	No, Shares in which the Underwriter hold a relevant interest ^{1,2,4, 5,6}	Voting power of Underwriter ^{1,2,4, 6}
100% take up by eligible shareholders (other than the Underwriter and its associates) ³	114,322,120	14.4%
75% take up by eligible shareholders (other than the Underwriter and its associates) ³	119,266,771	15.0%
50% take up by eligible shareholders (other than the Underwriter and its associates) ³	132,377,287	16.6%
30% take up by eligible shareholders (other than the Underwriter and its associates) ³	142,865,700	17.9%

Notes:

1. Assumes the issue of the Shares under the Entitlement Offer (with the take-up as detailed above) and the issue of the Placement Shares.
2. Assumes the Underwriting Agreement is not terminated prior to settlement of any aspect of the Entitlement Offer, and the Underwriter complies with its obligations under the Underwriting Agreement.
3. The interest of the Underwriter in each line assumes that entities associated with the Underwriter (i.e. entities within the Mizikovsky Group) take up their full Entitlement.
4. Calculated on the basis of 1 New Share per 13 existing shares held at the Record Date of 7pm (Melbourne time) on Monday, 16 October 2023.
5. Subject to rounding.
6. Given the SenSen Directors have confirmed they intend on taking up their entire Entitlement, that will account for approximately 22%. Based on the take-up to date under the Entitlement Offer, the maximum voting power of the Underwriter and its associates will be 18.2% (assuming the issue of the Placement Shares to Angel).

- (j) SenSen has no options or other forms of security on issue. The Company notes however that at the 2023 annual general meeting, the Company will be seeking Shareholder approval for the issue of Shares and performance rights under the incentive arrangements and salary sacrifice plan of the Company (**2023 AGM Securities**)². The issue of all Shares and performance rights to Directors will be subject to Shareholder approval. Detail of the Deferred Shares and the 2023 AGM Securities will be contained in the Offer Booklet.

Capital structure

As announced on Friday, 27 October 2023, it is still anticipated that the Placement Shares will be issued to Angel before completion of the Entitlement Offer. On this basis, the following table shows the capital structure of the Company before and after completion of the Entitlement Offer given the Deferred Shares have been issued and assuming the issue of the Placement Shares and the 2023 AGM Securities.

Shares and other securities	Number	%
Current issued Shares and other securities		
Shares on issue at the date of this notice	698,783,660 Shares	100%
Other securities on issue at the date of this notice	Nil	0%
Maximum number of Shares and other securities on issue following the Entitlement Offer		
Maximum number of Shares on issue following the Entitlement Offer ³ (including the 17,036,806 Deferred Shares issued on Monday, 6 November 2023)	751,225,726 Shares (approximately)	94.4%
Placement Shares to be issued to Angel (noting that the Placement Shares will likely be issued before the completion of the Entitlement Offer)	45,000,000 Shares	5.6%
Other securities on issue immediately following the Entitlement Offer	Nil	0%
TOTAL	796,225,726 Shares	100%
Maximum number of Shares on issue following the Entitlement Offer and assuming the issue of the 2023 AGM Securities		
Maximum number of Shares on issue immediately following the Entitlement Offer ⁴ and the issue of the Placement Shares	796,225,726 Shares (approximately)	96.9%

² It is anticipated that under the incentive arrangements of the Company, approximately 25,077,526 Shares and 18 performance rights (converting into Shares) will be issued, with the Shares (including on conversion of the performance rights) proposed to be issued over a period between 30 November 2023 to 31 July 2026.

³ A small number of additional New Shares may be issued due to rounding of individual entitlements.

⁴ A small number of additional New Shares may be issued due to rounding of individual entitlements.

Securities proposed to be issued following the 2023 annual general meeting:	25,077,526 Shares (approximately)	3.1% (excluding any conversion of the Performance Rights)
<ul style="list-style-type: none"> 17,317,441 Shares to be issued to employees (other than Directors) under the SenSen Incentive Plan and Salary Sacrifice Plan to be issued over the period from 30 November 2023 to 30 June 2024; 4,146,079 Shares to be issued to Directors under the SenSen Incentive Plan; 3,614,006 Shares issued to be issued to Directors under the SenSen Salary Sacrifice Plan for the period to be issued over the period from 1 May 2023 to 30 June 2024; and 18 Performance Rights to be issued to Directors under the SenSen Incentive Plan for performance over the period from 1 July 2023 to 31 July 2026. Assuming all hurdles are met and a volume weighted average price of \$0.045, the 18 Performance Rights will be converted into 38,618,013 Shares (approximately) and issued over the period between 30 June 2024 to 31 July 2026. 	18 Performance Rights	
TOTAL	821,303,252 Shares 18 Performance Rights	100%

This release is approved by the Board of SenSen.

For further information, please contact:

David Smith
Executive Director and Company Secretary
Email: info@sensen.ai

About SenSen Networks Limited

An innovator in smart urban management solutions, SenSen leads the way in AI technology with the pioneering Live Awareness AI Platform. This revolutionary system analyzes data from cameras and sensors in real-world spaces, seamlessly integrating it with contextually significant digital enterprise data for a safer and more efficient global landscape.

SenSen's solutions are alleviating traffic congestion, enhancing road and personal safety, and elevating urban life in prominent cities like Chicago, Las Vegas, Vancouver, Calgary, Singapore, Adelaide, and Brisbane. Additionally, the company's AI-driven technology is generating substantial annual savings for major fuel retail brands, including AMPOL, Chevron, Liberty, and Woolworths.

For more information on SenSen's innovative live awareness AI solutions, please visit www.sensen.ai.

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