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Australian Securities Exchange (ASX) Announcement

Sensera enters 3-year multimillion dollar supply agreement

Highlights:

- **Sensera enters a 3-year multimillion dollar manufacturing supply agreement with \$8bn medical device microfabrication customer**
- **Agreement further validates Sensera's potential to provide high-value microfabrication services at scale to customers in multiple industries**
- **Agreement involves amendment to prior delivery schedule which will defer revenue from manufacturing for medical device anchor customer by approximately one quarter**
- **Sensera's microfabrication business growth is underpinned by both anchor clients having now transitioned from non-recurring engineering to manufacturing customers**

Sensera Limited (ASX: SE1, "Sensera" or "the Company"), a leading designer and manufacturer of end-to-end sensor solutions and services for the rapidly-growing Internet of Things (IoT) market, is pleased to announce that its wholly owned US subsidiary Sensera Inc ("Sensera") has entered into a material 3-year supply agreement with one of its anchor microfabrication customers.

Although the name of the customer and the commercial terms are confidential, Sensera advises that the customer is a NASDAQ-listed medical device company with a market capitalisation in excess of US\$8bn. The customer holds market leadership with its first-generation implantable medical device in a growing therapeutic market segment.

This multi-year, multimillion dollar supply agreement embeds Sensera as a key part of the supply chain for a high-value medical device that leads the customer's product portfolio and underpins the customer's growth aspirations.

Sensera Executive Chairman, Matt Morgan, said:

"This agreement marks strong validation of Sensera's ability to scale and monetise its microfabrication capability. Manufacturing for this reputable customer will play a meaningful role in delivering year on year growth in revenue and strengthening Sensera's reputation as a reliable provider of bespoke microfabrication services."

Sensera Chief Executive Office, Ralph Schmitt, said:

"The Sensera team have done an outstanding job transitioning this customer to commercial production. With the Company pursuing ISO 13485 certification for Medical Device Manufacturing, I believe Sensera will become an increasingly attractive manufacturing partner to customers in that industry seeking a trusted supplier of critical components."

Agreement terms

The commercial terms of the agreement and the customer remain confidential. The agreement is for annual supply of a multimillion dollar value that underpins Sensera's revenue growth for its microfabrication services business.

Whilst the commercial terms are fixed until November 2020 and are typical of such agreements, the agreement provides for initial order quantities in the first year, volume-based pricing and joint management of rolling forecasts. The parties will review the commercial terms based on future forecasts before the contract expires in 2020.

Transition of anchor clients to manufacturing

Sensera has achieved this 3-year supply agreement in addition to having transitioned its military contractor customer from non-recurring engineering work to producing against manufacturing purchase orders. Having completed the complex technical program required to meet this customer's production requirements, Sensera has transitioned to producing initial small-scale manufacturing purchase orders. The Company looks forward to developing this relationship further toward a long-term supply agreement.

Timeline and implications for outlook

In finalising the new 3-year supply agreement, the parties have agreed on amendments to the prior order forecast and the delivery schedule. This will defer the customer's Q4 2017 demand by approximately one quarter. Although this shift will have a material negative impact on the Company's 2H CY17 revenue, a similarly positive effect will flow to 1H CY18, and the revenue generated from both anchor clients transitioning to the manufacturing phase will deliver significant year on year growth.

Sensera will now communicate its outlook in financial year and not calendar year terms to align with the Company's reporting requirements.

On this basis, and based on the information at hand, the Company expects its microfabrication business to generate revenue of between US\$2.5m and US\$3.0m in FY18. This is in addition to the US\$3.75 to US\$4.25m that the Company expects to generate through its location awareness business unit, nanotron, in FY18.

Sensera expects that the transition of its anchor clients in the microfabrication business, a growing base of microfabrication customers, the 3-year supply agreement announced today, a solid book of business in the mining sector for nanotron and the recently-announced multiyear exclusive supply agreement between nanotron and SmartBow will underpin a material increase in year on year revenue for the Company.

Given the time from receipt of purchase orders to manufacturing, customer implementation and scaling of deployments for both Sensera's location awareness and microfabrication businesses, the Company

anticipates recent supply agreements to make a positive impact on FY18 and a vastly greater impact on FY19, with the benefit of a full financial year's sales.

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About Sensera Limited (ASX: SE1)

Sensera is rapidly growing a sensor-based location and situation awareness organisation that provides end-to-end sensor solutions and services in the rapidly growing world of the Internet of Things (IoT). Sensera manufactures a family of proprietary microsensors and sensor systems that serve the Medtech, Industrial, Animal Wellness and Mine Safety and Productivity markets. The Company's nanotron division provides hardware that enables sophisticated location and wellness tracking for farm animals (a US\$5 billion market) and mine safety and collision avoidance (a \$3 billion market), where its wireless tracking solution enable a series of services to clients worldwide.

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.