

19 April 2018

Australian Securities Exchange (ASX) Announcement

Sensera March 2018 Quarterly Update and Appendix 4C

HIGHLIGHTS:

- **Record revenue of US\$2.2 million for the quarter and US\$1.27 million in cash receipts reflecting growth in location awareness and microdevice sales**
- **Executed a two-year multimillion dollar exclusive anchor supply agreement with SMARTBOW, a leading provider of animal health solutions that will drive growth in FY19 and FY20**
- **Supply chain and manufacturing improvements drove increased margins and the highest volume of product shipments to date**
- **Reaffirmed FY18 revenue guidance of US\$6.25 million to US\$7.25 million**
- **Provided an initial forecast of 60% growth in revenue in FY19 and cash flow positive late in FY19**

Sensera Limited (ASX: SE1, "Sensera" or "the Company"), an Internet of Things (IoT) solution provider that delivers sensor-based products transforming real-time data into meaningful information, action and value, is pleased to report on its activities for the quarter ended 31 March 2018.

CASH FLOW

Sales

Sensera achieved a record sales quarter with US\$2.2 million in revenues which represents quarter-on-quarter growth of 38%.

Cash receipts from the sale of products and services, were US\$1.27 million US\$0.23 million lower than the preceding quarter due to the timing of sales and payment due dates. The current quarter (FQ4), is expected to deliver a material increase in cash receipts consistent with the recent sales growth.

The increase in sales was primarily due to continued strong sales of nanotron chips, anchors and software and the first commercial shipments to MicroDevices customer Abiomed during the quarter.

Operating Expenditure

Cash outflows from operating expenditure before R&D increased by US\$0.30 million, with approximately 50% of the increase derived from staff costs. This quarter was the first quarter that the

Managing Director and Chief Financial Officer's costs were included, but these will be increasingly offset by a transition away from third party service providers for Finance and Administration. These costs also included the addition of a supply chain veteran on a contract basis, to upgrade Sensera's supply chain management to ensure the Company delivers product against increasing demand from customers, including the FY19 SMARTBOW agreement deliverables.

Capital Expenditure

Capital expenditure driven primarily by the microfabrication facility for the MicroDevices business decreased from US\$0.41 million in the previous quarter to US\$0.28 million in the March quarter. The payments for capital expenditures fluctuate quarterly with necessary tool growth driven by customer engagements.

R&D

R&D spend increased by 17% to US\$0.44 million for the quarter. In the quarter, the company launched the first joint sensor development between the nanotron and MicroDevices teams. These sensors are directed at some of the existing customers in the key target markets of animal health and mining safety.

Furthermore, software development in conjunction with the company's IoT platform partner ClearBlade progressed in the quarter. In early FY19, the company expects this platform to be released with Location Data Analytics (LDA) to software application partners in the healthcare vertical.

BUSINESS DEVELOPMENT

Sensera's wholly owned subsidiary nanotron Technologies GmbH ("nanotron") entered into a second exclusive Supply Agreement with SMARTBOW GmbH ("SmartBow"), the leading animal positioning and health monitoring company. The agreement will see nanotron exclusively deliver anchors during FY19 and FY20 to scale in concert with the shipments of SMARTBOW's EARTAG Life product.

The company's rapid mining initiative has also engaged multiple new customer opportunities in Canada and Mexico. These new installations will start as early as the first quarter in FY19, adding to the Company's location awareness solutions currently deployed with revenue-generating agreements in more than 50 of the world's 62,000 commercial mines.

OPERATIONS

Whilst the Company has entered supply agreements with key customers, it needed to complete various production-based requirements to commence supply in commercial volumes. These included the engagement with an industry leading semiconductor manufacturer that could produce NanoLOC chips in materially larger quantities under an aggressive and customer agreed timetable. A five-month cycle time was established for the delivery of the NanoLOC chip. The Company is pleased to report that it successfully qualified and shipped in the agreed timeline, delivering the first shipment of NanoLOC chips from this key supplier.

During the quarter, the Company increased production with a key subcontractor of radio frequency (RF) modules and anchors which allowed the operations to closely meet demand while improving gross margins.

The internal and external supply chains in both nanotron and our MicroDevices business are increasingly well positioned to meet the requirements of growing commercial demand as evidenced by

the Company's record quarterly sales and production volume. Continued growth in production volumes will support overhead recovery and positively impact gross margins in the MicroDevices business.

The company passed an annual audit and was recertified as an ISO manufacturer during the quarter. Administrative improvements also continued by integrating financial and operational details into a single cloud-based software platform (ERP) across all locations for better efficiency and productivity.

OUTLOOK

- Reaffirmed FY18 revenue guidance of US\$6.25 million to US\$7.25 million.
- Provided an initial forecast of 60% growth in revenue in FY19, and expectations to be cash flow positive late in FY19.
- Expectations of increased revenues in Q4FY18 in the MicroDevices business, driven by continued migration towards production volumes and new customer acquisition.
- The cash flows and balance are currently meeting management's plan and expectations. Incremental cash improvements through non-equity instruments being evaluated to help with additional cash requirements.

CONFERENCE CALL

Investors are invited to dial in to Sensera's quarterly conference call with CEO Ralph Schmitt on Friday April 27, 2018.

Dial-in details will be provided shortly via the ASX platform.

Ralph Schmitt

Managing Director
Sensera Ltd

For more information, please contact:

Ralph Schmitt

Chief Executive Officer
+1 978-606-2600
rschmitt@sensera.com

Tim Dohrmann

Investor Relations
+61 468 420 846
tim@nwrcommunications.com.au

About Sensera Limited (ASX: SE1):

Sensera is an Internet of Things (IoT) solution provider that delivers sensor-based products transforming real-time data into meaningful information, action and value. The company designs and manufactures hardware and software across the vertical technology spectrum from unique structures as MicroElectroMechanical Systems (MEMS) and sensors, as well as wireless networked systems and software that when combined, drive an entire IoT platform solution.

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.

More information at www.sensera.com

About nanotron Technologies GmbH:

Nanotron is a leading provider of electronic location awareness solutions. If knowing what, where, and when is mission-critical to your business, rely on nanotron with Location Running. Nanotron's solutions deliver precise position data augmented by context information in real-time. Location Running means reliably offering improved safety and increased productivity 24 hours a day, 7 days per week: Location-Awareness for the Internet of Things (IoT).

More information at www.nanotron.com.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Sensera Limited

ABN

73 613 509 041

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$U.S'000	Year to date (9 months) \$U.S'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,272	3,351
1.2 Payments for		
(a) research and development	(436)	(1,065)
(b) product manufacturing and operating costs	(704)	(1,652)
(c) advertising and marketing	(336)	(748)
(d) leased assets	-	-
(e) staff costs	(706)	(1,751)
(f) administration and corporate costs	(903)	(2,533)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	68	79
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,745)	(4,321)

Consolidated statement of cash flows	Current quarter \$U.S'000	Year to date (9 months) \$U.S'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(279)	(864)
(b) businesses (see item 10)	-	(4,512)
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	(44)	(44)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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	(323)	(5,420)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	8,550
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(352)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-

Consolidated statement of cash flows		Current quarter \$U.S'000	Year to date (9 months) \$U.S'000
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	8,198

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	4,450	4,047
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,745)	(4,321)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(323)	(5,420)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	8,198
4.5	Effect of movement in exchange rates on cash held	21	(102)
4.6	Cash and cash equivalents at end of quarter	2,403	2,403

5.	Reconciliation of cash and cash equivalents	Current quarter \$U.S'000	Previous quarter \$U.S'000
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	2,403	4,450
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)	2,403	4,450

6.	Payments to directors of the entity and their associates	Current quarter \$U.S'000
6.1	Aggregate amount of payments to these parties included in item 1.2	99
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

The amount at 6.1 includes payment of directors' fees and payments to a director related entity excluding reimbursement for administrative expenses and travel expenses.

7. Payments to related entities of the entity and their associates	Current quarter \$U.S'000
7.1 Aggregate amount of payments to these parties included in item 1.2	59
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Item 7.1 includes payments made to:

- Triton Inc. under the General Service Agreement as disclosed in under Section 11.3 on the Replacement Prospectus issued on 28 November 2016

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$U.S'000	Amount drawn at quarter end \$U.S'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

N/A

9. Estimated cash outflows for next quarter	\$U.S'000
9.1 Research and development	550
9.2 Product manufacturing and operating costs	940
9.3 Advertising and marketing	420
9.4 Leased assets	-
9.5 Staff costs	950
9.6 Administration and corporate costs	970
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	3,830

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.



Sign here:
Company secretary

Date: 19 April 2018

Print name: Phillip Hains

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.