

Quarterly Report

Activities Report for the Quarter ended
31 March 2018



HIGHLIGHTS

- *SenSen secured an ~AUD\$0.9M City of Calgary, Canada, contract expansion, with additional Canadian cities expected to follow*
- *Launched in the USA in partnership with Silicon Harlem in Manhattan, New York*
- *Award winning product SenSIGN, SenSen's sign audit solution, is making strong commercial progress globally*
- *Increased focus on targeted marketing of SenGAME 3.0 solution to global casino operators*

Leading smart city solution provider SenSen Networks Limited (ASX: SNS, "SenSen" or "the Company") is pleased to provide an update on its activities for the quarter ended 31 March 2018.

Financial Performance

Revenues for the quarter continued to consist of a combination of both new client contracts and recurring revenue from software as a service (SaaS) licence arrangements with existing customers in Australia and overseas. The biggest relative contribution to SenSen's annual sales revenue is expected to occur in the final quarter of FY18.

Intelligent Transport Systems ("ITS")

Canada:

As announced on 28 March 2018, SenSen's flagship North American customer, the City of Calgary, ordered four additional SenFORCE mobile parking enforcement units and one additional system for SenSIGN for parking asset audits. This material contract expansion boosts annual recurring and upfront revenues by 31% and 41% respectively compared to the parties' initial contract announced in September 2017.

The ~CAD\$897,000 (~AUD\$892,000) includes upfront revenue for the systems, software and commissioning amounting to ~\$CAD540,000 (~\$AUD537,000) to be recognised in FY18. Additionally, SenSen will also earn recurring revenues of ~CAD\$89,000 (~AUD\$88,500) per annum (FY19 – FY22) for the software licence and maintenance of these systems.

This expansion follows SenSen's announcement in September last year that it had signed a multi-year contract to monitor parking and traffic in Calgary. In total, this now means the City of Calgary contract will generate up-front revenues of ~CAD\$1.840M (~AUD\$1.837M) in FY18 (+41% from original contract) and recurring revenues of ~CAD\$379,000 (~AUD\$377,000) each year in FY19-FY22 (+31% from original contract).

The company anticipates that other Canadian cities will also contract with SenSen to provide solutions for civic compliance, parking management and enforcement.

Quarterly Report

Activities Report for the Quarter ended
31 March 2018



USA:

As announced on 21 March 2018, SenSen is establishing a presence in the USA through the signing of a Teaming Agreement with Silicon Harlem LLC, initially partnering on the proposed Smart Corridor development at 116th St, New York City, utilising SenSen's SenSIGN Solution, to provide a digital asset register of the Corridor for NYC.

Silicon Harlem (<http://www.siliconharlem.net/>) is working on a series of projects in NYC to ensure the technology infrastructure in Harlem is state of the art and can support high speed (gigabit) broadband, 5G and other advanced wireless technologies to facilitate connection to the Internet of Things ("IoT"). The objective of these projects, collectively known as 'Advanced Technology Corridors in Harlem', is to ensure that Harlem serves as a model for other urban centres by actively promoting high-speed applications and services capable of running on a broadband backbone.

A detailed scope for the 116th St project is currently being finalised, and SenSen's SenSIGN product will provide the Borough of Manhattan with an up-to-date database of all street, traffic and parking signs, as well as other city assets numbering in the thousands, collected by a roving patrol car in a fraction of the time it would take officers on foot. Once the assets have been identified, they can be regularly checked for visibility and legibility, and protected from theft and vandalism.

The Teaming Agreement will see SenSen and Silicon Harlem jointly investigate potential business opportunities associated with Advanced Technology Corridors in Harlem in New York City and develop technology solutions to undertake trials for commercialisation and deployment. The partnership provides for subsequent opportunities for collaboration in other New York City boroughs, including Brooklyn, Queens, and the Bronx as well as potentially in other US States.

New Opportunities:

As previously announced, SenSen was the Platinum Sponsor at the Cities 4.0 Summit, Australia's most innovative smart cities event, held from 20th March to 22 March 2018 in Melbourne. The event brought together city leaders, innovators, entrepreneurs, CEOs, investors and thinkers to discuss strategy, technology and innovation for smarter cities and communities. Of particular note to SenSen shareholders are the follow-on opportunities now being pursued by the company with several Australian City Councils for both SenFORCE and SenSIGN products.

More generally, SenSen is participating in numerous proof of concept (POC) trials in various jurisdictions around the globe, both directly and through its channel partners. These trials are progressing well and upon successful completion and the award of contracts to SenSen, the Company will further update shareholders.

Gaming

As previously announced, following the release of the groundbreaking new product SenGAME 3.0, SenSen conducted a highly targeted offshore marketing roadshow through

SenSen Networks Limited ACN 121 257 412 www.sensennetworks.com (+61) 3 9417 5368

Melbourne: Unit 4, 71 Victoria Crescent, Abbotsford VIC 3067

Sydney: Suite 1404, 3 Spring Street, Sydney NSW 2000

Quarterly Report

Activities Report for the Quarter ended
31 March 2018



January-March 2018, visiting the casino operators who were identified at last year's Global Gaming Expos, held in Macau and Las Vegas. Live demonstrations of the SenGAME 3.0 software were conducted to showcase the accuracy and stability of the solution.

Of particular interest to customers is the ease of implementing and embedding the SenGAME solution within their respective operating environments without changing layouts or chips and without the need to modify/retrain dealer actions.

Several prospective customers in Australia, Singapore and Macau are currently evaluating the product for its suitability within their respective operating environments.

SenSen is continuing the strategy of focused marketing efforts for SenGAME 3.0 to accelerate its adoption by casinos globally. It will be further showcased at the upcoming flagship event in Macau, G2E Asia, from May 15th to 17th 2018.

Corporate

2018 Smart 50 Awards Recipient:

As announced on 23 January 2018, SenSen won a "2018 Smart 50 Award" for "Intelligent Video Analytics in Singapore and at Changi Airport" in the Mobility Category. SenSen provided Singapore with an automated monitoring system to optimize road safety, security and operational intelligence. The resulting video-based system has improved the movement of vehicles and people, and increased public safety at 50+ locations of strategic importance including major roads, Changi Airport and tourist attractions.

The Smart 50 Awards honour the 50 most transformative smart projects each year across the globe, and recognise the most innovative and influential work. Visit <http://smartcitiesconnect.org/smart-50-awards-finalists-announced/> for more information.

For further information, please contact:

David Smith, Executive Director and
Company Secretary
Email: info@sensennetworks.com

Tim Dohrmann, Investor and Media Relations
Email: tim@nwrcommunications.com.au

About SenSen Networks Limited

SenSen is focused principally on the development, commercialisation and supply of innovative, data-driven business process enhancement solutions, designed to assist customers in their business operations and significantly improve business efficiency and productivity.

SenSen provides video analytics and artificial intelligence data analytics software solutions to customers in the intelligent transportation systems and gaming sectors located in Australia, Canada, Europe, India, Singapore 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, 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.

Quarterly Report

Activities Report for the Quarter ended
31 March 2018



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

SENSEN NETWORKS LIMITED

ABN

67 121 257 412

Quarter ended ("current quarter")

March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	579	927*
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(552)	(883)
(c) advertising and marketing	(69)	(88)
(d) leased assets		
(e) staff costs	(749)	(1,265)
(f) administration and corporate costs	(416)	(1,093)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	31
1.5 Interest and other costs of finance paid	(10)	(46)
1.6 Income taxes paid	(218)	(218)
1.7 Government grants and tax incentives	712	712
1.8 Other (provide details if material)		18
1.9 Net cash from / (used in) operating activities	(718)	(1,905)

SenSen Networks Limited ACN 121 257 412 www.sensennetworks.com (+61) 3 9417 5368

Melbourne: Unit 4, 71 Victoria Crescent, Abbotsford VIC 3067

Sydney: Suite 1404, 3 Spring Street, Sydney NSW 2000

Quarterly Report

Activities Report for the Quarter ended
31 March 2018



Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
--------------------------------------	----------------------------	---------------------------------------

*Receipts from Customers before the re-listing date at October 18th 2017 totalled \$901k and are not included in the YTD total above.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(100)	(100)
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
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		

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		6,500
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		

Quarterly Report

Activities Report for the Quarter ended
31 March 2018



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
3.4	Transaction costs related to issues of shares, convertible notes or options		(990)
3.5	Proceeds from borrowings		170
3.6	Repayment of borrowings		(1,052)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		15
3.10	Net cash from / (used in) financing activities		4,643

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	3,544	89
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(718)	(1,905)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(100)	(100)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	4,643
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,726	2,726

Quarterly Report

Activities Report for the Quarter ended
31 March 2018



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	2,726	3,544
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)	2,726	3,544

6. Payments to directors of the entity and their associates

6.1 Aggregate amount of payments to these parties included in item 1.2

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

Current quarter
\$A'000

124

-

Comprises payments to 4 directors.

Quarterly Report

Activities Report for the Quarter ended
31 March 2018



7. Payments to related entities of the entity and their associates

**Current quarter
\$A'000**

7.1 Aggregate amount of payments to these parties included in item 1.2

231

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

Payments to SenSen VBI, a 100% subsidiary of the group which provides technology development services. These payments are to cover salary of Indian employees.

This quarter includes non-recurring costs of \$96k incurred in the fit-out and moving costs of upsizing the office premises in India.

8. Financing facilities available
Add notes as necessary for an understanding of the position

**Total facility
amount at quarter
end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

8.1 Loan facilities

725

450

8.2 Credit standby arrangements

-

-

8.3 Other (please specify)

338

338

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.

Loans

Cashflow facility and credit cards available from Commonwealth Bank

Other

Historic directors loans which can be paid off through equity grants within the next 12 months. See prospectus for details.

Quarterly Report

Activities Report for the Quarter ended
31 March 2018



9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs**	(399)
9.3	Advertising and marketing	-
9.4	Leased assets	-
9.5	Staff costs	(760)
9.6	Administration and corporate costs	(376)
9.7	Other (acquisition costs)	-
	Other (loan repayments)	(24)
9.8	Total estimated cash outflows	(1,559)

**Please note that these costs relate to billable contracts and are incurred before receipts from customers invoiced are received. Most of SenSen's customers are city councils and government bodies who tend to have 60 day payment terms. SenSen expects to bank customer receipts during the coming quarter approximately in line with the level of total cash outflows.

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	-	-

Quarterly Report

Activities Report for the Quarter ended
31 March 2018



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.

A handwritten signature in black ink, appearing to read 'D. Smith', is positioned above the signature line.

Sign here:
(Director/Company secretary)

Date: 30 April 2018

Print name: David Smith

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.