

ASX Release



Activities Report for the Quarter ended 30 September 2018

29 October 2018

HIGHLIGHTS

- *SenSen delivered revenue of \$901,424 and cash receipts of \$861,423 in the September quarter, driven by continued growth in Intelligent Transportation Systems*
- *Achieving traction in Retail & Leisure, having signed SenSen Gaming solution Distribution Agreements with eConnect Global and Cammegh*
- *Cammegh agreement will see SenSen's Gaming solution distributed in the UK with initial installation in a flagship UK casino*
- *eConnect Global agreement will market the SenSen Gaming software solution to eConnect's customer base*
- *SenSen's Gaming solution showcased at the 2018 Las Vegas G2E Conference, bolstering the Company's pipeline of business development opportunities*

Corporate

- *Heather Scheibenstock, GAICD, appointed to the SenSen Board as an Independent Non-Executive Director*
- *Appointment of Michael Doherty as ITS Sales & Marketing Director and Peter Wells as ITS Strategy & Business Development Director*
- *Sound balance sheet with \$5.4 million cash position as at 30 September 2018*

Leading Artificial Intelligence solutions provider SenSen Networks Limited (ASX: SNS, "SenSen" or "the Company") is pleased to provide an update on its activities for the quarter ended 30 September 2018.

Financial performance

Revenue and cashflow for the quarter consisted predominantly of revenue from software as a service (SaaS) licence arrangements with existing customers in Australia and overseas. Continued growth in the Company's Intelligent Transportation Systems (ITS) business delivered quarterly revenue of \$901,424 and cash receipts of \$861,423. This represented an ~38% increase in revenue over the previous corresponding period, where revenue was \$654,526 for the September 2017 quarter.

During the quarter, SenSen executed a Distribution Agreement with Cammegh Limited to market SenSen's Gaming software solution to Cammegh's customer base. The agreement envisages initially rolling out SenSen's Gaming solution in a prestigious United Kingdom casino operation, ahead of a broader marketing and sales distribution agreement.

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Cammegh manufactures the world's finest roulette wheels and winning number displays, supplying its market leading products to casinos across the globe. Based in Kent, in the UK, Cammegh was established almost 30 years ago and is renowned for continual innovation, holding numerous patents in its core products, as well as for the quality, integrity and security features found in its range of gaming products. Cammegh also operates a dedicated Technical Services department providing robust customer support service for its worldwide customer base.

Working with Cammegh, SenSen will install its software solution on the table-game floor of one of London's oldest and most exclusive casinos, which will analyse table occupancy, hands dealt per hour, bet types and bet values across the gaming floor.

The Distribution Agreement outlines a commercial arrangement with end customers using a Software as a Service (SaaS) monthly payment model on a per gaming table basis.

Following the initial installation, it is intended that a more comprehensive Distribution Agreement will be agreed between SenSen and Cammegh, including the companies jointly pursuing other casinos to adopt SenSen's Gaming solution.

In October, SenSen announced it had executed a Distribution Agreement with eConnect Global ("eConnect") to market SenSen's Gaming software solution to eConnect's customer base. The agreement envisages rolling out SenSen's Gaming solution in an initial casino operation, ahead of a broader marketing and sales distribution agreement.

eConnect has developed technology solutions in fraud detection and prevention. eConnect's software also optimises operations and improves the guest experience. With offices in Las Vegas and Macau, hundreds of large enterprises including casinos, resorts, nightclubs, restaurants, stadiums, and airports utilise eConnect's powerful applications to improve the way businesses operate and generate profits.

Working with eConnect, SenSen will install its software solution on the table-game floor of an agreed customer, which will analyse table occupancy, hands dealt per hour, bet types and bet values across the gaming floor.

SenSen's agreement with eConnect is similar to its agreement with Cammegh using a monthly payment model and the companies jointly pursuing other casinos to adopt SenSen's Gaming solution once the initial installation is complete.

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2018 Global Gaming Expo

SenSen attended the 2018 Global Gaming Expo (G2E) in Las Vegas earlier this month, where delegates experienced SenSen's Gaming solution in operation firsthand. In addition to being shown on SenSen's own booth at G2E, SenSen's Gaming solution was also showcased by Cammegh, eConnect and NASDAQ-listed, gaming industry leader Scientific Games at their booths.

SenSen has been inundated with enquiries about SenSen's Gaming solution since G2E. Trials are underway in casinos in the UK, Macau, Australia and the Philippines, and SenSen is engaged with numerous other casinos regarding the process of implementing a trial in their operations.

Negotiations are advancing with distribution partners to enter into comprehensive value-added reseller agreements to market and sell SenGAME globally.

Board and Executive appointments

SenSen appointed Heather Scheibenstock, GAICD, as an independent non-executive director, effective 7 September 2018.

Ms Scheibenstock has more than 25 years' experience within the gaming and hospitality industries specialising in strategic planning, business development, stakeholder engagement and offshore growth. She was Senior Vice-President of Table Games at Bloomberry Resorts Corporation (PN: BLOOM), based at the Solaire Resort and Casino in the Philippines. Prior to that, she held numerous executive roles at Echo Entertainment Group/The Star (ASX: SGR) from 1995-2013.

Ms Scheibenstock is a Non-Executive Director of ASX-listed global gaming company Ainsworth Game Technology (ASX: AGI).

SenSen also made key executive appointments to lead sales and marketing, strategy and business development in SenSen's ITS business vertical, appointing Michael Doherty as Director, ITS Sales & Marketing, and Peter Wells as Director, ITS Strategy & Business Development.

Mr Doherty has extensive experience in the parking and enforcement sector, having held senior management and sales positions with a number of international parking solutions companies including UbiPark, CellOPark, Parkmobile International and Secure Parking.

Mr Wells has significant executive leadership experience in both government and industry,

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with a background in large-scale customer service delivery, regulatory programs and managing large, complex projects.

2018 Annual General Meeting

SenSen's Annual General Meeting of Shareholders will be held at Computershare, 452 Johnston Street, Abbotsford in Victoria on Wednesday 31 October at 10am (AEDT). The Company issued a notice of the meeting and explanatory statement on 28 September 2018.

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, Singapore, Europe, 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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30 September 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")

September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	862	862
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(270)	(270)
(c) advertising and marketing	(101)	(101)
(d) leased assets		
(e) staff costs	(888)	(888)
(f) administration and corporate costs	(573)	(573)
1.3 Dividends received (see note 3)		
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	(8)	(8)
1.6 Income taxes paid	(69)	(69)
1.7 Government grants and tax incentives		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
1.8	Other (provide details if material)	30	30
1.9	Net cash from / (used in) operating activities	(1,011)	(1,011)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(49)	(49)
	(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	(49)	(49)

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date \$A'000
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
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		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	0	0

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	6,476	6,476
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,011)	(1,011)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(49)	(49)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	5,416	5,416

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	4,691	5,751
5.2	Call deposits	725	725
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)	5,416	6,476

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	154
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	
Comprises payments to 4 directors.		

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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	212
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.

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	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 will be settled by equity post the company's AGM during the current quarter.

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9.	Estimated cash outflows for next quarter	\$A'000
9.1	Research and development	-
9.2	Product manufacturing and operating costs*	(300)
9.3	Advertising and marketing	(100)
9.4	Leased assets	-
9.5	Staff costs	(905)
9.6	Administration and corporate costs	(422)
9.7	Other (acquisition costs)	-
	Other (loan repayments)	(20)
9.8	Total estimated cash outflows	(1,747)

*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.

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	-	-

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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:
(Director/Company secretary)

Date: 31 October 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.