
1 April 2020

SenSen Operations Update

HIGHLIGHTS

- *SenSen's annual recurring revenues from government and blue-chip corporate clients to exceed A\$4 million, provides a sound financial platform during anticipated sustained period of business disruption and uncertainty*
- *Prudent financial management with aggressive across-the-board ~35% cost reductions generates cash-flow neutral outcome in line with recurring revenues*
- *Business Continuity Plan live and operational and allows SenSen to provide ongoing, seamless service to customers*
- *Continued investment into innovation and IP protection program - vital to long-term success when travel and markets resume normal activities*

Leading Smart Cities solutions provider SenSen Networks Limited (ASX: SNS, "SenSen" or "the Company") is pleased to provide the following operations update and details on measures implemented by SenSen during this early period of the Covid-19 pandemic and for a sustained period of global business disruption.

Over the last few years, SenSen has established a blue-chip client base delivering significant ROI to them through its vision-based AI products and solutions. SenSen has also established a robust business model that is proven globally and delivering significant annual recurring revenues to the company via locked in multi-year contracts from several blue-chip customers including:

Smart City Customers

1. Transport for NSW, Australia
2. Land Transport Authority, LTA, Singapore via our partner companies, ATT Systems and ST Electronics (Singapore)
3. Changi International Airport, via our partner company, Beacon Systems (Singapore)
4. City of Calgary, Alberta (Canada)
5. City of Edmonton, Alberta (Canada)
6. Direct sales to local governments in Australia, including Brisbane City Council, Logan City Council, and Ipswich City Council (Queensland)
7. Sales in conjunction with our partner company Duncan Solutions, to Gold Coast City Council, Cairns City Council (Queensland), Tweed Shire Council (NSW), Geelong City Council (VIC), and National Parks of Mount Kosciusko (NSW)

Casino Customers

1. Crown Casino, Melbourne (Australia)
2. Solaire Casino, Manila (Philippines)
3. Angel Playing Cards (Japan)

The total Annual Recurring Revenue (ARR) from SenSen's existing customer base has steadily increased year on year and will exceed A\$4 million from FY2021, more than any individual financial year revenues recorded by SenSen in the past. This is a significant shift, both in the type and quantum of revenues, all originating from government and blue-chip enterprise customers.

Complemented by local SenSen team members in the US, Canada, Singapore and India, the Company continues to work collaboratively with its customers and integration/distribution partners including Duncan Solutions (Australia); ATT Systems, Beaqon, STE and D-Ron (Singapore); and Parkplus (Canada) to service all customers effectively and identify opportunities for selling additional software solutions to existing and new customers.

Commenting on SenSen's client base and partners, SenSen CEO Dr Subhash Challa noted,

"We are fortunate to work with incredibly sound organisations – city councils, road authorities and other Government clients who have signed up to multi-year contracts. We are also fortunate that our global appeal and reach to the governments internationally has an inherent diversification of risk. Clearly during this challenging period, it's never been more important for cities and communities to function efficiently and deploy assets equitably, and SenSen is continually finding new ways to do this. Our clients have stable budgets and long-term strategic outlooks. We are confident that they will emerge from the pandemic at some stage and we are managing our resources to be with them side by side when they do."

Further, to manage costs down to sustainable levels during this period of economic uncertainty for the foreseeable future, SenSen has cut costs by ~35% across its operations, including redundancies and pay reductions for staff.

The reduced costs structure will effectively make SenSen cash-flow neutral and assumes cash receipts from SenSen's recurring revenue base and the Company's annual R & D grant only. The Board has made a decision to be ultra-conservative with forward planning and has removed all the new contracts SenSen is anticipating to win – including new government tenders and beta trials that were almost finished – out of budgets and internal cash flow models.

The SenSen Board commissioned a Business Continuity Plan (BCP) more than 12 months ago, long before Coronavirus was unleashed on the world. The BCP provides step-by-step guidance on both quantitative and qualitative issues to ensure there is an always-on approach to technology, systems and processes, operations and compliance, enabling the Company to continue "business as usual" through any economic or systemic shock.

"The BCP has been invaluable to the Board and senior management in working through the morass of operational, legal, technical and financial issues thrown up by Covid-19," Dr Challa said. *"Financially it's great to have solid contracts in place with government clients, but it's equally important to know we have business continuity so we can deliver results for our clients."*

As part of its commitment to building a future product suite, the budget includes an allocation to patent fees to protect SenSen's intellectual property as the pace of innovation doesn't stop.

Dr Challa said, *"Any slowdown in market activity can be used for innovation and patents if companies want to survive and thrive in a post-virus world. This is the time for Australia to maintain its reputation as a valuable source of IP that is developed locally and exported globally."*

"It helps that SenSen's natural DNA is based upon edge analytics and cloud-enabled data management, all of which can be delivered from anywhere in the world. Our team is already used to working remotely with customers globally. We've worked this way for years."

When the business world regains momentum, SenSen will be there with new products ready to release into the market. Financial resilience will ensure that SenSen sees out the crisis and innovation will be the Company's edge when normality resumes.

This ASX Announcement is authorised by the Board of SenSen.

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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, the US, 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.