

An abstract graphic of a network or web structure, composed of numerous black dots (nodes) connected by thin, light blue lines. The network is dense and complex, filling the upper left and central portions of the page. The lines vary in opacity, creating a sense of depth and connectivity.

ANNUAL REPORT
FOR THE PERIOD FROM
6 JULY 2016 TO 30 JUNE 2017

SENSERA LIMITED
ABN 73 613 509 041

“From the outset, the intention from the founders and key investors has been clear: to build a substantial end-to-end wireless network sensor business to capitalise on the global mega trend towards the data and IOT economy”

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CORPORATE DIRECTORY

| | |
|--|--|
| Directors | <p>Matthew Morgan (appointed 6 July 2016) Executive Chairman</p> <p>Jonathan Tooth (appointed 6 July 2016) Non-Executive Director</p> <p>George Lauro (appointed 15 September 2016) Non-Executive Director</p> <p>Geoffrey Sam (appointed 25 August 2016, resigned 15 September 2016) Non-Executive Director</p> |
| Secretary | Phillip Hains |
| Principal registered office in Australia | <p>Level 3, 62 Lygon St Carlton VIC 3053 Australia (03) 9824 5254</p> |
| Share register | <p>Boardroom Pty Limited Grosvenor Place Level 12, 225 George Street Sydney NSW 2000</p> <p>Tel: 1300 737 760 (within Australia) +61 (0) 3 9290 9600 (outside Australia)</p> |
| Auditor | <p>Grant Thornton Audit Pty Ltd Level 18, King George Central 145 Ann Street Brisbane QLD 4000 (07) 3222 0200</p> |
| Stock exchange listing | ASX: SE1 |
| Website | www.sensera.com |

CHAIRMAN'S REVIEW OF OPERATIONS

Sensera Strategy

Since listing on the ASX in late December 2016, Sensera has been positioning itself to become a dominant player in the rapidly growing global market of IOT by becoming one of only a few end-to-end total solution providers in the wireless network sensors market which is forecasted to grow from US\$36 billion last year to US\$93 billion by 2021. Sensera's strategy of being a high-performance sensor development partner, as well as commercialising its own intellectual property with a focus on high value healthcare, industrial and defence markets, has positioned the Company for entry into the rapidly developing IoT market by not only expanding our microfabrication capabilities but also completing the strategic acquisition of Nanotron Technologies GmbH (Nanotron) subsequent to the end of the financial year.

As a bespoke development partner, we have secured eight customers for our microfabrication services including two significant Nasdaq-listed entities. Sensera has been completing design, development and prototyping services (non-recurring engineering) and is anticipated to transition these two major microfabrication clients to recurring manufacturing contracts towards the end of 2017. Sensera is also progressing its initial intellectual property development project, 'Towakon' – a water conservation device in development that measures microflows of water and integrates the findings into an artificial intelligence product.

Nanotron Acquisition

Following the year end, Sensera acquired a leading provider of location awareness systems, Nanotron, for a total consideration of €6.4 million (A\$9.6m). This acquisition positions Sensera to become a leading end-to-end Wireless Sensor Network company in the rapidly growing IoT space, with an existing presence in an addressable US\$8 billion market and Tier 1 channel partners. Sensera will emerge as a leading provider of location and wellness tracking and collision avoidance with existing market share via partnership in two key markets of Livestock Monitoring and Mine Safety and Productivity.

Complementary core competencies position Sensera as a vertically integrated designer and integrator of its own proprietary sensor systems; including chips, multifunctional sensor systems that positions Sensera to subsequently move up the IoT value chain and develop proprietary data analytics that enable the "smart" functionality of its Wireless Sensors.

Nanotron is a revenue phase business based in Berlin, Germany. Its platform delivers a complete integrated sensors system consisting of chips, modules and software that enable precise real-time positioning and concurrent wireless communication. Nanotron has established core markets, servicing large blue-chip end-users in the mining and agricultural sectors with Tier 1 customers representing a direct market opportunity for the its products of A\$850 million out of an addressable global market of US\$8 billion. An early outcome of this strategy, supporting direct monetisation of Sensera's technology, has come through Smartbow (www.smartbow.com), an Austrian agricultural technology company. Smartbow has incorporated Nanotron's location awareness system in its Eartag LIFE product which empowers dairy farmers to improve their milk yield through smart real-time herd management.

Smartbow has partnered with Zoetis, the global leader in animal health products and services, to address a market estimated at 8% of the world's 1.25 billion cattle, representing US\$572m in system sales. Sensera's proprietary integrated microsensors and software products enable precise real-time positioning and concurrent wireless data communication. The Company's initial focus is on addressing the immediate opportunity to deepen its penetration of the large and growing animal health and mining service markets. The Company has identified significant future opportunities beyond these two initial markets. To meet anticipated growth in demand, Nanotron has successfully deployed its location awareness technology on a pilot basis in the transport, healthcare and safety industries.

Results

Sensera generated a total revenue of US\$1,219,788 from its operations in the United States, primarily contributed by the revenue from the provision of Non-Recurring Engineering service contracts. The Company reports a loss of US\$5,331,794.

Personnel Additions

Throughout the course of 2017 the Company has appointed seasoned leadership, which it will continue to expand to guide the integration of Nanotron and Sensera. Attracting this talent will enhance the Company's capabilities as it secures its position in the IoT value chain through a unique combination of software and proprietary hardware to deliver unique data driven insights to customers. The CEO search is nearing completion and following an extensive search the board has identified a number of highly qualified and credentialed candidates. It remains our intention to finalise an appointment before the end of the year. Sensera has also added to the engineering and production team during the period in advance of its transition to manufacturing phase for its cornerstone clients. It has also appointed a business development executive to increase the number of companies utilising the facilities at the microfabrication operations.

Outlook

Sensera is advancing its strategy of building a global IoT organisation with sensor and wireless networking capability as the platform on which to add data capture, analysis and reporting for attractive market segments that will use data analysis and Artificial Intelligence to enhance performance.

Board, Governance and Management

The Board is committed to ensuring that our business is conducted in accordance with high standards of corporate governance. Sensera has expanded its leadership team and operations, and is well progressed in sourcing a CEO in order to execute on its strategic growth plan.

On behalf of the Board, let me close by thanking you our shareholders for your support in our first year as a listed entity, and to the growing Sensera international team for their determined and unrelenting effort during the past year.

Sensera is tackling the challenge of building a world-class wireless networking sensor company head-on, and I am excited by the breadth of opportunities we have before us. As Chairman, I look forward to leading Sensera and growing this exciting, high potential business.



Matt Morgan
Executive Chairman
Sensera Limited

DIRECTORS REPORT – 30 JUNE 2017

Your Directors present their report on the consolidated entity consisting of Sensera Limited and the entity it controlled at the end of, or during, the period from 6 July 2016 to 30 June 2017. Throughout the report, the consolidated entity is referred to as the Group.

Directors

The following persons held office as Directors of Sensera Limited during the period from 6 July 2016 to 30 June 2017:

- Matthew Morgan, Executive Chairman (appointed 6 July 2016)
- Jonathan Tooth, Non-Executive Director (appointed 6 July 2016)
- George Lauro, Non-Executive Director (appointed 15 September 2016)
- Geoffrey Sam, Non-Executive Director (appointed 25 August 2016, resigned 15 September 2016)

Principal activities

Sensera Limited is an integrated fast-turnaround bespoke designer and manufacturer of specialised high performance microsenors and MEMS. This specialisation positions Sensera as a high performance microsensor partner to customers by providing contract research, design, development, and engineering solutions to meet a company's requirements. Sensera also has the internal capability to develop its own intellectual property into a full commercial solution.

Dividends

No dividends have been paid during the period from 6 July 2016 to 30 June 2017. The Directors do not recommend that a dividend be paid in respect of the period from 6 July 2016 to 30 June 2017.

Review of operations

For the period from 6 July 2016 to 30 June 2017, the Group generated a total revenue of US\$1,219,788 from its operations in the United States, primarily contributed by revenue from provision of service in relation to Non-Recurring Engineering contracts. Net operating loss for the period was US\$5,331,794, which includes US\$679,600 in costs incurred during the start-up phase of Sensera Inc. and its business in the United States.

For the period from 6 July 2016 to 30 June 2017, the Group raised a total of US\$9,869,784 from issuing of shares (including the proceeds from IPO of AUD10 million) to fund its operations in the United States and Australia. As at 30 June 2017, the Group had US\$4,049,772 in cash and cash equivalents.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the period from 6 July 2016 to 30 June 2017 were as follows:

On 22 December 2016, Sensera Limited successfully completed its IPO which raised a total of AUD10,000,000 from the public via the issue of 50,000,000 new ordinary shares at AUD0.20 per share. Sensera Limited was also admitted to official quotation with the Australian Securities Exchange ("ASX").

Events since the end of the financial year

- (a) On 23 August 2017, the Group completed its acquisition of 100% equity interest in Nanotron Technologies GmbH ("Nanotron"), a private company based in Berlin, Germany for a total consideration of EUR6.4 million, payable in both cash and fully paid ordinary shares in the Group. Nanotron is a leading provider of location-awareness services, specialising in the design, development and sale of chips, modules and software that enable precise real-time positioning and concurrent wireless communication.
- (b) On 21 August 2017, the Group raised a total of AUD4.6 million (before transaction costs) under a placement to sophisticated and professional investors, via an issue of 14,330,000 fully paid ordinary shares. The proceeds from this placement will be used, along with the Group's existing cash reserve to fund the acquisition of Nanotron.

No other matters or circumstances have arisen since 30 June 2017 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

There are no likely developments and expected results of operations as of the date of this report which may significantly affect the company's position and performance.

Environmental regulation

The Group is not affected by any significant environmental regulation in respect of its operations.

Information on directors

| | | |
|--------------------------------------|--|-----------|
| Name | Matthew Morgan | |
| Role | Executive Chairman | |
| Experience and expertise | Matthew has over 11 years of executive management experience in private equity funded portfolio companies and 8 years as a venture capitalist. He is the Principal of Millers Point Company, an advisory business that provides consulting and advisory services to emerging companies with high growth or turnaround objectives. He is a former venture capitalist at Queensland Investment Corporation and is experienced in capital raisings, mergers and acquisitions and has held executive positions in a variety of private equity funded organisations. He was a co-founder of Diversa Ltd (ASX:DVA) a financial service business acquired by OneVue Holdings Ltd (ASX:OVH) and is currently a non-executive director at ASX listed companies Leaf Resources Limited (ASX:LER) and Brain Resource Limited (ASX:BRC). | |
| | Matthew holds a B.Commerce, B. AppSc and an MBA from the Queensland University of Technology. He was also the first Australian to be awarded a Kauffman Fellowship. | |
| Other current directorships | <ul style="list-style-type: none"> Leaf Resources Limited (ASX:LER) Brain Resources Limited (ASX:BRC) | |
| Former directorships in last 3 years | <ul style="list-style-type: none"> Bluechip Limited (appointed February 2014, resigned March 2016) 3D Medical Limited (appointed February 2015, resigned May 2015) | |
| Special responsibilities | - | |
| Interests in shares and options | Ordinary shares | 2,410,000 |
| | Options | - |

Information on directors (continued)

| | | |
|--------------------------------------|---|-----------|
| Name | Jonathan Tooth | |
| Role | Non-Executive Director | |
| Experience and expertise | <p>Jonathan is an experienced Director and provides strong corporate governance to the Board and support for the Executive Chairman's management of Sensera, Inc. Jonathan is also Chairman of the Company's Audit and Risk committee. Jonathan is a Director, Corporate at Henslow and prior to Henslow, Jonathan served as Director and Head of Corporate Finance at Austock Corporate Finance Limited from 2001 to 2011. He has over 25 years of experience in corporate finance, capital raisings, placements and initial public offerings, corporate advice, and restructuring specifically in the small to middle market. He is an experienced Director of ASX listed companies and current Directorships include Austock Group Limited (ASX:ACK) and Vita Life Sciences Limited (ASX:VSC).</p> <p>Jonathan received a B.A. in Economics and Financial Studies from Macquarie University.</p> | |
| Other current directorships | <ul style="list-style-type: none"> • Austock Group (ASX: ACK) including its operating subsidiary Austock Life Limited • Vita Life Sciences Limited (ASX: VSC) | |
| Former directorships in last 3 years | - | |
| Special responsibilities | Chair of the Audit and Risk Committee | |
| Interests in shares and options | Ordinary shares | 1,204,000 |
| | Options | - |

Information on directors (continued)

| | | |
|--------------------------------------|---|---------|
| Name | George Lauro | |
| Role | Non-Executive Director | |
| Experience and expertise | <p>George has been appointed as a MEMS industry expert with a track record of mergers and acquisitions, and to source potential technologies for Sensera to acquire. George is also Chairman of the Company's Remuneration committee.</p> <p>George is an experienced technology entrepreneur, operating executive, and venture capitalist. He was Head of West Coast Technology Investing and Partner at Wasserstein Perella, a leading Wall Street private equity and leveraged buyout firm. Earlier in his career, he was Managing Director of Technology Commercialisation at IBM headquarters and began his career as an MIT Engineer, designing inertial guidance systems for spacecraft at MIT/Draper Lab while pursuing graduate studies at MIT Aero/Astro department.</p> <p>A technologist and prolific inventor, George has nearly two dozen patents awarded covering RFID, GPS, wireless semiconductors, and spacecraft inertial guidance systems. He has served on the Board of Directors of five publicly listed Companies and has built several companies from prototype-stage to high value exit (M&A or IPO) as an active board member and investor, many in the semiconductor and MEMSs sectors.</p> <p>George attended Brown University (BSEE), The Wharton School (MBA) and MIT (graduate studies Aerospace engineering).</p> | |
| Other current directorships | - | |
| Former directorships in last 3 years | - | |
| Special responsibilities | Chair of the Remuneration Committee | |
| Interests in shares and options | Ordinary shares | 750,000 |
| | Options | - |

Information on directors (continued)

| | | | | | |
|--------------------------------------|---|-----------------|---|---------|---|
| Name | Geoffrey Sam | | | | |
| Role | Non-Executive Director (resigned 15 September 2016) | | | | |
| Experience and expertise | Geoff has over 35 years of experience in the Australian health sector. He has been Chief Executive Officer and Managing Director of a listed hospital group, as well as for-profit and not-for-profit hospital groups. He has been President of the Australian Private Hospitals Association and he was awarded an Order of Australia for services to healthcare. Geoff holds a Bachelor of Commerce (Accounting and Finance), a Master of Health Administration, a Master of Arts (Economics and Social Studies), and he is a Fellow of the Australian Institute of Company Directors. | | | | |
| Other current directorships | - | | | | |
| Former directorships in last 3 years | - | | | | |
| Special responsibilities | - | | | | |
| Interests in shares and options | <table> <tr> <td>Ordinary shares</td><td>-</td></tr> <tr> <td>Options</td><td>-</td></tr> </table> | Ordinary shares | - | Options | - |
| Ordinary shares | - | | | | |
| Options | - | | | | |

Company secretary

Phillip Hains was appointed Company Secretary on 6 July 2016. Mr. Hains is a Chartered Accountant operating a specialist public practice, 'The CFO Solution'. The CFO Solution focuses on providing back office support, financial reporting and compliance systems for listed public companies. A specialist in the public company environment, Mr. Hains has served the needs of a number of company boards and their related committees. He has over 20 years' experience in providing businesses with accounting, administration, compliance and general management services. He holds a Master of Business Administration from RMIT and a Public Practice Certificate from the Chartered Accountants Australia and New Zealand.

Meetings of directors

The numbers of meetings of the Company's board of Directors and of each board committee held during the period from 6 July 2016 to 30 June 2017, and the numbers of meetings attended by each Director were:

| | Full meetings of directors | | Meetings of committees | | | |
|-----------------|----------------------------|---|------------------------|---|--------------|---|
| | | | Audit | | Remuneration | |
| | A | B | A | B | A | B |
| Matthew Morgan* | 9 | 9 | 3 | 3 | 1 | 1 |
| Jonathan Tooth | 9 | 9 | 3 | 3 | 1 | 1 |
| George Lauro | 8 | 9 | 2 | 3 | 1 | 1 |
| Geoffrey Sam | - | - | - | - | - | - |

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the committee during the period

* = Not a non-executive Director

Remuneration report (audited)

The Directors present the Sensera Limited 2017 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

- (a) Key management personnel (KMP) covered in this report
- (b) Remuneration policy and link to performance
- (c) Elements of remuneration
- (d) Remuneration expenses for the period
- (e) Service agreements
- (f) Additional statutory information

(a) Key management personnel covered in this report

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The key management personnel of the Group for the period ended 30 June 2017:

- Matthew Morgan, Executive Chairman (appointed 6 July 2016)
- Jonathan Tooth, Non-Executive Director (appointed 6 July 2016)
- George Lauro, Non-Executive Director (appointed 15 September 2016)
- Geoffrey Sam, Non-Executive Director (appointed 25 August 2016, resigned 15 September 2016)

(b) Remuneration policy and link to performance

Our remuneration committee is made up of non-executive directors, with the executive chairman's participation by invitation. The committee reviews and determines our remuneration annually to ensure it remains aligned to business needs, and meets our remuneration principles. From time to time, the committee also engages external remuneration consultants to assist with this review. In particular, the board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent
- aligned to the company's strategic and business objectives and the creation of shareholder value
- transparent and easily understood, and
- acceptable to shareholders.

(c) Elements of remuneration

(i) Fixed annual remuneration (FR)

KMP may receive their fixed remuneration as cash, or cash with non-monetary benefits such as health insurance, car allowances and tax advisory services. FR is reviewed annually. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual.

(ii) Short and long-term incentives

As of the date of this report, the Group has not developed any short or long-term incentives plan as remuneration for KMP.

(d) Remuneration expenses for the period

The following table shows details of the remuneration expense recognised for the Group's key management personnel for the period from 6 July 2016 to 30 June 2017 measured in accordance with the requirements of the accounting standards.

| | Short-term employee benefits | | Post-employment benefits | Share based payments | Total |
|--|------------------------------|-----------------------|--------------------------|----------------------|----------------|
| | Cash salary and fees | Non-monetary benefits | Super-annuation | Equity issued | |
| | US\$ | US\$ | US\$ | US\$ | US\$ |
| Matthew Morgan | 122,525 | - | - | - | 122,525 |
| Jonathan Tooth | 24,882 | - | - | - | 24,882 |
| George Lauro (1) | 74,459 | - | - | - | 74,459 |
| Total key management personnel compensation | 221,866 | - | - | - | 221,866 |

(1) Cash salary and fees of George Lauro includes US\$54,000 in consulting fees

(e) Service agreements

Name: Matthew Morgan

Title: Executive Chairman

Term of agreement: Unspecified

Notice period: 60 days by either party

Details: AUD150,000 per annum including director and consulting fees.

Name: Jonathan Tooth

Title: Non-Executive Director

Term of agreement: Unspecified

Notice period: Unspecified

Details: AUD36,000 per annum including director fees.

Name: George Lauro

Title: Non-Executive Director

Term of agreement: 12 months (for consulting agreement) - unspecified for director position

Notice period: 30 days by either party

Details: US\$109,000 per annum including director and consulting fees and certain share-based on pre-determined hurdles and commissions

(f) Additional Statutory Information**(i) Reconciliation of equity held by KMP**

| | Balance at the start of the period | Received as part of remuneration | Additions | Disposals /Other movements | Balance at the end of the period |
|------------------------|--|--|-----------|----------------------------------|-------------------------------------|
| Ordinary Shares | | | | | |
| Matthew Morgan | - | - | 35,000 | 2,375,000 | 2,410,000 |
| Jonathan Tooth | - | - | 79,000 | 1,125,000 | 1,204,000 |
| George Lauro | - | - | - | 750,000 | 750,000 |

Other movements comprise of shares issued to founders when the Company became an unlisted public company on 25 August 2016.

(ii) Loans to key management personnel

There have been no loans made to key management personnel, including all Directors of the Group or their close family members and entities related to them, during the period from 6 July 2016 to 30 June 2017.

(iii) Other transactions with key management personnel

During the financial period, the Company entered into a contract with an associated entity of a director of Sensera Limited for the placement of IPO shares and investor relations service. A total amount of US\$532,430 has been recognised to the Group's profit and loss during the period in relation to these services, none of which has been paid to the related director in any form.

[End of Remuneration Report]

Shares under option

(a) Unissued ordinary shares

Unissued ordinary shares of Sensera Limited under option at the date of this report are as follows:

| Date options granted | Expiry date | Issue price of shares (AUD) | Number under option |
|----------------------|-------------|-----------------------------|---------------------|
| 26-Apr-17 | 25-Apr-18 | \$0.30 | 500,000 |
| 26-Apr-17 | 25-Apr-19 | \$0.40 | 750,000 |
| 26-Apr-17 | 25-Apr-20 | \$0.50 | 1,750,000 |
| | | | 3,000,000 |

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

No options were granted to the directors or any other key management personnel of the Company during and since the end of the financial period.

(b) Shares issued on the exercise of options

No ordinary shares of Sensera Limited were issued during the period from 6 July 2016 to 30 June 2017 on the exercise of options granted.

Insurance of officers and indemnities

(a) Insurance of officers

During the period from 6 July 2016 to 30 June 2017, Sensera Limited paid a premium of A\$48,000 to insure the Directors and secretaries of the Company and its US-based controlled entity, and the general managers of each of the divisions of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

(b) Indemnity of auditors

Sensera Limited has agreed to indemnify their auditors, Grant Thornton Audit Pty Ltd, to the extent permitted by law, against any claim by a third party arising from Sensera Limited's breach of their agreement. The indemnity stipulates that Sensera Limited will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important. Details of the amounts paid or payable to the auditor (Grant Thornton Audit Pty Ltd) for audit and non-audit services provided during the period are set out below.

The board of Directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the period the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

From 6 July 2016
to 30 June 2017
US\$

Other assurance services

Total remuneration for other assurance services

-

Taxation services

Grant Thornton Audit Pty Ltd firm and its related entities:

Tax compliance services

7,540

Total remuneration for taxation services

7,540

Other services

Grant Thornton Audit Pty Ltd firm and its related entities and other Grant Thornton network firms:

Consulting services

68,984

Total remuneration for other services

68,984

Total remuneration for non-audit services

76,524

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 17.

Corporate governance statement

A copy of the Company's corporate governance statement is available on the Company's website at www.sensera.com

This report is made in accordance with a resolution of Directors.

A handwritten signature in black ink, appearing to read 'Matthew Morgan', with a stylized, flowing script.

Matthew Morgan
Director

Brisbane
31 August 2017



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Auditor's Independence Declaration to the Directors of Sensera Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Sensera Limited for the period ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink that reads "Grant Thornton".

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A handwritten signature in blue ink that reads "Cameron Smith".

CDJ Smith
Partner - Audit & Assurance

Brisbane, 31 August 2017

Grant Thornton Audit Pty Ltd ACN 130 913 594
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period from 6 July 2016 to 30 June 2017

| | Notes | From 6 July 2016 to 30 June 2017 US\$ |
|--|-------|---|
| Revenue | 2 | 1,219,788 |
| Cost of sales | 3(a) | (1,534,292) |
| Gross loss | | (314,504) |
| Other income | 3(b) | 1,755 |
| Other expenses from ordinary activities | | |
| Selling and marketing | 3(a) | (344,251) |
| General and administration | 3(a) | (4,044,779) |
| Internal research and development | 3(a) | (630,015) |
| Loss before income tax | | (5,331,794) |
| Income tax expense | 4 | - |
| Loss for the period | | (5,331,794) |
| Other comprehensive income | | |
| Items that may subsequently be reclassified to profit or loss: | | |
| Exchange differences on translation of foreign operations | 7(b) | 309,101 |
| Total comprehensive loss for the period | | (5,022,693) |
| Loss per share for loss attributable to the ordinary equity holders of the Company: | | US Cents |
| Basic loss per share | 20 | (5.67) |
| Diluted loss per share | 20 | (5.67) |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

| | Notes | 30 June 2017 US\$ |
|----------------------------------|-------|----------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | 5(b) | 4,049,772 |
| Trade and other receivables | 5(a) | 100,813 |
| Inventories | 6(b) | 356,491 |
| Other current assets | | 89,063 |
| Total current assets | | 4,596,139 |
| Non-current assets | | |
| Property, plant and equipment | 6(a) | 806,666 |
| Intangible assets | | 11,945 |
| Total non-current assets | | 818,611 |
| Total assets | | 5,414,750 |
| LIABILITIES | | |
| Current liabilities | | |
| Trade and other payables | 5(c) | 374,435 |
| Employee benefit obligations | | 30,860 |
| Total current liabilities | | 405,295 |
| Total liabilities | | 405,295 |
| Net assets | | 5,009,455 |
| EQUITY | | |
| Contributed equity | 7(a) | 10,793,542 |
| Reserves | 7(b) | (452,293) |
| Accumulated losses | | (5,331,794) |
| Total equity | | 5,009,455 |

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period from 6 July 2016 to 30 June 2017

| | Notes | Contributed equity US\$ | Reserves US\$ | Accumulated losses US\$ | Total US\$ |
|---|-------|-------------------------------|------------------|-------------------------------|--------------------|
| Balance at 6 July 2016 | | - | - | - | - |
| Loss for the period | | - | - | (5,331,794) | (5,331,794) |
| Other comprehensive income | 7(b) | - | 309,101 | - | 309,101 |
| Total comprehensive income for the period | | - | 309,101 | (5,331,794) | (5,022,693) |
| Transactions with owners in their capacity as owners: | | | | | |
| Contributions of equity, net of transaction costs and tax | 7(a) | 10,793,542 | - | - | 10,793,542 |
| Common control reserve | 7(b) | - | (1,208,466) | - | (1,208,466) |
| Options issued | 7(b) | - | 447,072 | - | 447,072 |
| Balance at 30 June 2017 | | 10,793,542 | (452,293) | (5,331,794) | 5,009,455 |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the period from 6 July 2016 to 30 June 2017

| | Notes | From 6 July 2016 to 30 June 2017 US\$ |
|--|-------------|---|
| Cash flows from operating activities | | |
| Receipts from customers | | 512,246 |
| Payments to suppliers and employees | | (4,983,129) |
| Interest received | | 1,754 |
| Net cash outflow from operating activities | 8(a) | (4,469,129) |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | 6(a) | (857,474) |
| Net cash outflow from investing activities | | (857,474) |
| Cash flows from financing activities | | |
| Proceeds from issues of shares and other equity securities | | 9,869,784 |
| Transaction costs related to issue of shares | | (802,510) |
| Net cash inflow from financing activities | | 9,067,274 |
| Net increase in cash and cash equivalents | | 3,740,671 |
| Cash and cash equivalents at the beginning of the financial period | | - |
| Effects of exchange rate changes on cash and cash equivalents | | 309,101 |
| Cash and cash equivalents at end of period | 5(b) | 4,049,772 |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The group has reviewed its operations and believe only one reportable segment under AASB 8 Operating Segments exists.

During the period from 6 July 2016 to 30 June 2017, US\$1,051,492 of the Group's revenue depended on two key customers. All revenues and non-current assets of the Group are located in the United States of America.

2 Revenue

The Group derives the following types of revenue:

| | From 6 July 2016 to 30 June 2017 US\$ |
|---------------|---|
| Sale of goods | 312,846 |
| Services | 906,942 |
| | 1,219,788 |

(a) Recognising revenue from major business activities

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities using the methods outlined below.

(i) Sale of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

(ii) Provision of services

Revenue relating to the provision of services is determined with reference to the stage of completion of the transaction at reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

When it is probable that the total contract costs will exceed the total contract revenue, the expected loss is recognised as an expense immediately through the consolidated statement of profit or loss and other comprehensive income.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Critical judgements in calculating amounts

Revenue relating to the provision of services is recognised based on management's best estimation of the forecast of final cost required to complete the service and the forecast of final margin to be recognised. Management reviews these forecasts on a regular basis and adjusts revenue recognised when there are material changes.

3 Other operating income and expense items

(a) Break down of expenses by nature

From 6 July 2016
to 30 June 2017
US\$

| | |
|---|------------------|
| Employee related expenses | 270,235 |
| Materials and consumables used | 877,820 |
| Other costs | 386,237 |
| Cost of sales | 1,534,292 |
| Marketing consultants | 272,705 |
| Travelling expenses | 57,820 |
| Business development expenses | 13,726 |
| Selling and marketing | 344,251 |
| Employee related expenses | 1,628,673 |
| Rent and occupancy costs | 556,399 |
| Accounting, audit, legal and taxation expenses | 293,015 |
| Investor relation expenses | 503,994 |
| Other consulting expenses | 475,499 |
| Insurance expenses | 45,534 |
| Depreciation expenses | 50,808 |
| Other expenses | 490,857 |
| General and administration | 4,044,779 |
| Internal research and development | 630,015 |
| Internal research and development | 630,015 |
| Total cost of sales and other operating expenses | 6,553,337 |

3 Other operating income and expense items (continued)

(b) Finance income and costs

From 6 July 2016
to 30 June 2017
US\$

| | |
|-----------------------|--------------|
| Finance income | |
| Interest income | 1,755 |
| Finance income | 1,755 |

There have been no finance costs incurred during the reporting period.

4 Income tax expense

(a) Income tax expense

From 6 July 2016
to 30 June 2017
US\$

| | |
|--------------------|---|
| Income tax expense | - |
|--------------------|---|

(b) Numerical reconciliation of income tax expense to prima facie tax payable

From 6 July 2016
to 30 June 2017
US\$

| | |
|---|-------------|
| Profit from continuing operations before income tax expense | (5,331,794) |
| Tax at the Australian tax rate of 27.5% | (1,466,243) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | |
| Share-based payments | 132,543 |
| Other non-deductible expenses | 169,014 |
| Subtotal | (1,164,686) |
| Effect of different tax rates of subsidiaries operating in other taxation jurisdictions | (302,732) |
| Future tax benefits not recognised as an asset | 1,467,418 |
| Income tax expense | - |

The weighted average effective tax rate of the Group for the period from 6 July 2016 to 30 June 2017 was nil%.

4 Income tax expense (continued)

(c) Tax losses

From 6 July 2016
to 30 June 2017
US\$

| | |
|---|-----------|
| Unused tax losses for which no deferred tax asset has been recognised | 4,366,921 |
| Potential tax benefit (Australia @ 27.5%, Overseas @ 35.0%) | 1,467,418 |

5 Financial assets and financial liabilities

(a) Trade and other receivables

| 30 June 2017 | Current US\$ | Non- current US\$ | Total US\$ |
|--|-----------------|-------------------------|----------------|
| Trade receivables | 63,270 | - | 63,270 |
| Accrued income | 64,043 | - | 64,043 |
| Provision for impairment of receivables (see note 10(b)) | (26,500) | - | (26,500) |
| | 100,813 | - | 100,813 |

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement in accordance with the milestones specified in the Non-Recurring Engineering contracts with customers, which are typically less than one year and therefore are all classified as current. The Group's impairment and other accounting policies for trade and other receivables are outlined in notes 10(b) and 22(h) respectively.

(ii) Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

(iii) Accrued income

Accrued income represents the expected recoverable amount of revenue from NRE services rendered by the Group. Refer to note 2(a)(ii) for further details.

(iv) Impairment and risk exposure

Information about the impairment of trade and other receivables, their credit quality and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 10(a) and 10(b).

5 Financial assets and financial liabilities (continued)

(b) Cash and cash equivalents

30 June 2017
US\$

Current assets

| | |
|---------------------------------|------------------|
| Cash at bank and in hand | 4,049,772 |
|---------------------------------|------------------|

(i) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial period as follows:

30 June 2017
US\$

| | |
|-------------------|-----------|
| Balances as above | 4,049,772 |
|-------------------|-----------|

| | |
|--|------------------|
| Balances per consolidated statement of cash flows | 4,049,772 |
|--|------------------|

(ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest. See note 22(g) for the group's other accounting policies on cash and cash equivalents.

(iii) Risk exposure

The Group's exposure to interest rate risk is discussed in note 10. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

(c) Trade and other payables

30 June 2017
US\$

Current liabilities

| | |
|-----------------|---------|
| Trade payables* | 156,368 |
|-----------------|---------|

| | |
|------------------|---------|
| Accrued expenses | 218,067 |
|------------------|---------|

| |
|----------------|
| 374,435 |
|----------------|

*includes US\$18,647 due to director related parties of the Group.

Trade and other payables are unsecured and are usually paid within 30 to 60 days of recognition.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

(i) Risk exposure

Information about the Group's exposure to foreign exchange risk is provided in note 10.

6 Non-financial assets and liabilities

(a) Property, plant and equipment

| | R&D equipment | Furniture and fixtures | Leasehold improvements | Other fixed assets | Total |
|----------------------------------|------------------|---------------------------|---------------------------|-----------------------|----------------|
| | US\$ | US\$ | US\$ | US\$ | US\$ |
| At 6 July 2016 | | | | | |
| Cost or fair value | - | - | - | - | - |
| Accumulated depreciation | - | - | - | - | - |
| Net book amount | - | - | - | - | - |
| Period ended 30 June 2017 | | | | | |
| Additions | 780,904 | 20,765 | 35,146 | 20,659 | 857,474 |
| Depreciation charge | (45,026) | (863) | (979) | (3,940) | (50,808) |
| Closing net book amount | 735,878 | 19,902 | 34,167 | 16,719 | 806,666 |
| At 30 June 2017 | | | | | |
| Cost | 780,904 | 20,765 | 35,146 | 20,659 | 857,474 |
| Accumulated depreciation | (45,026) | (863) | (979) | (3,940) | (50,808) |
| Net book amount | 735,878 | 19,902 | 34,167 | 16,719 | 806,666 |

(i) Depreciation methods and useful lives

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

- R&D equipment 6 years
- Furniture and fixtures 5 years
- Leasehold improvements 5 years
- Other fixed assets 3 years

See note 22(j) for the other accounting policies relevant to property, plant and equipment.

(b) Inventories

| | 30 June 2017 US\$ |
|--------------------------------------|----------------------|
| Current assets | |
| Cost | 580,229 |
| Provision for loss- making contracts | (223,738) |
| | 356,491 |

6 Non-financial assets and liabilities (continued)

(i) Assigning costs to inventories

Inventories are measured at the cost of manufactured products including direct materials, direct labour and an appropriate portion of variable and fixed overheads.

Costs incurred in the rendering of NRE services are measured at the cost of direct labour, direct materials (including consumables) and an appropriate portion of variable and fixed overheads. These costs are recognised on the basis that they are recoverable.

7 Equity

(a) Contributed equity

| | Notes | 30 June 2017 No of Shares | 30 June 2017 US\$ |
|---------------------------------|-------------------|------------------------------|----------------------|
| Ordinary Shares | | | |
| Ordinary shares - fully paid | 7(a)(i), 7(a)(ii) | 122,100,000 | 10,793,542 |
| Total contributed equity | | 122,100,000 | 10,793,542 |

(i) Movements in ordinary share:

| | 30 June 2017 No of Shares | 30 June 2017 US\$ |
|---|------------------------------|----------------------|
| Opening balance 6 July 2016 | - | - |
| Issue of shares to founders | 35,125,000 | 2,663 |
| Issue of shares to Triton Inc. as consideration for the acquisition of Sensera Inc. | 14,875,000 | 1,691,366 |
| Issue of shares to sophisticated and institutional investors | 22,000,000 | 2,668,284 |
| Less: transaction costs | - | (146,756) |
| Issue of shares from Initial Public Offering | 50,000,000 | 7,201,500 |
| Less: transaction costs | - | (655,754) |
| Issue of shares to a consultant for service rendered | 100,000 | 32,239 |
| Balance 30 June 2017 | 122,100,000 | 10,793,542 |

(ii) Ordinary shares

Ordinary shares have no par value. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

The Company does not have a limited amount of authorised capital.

7 Equity (continued)

(b) Reserves

The following table shows a breakdown of the balance sheet line item 'Reserves' and the movements in these reserves during the period. A description of the nature and purpose of each reserve is provided below the table.

| | Notes | Common control reserve | Share- based payments | Foreign currency translation | Total |
|--|-------|------------------------|-----------------------|------------------------------|------------------|
| | | US\$ | US\$ | US\$ | US\$ |
| Balance at 6 July 2016 | | - | - | - | - |
| Currency translation differences in current period | | - | - | 309,101 | 309,101 |
| Share-based payment expenses | 18 | - | 447,072 | - | 447,072 |
| From business combination | | (1,208,466) | - | - | (1,208,466) |
| At 30 June 2017 | | (1,208,466) | 447,072 | 309,101 | (452,293) |

(i) Common control reserve

Recognises differences arising from the business combination between Sensera Limited and Sensera Inc. under the pooling of interest method.

(ii) Share-based payments

The share-based payments reserve is used to recognise:

- the grant date fair value of options issued to employees and consultants but not exercised
- the grant date fair value of shares issued to employees and consultants
- the grant date fair value of deferred shares granted to employees and consultants but not yet vested

| | No of Options | US\$ |
|---------------------------------|---------------|---------|
| Balance 6 July 2016 | - | - |
| Issue of options to consultants | 3,000,000 | 447,072 |
| Balance 30 June 2017 | 3,000,000 | 447,072 |

During the period, the Group issued the following options to its consultants. For further details, see note 18.

| Date | Details | Number | Fair value per option | Total fair value |
|-----------|---------------------------------|------------------|-----------------------|------------------|
| 26-Apr-17 | Issue of options to consultants | 500,000 | 0.140 | 69,967 |
| 26-Apr-17 | Issue of options to consultants | 750,000 | 0.144 | 108,175 |
| 26-Apr-17 | Issue of options to consultants | 1,750,000 | 0.154 | 268,930 |
| | | 3,000,000 | | 447,072 |

7 Equity (continued)

(iii) Foreign currency translation

Recognises foreign exchange differences arising from the translation of domestic operations into US\$.

8 Cash flow information

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

From 6 July 2016
to 30 June 2017
US\$

| | |
|--|--------------------|
| Loss for the period | (5,331,794) |
| Adjustment for | |
| Depreciation and amortisation | 50,808 |
| Start-up costs | 482,900 |
| Share-based payments | 481,975 |
| Change in operating assets and liabilities: | |
| (Increase) in trade debtors | (100,813) |
| (Increase) in inventories | (356,491) |
| (Increase) decrease in other operating assets | (89,063) |
| (Decrease) increase in trade creditors | 362,488 |
| (Decrease) increase in other operating liabilities | 30,861 |
| Net cash inflow (outflow) from operating activities | (4,469,129) |

(b) Non-cash investing and financing activities

There have been no non-cash investing activities during the period.

During the reporting period, the Group had the following non-cash financing activities:

- Issue of shares to Triton Inc. as consideration for the acquisition of Sensera Inc. - see note 12 and 7(a)(i).
- Issue of shares to consultants in exchange for service - see note 7(a)(i).

9 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the group's accounting policies.

(a) Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Estimation of revenue relating the the provision of services - see note 2(b) for further details.
- Valuation of share-based payment expense - the value attributed to share options issued is an estimate calculated using an appropriate mathematical formula based on an option pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the likelihood and timing of the conversion of the options to shares and the value of volatility of the price of the underlying shares. Refer to note 18 for more details.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

10 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current period profit and loss information has been included where relevant to add further context.

| Risk | Exposure arising from | Measurement | Management's assessment and control |
|--------------------------------|--|-----------------------|--|
| Market risk - foreign exchange | Transactions denominated in AUD from the Group's domestic operations | Cash flow forecasting | Management has assessed and concluded its operations in Australia to be insignificant as compared to the overall operations of the Group and thus no specific management is required to mitigate this risk |
| | Translation of the Group's domestic operations to US\$ upon consolidation | N/A | N/A |
| Credit risk | Receivables from Non-Recurring Engineering contracts which are only collectible upon completion of milestones specified in the contracts | Cash flow forecasting | Management works closely with its key customers to ensure that milestones are achieved in a timely manner in order to receive payments for services provided |
| Liquidity risk | Ability to repay creditors when payments are due | Cash flow forecasting | Management reviews the Group's cash position and run rate (versus budget) on a monthly basis to ensure payments are made when they fall due |

The Group's financial risk management is carried out by the Board of Directors and the Group's senior management team in identifying, evaluating and hedging financial risks (if required) in close co-operation with the Group's operating units.

10 Financial risk management (continued)

(a) Market risk

(i) Foreign exchange risk

Given its limited operations in Australia, management has assessed and concluded the Group's exposure to foreign exchange risk to be minimal.

Amounts recognised in profit or loss and other comprehensive income

During the year, the following foreign-exchange related amounts were recognised in profit or loss and other comprehensive income:

From 6 July 2016
to 30 June 2017
US\$

Amounts recognised in profit or loss

| | |
|--|-----------|
| Net foreign exchange gain/(loss) included in general and administration expenses | (384,378) |
|--|-----------|

Net gain (losses) recognised in other comprehensive income (note 7(b))

| | |
|---|---------|
| Net foreign currency gain/(loss) from translation of foreign entity | 309,101 |
|---|---------|

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from AUD denominated financial instruments and the impact on other components of equity arises from the translation of foreign entity financial statements into US\$.

| | Impact on post-tax profit | Impact on other components of equity |
|--------------------------------------|------------------------------|---|
| Index | 2017 US\$ | 2017 US\$ |
| US\$/AUD exchange rate - increase 2% | 4,653 | 6,272 |
| US\$/AUD exchange rate - decrease 2% | (4,653) | (6,272) |

Holding all other variables constant

(b) Credit risk

Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to customers who are public and private organisations in the technology industry, including outstanding receivables.

(i) Risk management

Cash and cash equivalents are held at reputable banks and financial institutions in Australia and the United States of America.

The Group's customer base consists of public sectors, listed companies in the U.S and large and reputable private entities. Management maintain a close relationship with its customer executives and senior management to ensure that milestones specified in the contracts are met on a timely manner. Management updates its cost forecast on a regular basis for all on-going contracts. In the event of total forecasted costs exceeding total forecasted revenue, a provision for onerous contract is provided and charged to the Group's profit or loss for the period. For the period from 6 July 2016 to 30 June 2017, the Group has provided for US\$26,500 in relation to one onerous contract.

(ii) Past due but not impaired

As at 30 June 2017, there were no trade receivables which were past due but not impaired.

10 Financial risk management (continued)

(c) Liquidity risk

(i) Maturities of financial liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| Contractual maturities of financial liabilities | Less than 6 months | 6 - 12 months | Between 1 and 5 years | Over 5 years | Total contractual cash flows | Carrying amount (assets)/liabilities |
|---|--------------------|---------------|-----------------------|--------------|------------------------------|--------------------------------------|
| At 30 June 2017 | US\$ | US\$ | US\$ | US\$ | US\$ | US\$ |
| Trade payables | 156,368 | - | - | - | 156,368 | 156,368 |
| | 156,368 | - | - | - | 156,368 | 156,368 |

11 Capital management

(a) Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

As at 30 June 2017, the Group had no external debt outstanding.

(b) Dividends

There have been no dividends declared or paid during the period from 6 July 2016 to 30 June 2017. The Group's franking account balance remained as US\$nil at 30 June 2017.

12 Business combination

On 19 August 2016, the Parent Company, Sensera Limited, acquired all of the issued and outstanding shares of the controlled entities as detailed in 13(a) ("the combining entities"). Due to the existence of common control, the combination is not within the definition of a business combination in accordance with Accounting Standard AASB 3 *Business Combinations*.

The Directors have accounted for the combination using the "pooling method" as detailed below:

- The assets and liabilities of the combining entities are reflected at their carrying amounts;
- No adjustments have been made to reflect fair values, or recognise any new assets or liabilities, that would otherwise have been done under the purchase method. The only adjustments that have been made were to harmonise accounting policies;
- No new goodwill has been recognised as a result of the combination;
- The income statement reflects the results of the combining entities for the period from 6 July 2016 to 30 June 2017 (the "reporting period"); and
- Comparative information has not been presented as there was no consolidated Group in existence during the prior year.

The common control business combination was transacted by Sensera Limited acquiring all of the shares in Sensera Inc., by the issuance of 14,875,000 ordinary shares in Sensera Limited. At the date of the combination, the carrying value of the net identifiable assets of Sensera Inc. was \$482,900.

No contingent consideration arrangement in relation to this business combination exists.

13 Interests in other entities

(a) Material subsidiaries

The Group's principal subsidiaries at 30 June 2017 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of entity | Place of business/ country of incorporation | Ownership interest held by the group 2017 % | Ownership interest held by non-controlling interests 2017 % | Principal activities |
|----------------|---|---|---|--|
| Sensera Inc. | United States of America | 100 | - | Design and manufacture of specialised high performance microsensors and MEMS |

14 Contingent liabilities and contingent assets

The Group had no contingent liabilities at 30 June 2017.

15 Commitments

(a) Capital commitments

The Group has no capital commitments as at 30 June 2017.

(b) Non-cancellable operating leases

As 30 June 2017, the Group had the following non-cancellable operating lease contracted but not capitalised in the financial statements:

30 June 2017
US\$

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

| | |
|---|----------------|
| Within one year | 427,677 |
| Later than one year but not later than five years | - |
| Later than five years | - |
| | 427,677 |

This lease relates to the non-cancellable office lease in the USA. The lease as a one year term with a five year exercisable renewal option. The current lease expires on 28 February 2018.

16 Events occurring after the reporting period

On 23 August 2017, the Group completed its acquisition of 100% equity interest in Nanotron Technologies GmbH ("Nanotron"), a private company based in Berlin, Germany for a total consideration of EUR6.4 million, payable in both cash and fully paid ordinary shares in the Group. Nanotron is a leading provider of location-awareness services based in Berlin, Germany specialising in the design, development and sale of chips, modules and software that enable precise real-time positioning and concurrent wireless communication.

On 21 August 2017, the Group raised a total of AUD4.6 million (before transaction costs) under a placement to sophisticated and professional investors, via an issue of 14,330,000 fully paid ordinary shares. The proceeds from this placement will be used, along with the Group's existing cash reserve to fund the acquisition of Nanotron.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent period from 6 July 2016 to 30 June 2017.

17 Related party transactions

(a) Parent entities

Sensera Limited is the parent entity of the Group. The company was incorporated in Australia and is currently a public company and listed on the ASX.

(b) Subsidiaries

Interests in subsidiaries are set out in note 13(a).

(c) Key management personnel compensation

From 6 July 2016
to 30 June 2017
US\$

| | |
|------------------------------|---------|
| Short-term employee benefits | 221,866 |
|------------------------------|---------|

Detailed remuneration disclosures are provided in the remuneration report on pages 11 to 13.

(d) Other transactions with related parties

The following transactions occurred with related parties:

From 6 July 2016
to 30 June 2017
US\$

Transactions with directors related parties:

| | |
|--|---------|
| Placement fees for IPO | 499,254 |
| Lead manager retainer fees | 33,176 |
| Options issued as consultants | 74,477 |
| Transactions with other related parties: | |
| General service agreement fees | 322,380 |
| Services provided | 25,450 |
| Sublease expense | 300,000 |
| Reimbursement of expenses | 147,772 |

(e) Terms and conditions

All transactions with related parties were made on normal commercial terms and conditions and at market rates.

18 Share-based payments

(a) Options issued to consultants

Set out below are summaries of options granted to consultants during the period:

| | 2017 Average exercise price per share option AUD | 2017 Number of options |
|---|--|------------------------------|
| As at 6 July 2016 | - | - |
| Granted during the year | 0.44 | 3,000,000 |
| Exercised during the year | - | - |
| Forfeited during the year | - | - |
| As at 30 June 2017 - outstanding | 0.44 | 3,000,000 |
| Vested and exercisable at closing balance | 0.44 | 3,000,000 |

No options expired during the periods covered by the above tables.

Share options outstanding at the end of the year have the following expiry date and exercise prices.

| Grant date | Expiry date | Exercise price AUD | No. of share options 30 June 2017 |
|------------|-------------|-----------------------|--------------------------------------|
| 26-Apr-17 | 25-Apr-18 | 0.300 | 500,000 |
| 26-Apr-17 | 25-Apr-19 | 0.400 | 750,000 |
| 26-Apr-17 | 25-Apr-20 | 0.500 | 1,750,000 |
| | | | 3,000,000 |

Weighted average remaining contractual life of options outstanding at end of period 2.24

All options vested immediately on grant date.

(i) Fair value of options granted

The model inputs for options granted during the period from 6 July 2016 to 30 June 2017 included:

| Grant date | Exercise price AUD | Number of options granted | Expected share price volatility | Years to expiry | Dividend yield | Risk-free interest rate | Fair value at grant date US\$ |
|------------|--------------------------|---------------------------------|---------------------------------------|--------------------|-------------------|-------------------------------|--|
| 26-Apr-17 | 0.300 | 500,000 | 79% | 1 | Nil | 1.71% | 69,967 |
| 26-Apr-17 | 0.400 | 750,000 | 79% | 2 | Nil | 1.71% | 108,175 |
| 26-Apr-17 | 0.500 | 1,750,000 | 79% | 3 | Nil | 1.85% | 268,930 |
| | | 3,000,000 | | | | | 447,072 |

18 Share-based payments (continued)

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

| | 30 June 2017 US\$ |
|-------------------------------|----------------------|
| Shares issued to consultants | 32,239 |
| Options issued to consultants | 447,072 |
| | 479,311 |

19 Remuneration of auditors

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) Grant Thornton Audit Pty Ltd firm and related entities and other Grant Thornton network firms

(i) Audit and other assurance services

| | From 6 July 2016 to 30 June 2017 US\$ |
|--|---|
| Audit and review of financial statements | 85,181 |
| Total remuneration for audit and other assurance services | 85,181 |

(ii) Taxation services

| | |
|---|--------------|
| Tax compliance services | 7,540 |
| Total remuneration for taxation services | 7,540 |

(iii) Other services

| | |
|--|----------------|
| Consulting services | 68,984 |
| Total remuneration for other services | 68,984 |
| Total auditors' remuneration | 161,705 |

It is the Group policy to employ Grant Thornton Audit Pty Ltd and its related entities and other Grant Thornton network firms on assignments additional to their statutory audit duties where Grant Thornton Audit Pty Ltd expertise and experience with the Group are important. These assignments are principally tax advice and due diligence reporting on acquisitions, or where Grant Thornton Audit Pty Ltd is awarded assignments on a competitive basis. It is the Group's policy to seek competitive tenders for all major consulting projects.

20 Loss per share

(a) Basic loss per share

From 6 July 2016
to 30 June 2017
US Cents

| | |
|---|------|
| From continuing operations attributable to the ordinary equity holders of the company | 5.67 |
| Total basic earnings per share attributable to the ordinary equity holders of the Company | 5.67 |

(b) Diluted loss per share

From 6 July 2016
to 30 June 2017
US Cents

| | |
|---|------|
| From continuing operations attributable to the ordinary equity holders of the company | 5.67 |
| Total diluted earnings per share attributable to the ordinary equity holders of the Company | 5.67 |

(c) Reconciliation of earnings used in calculating loss per share

From 6 July 2016
to 30 June 2017
US\$

Basic loss per share

| | |
|---|-----------|
| Loss attributable to the ordinary equity holders of the Company used in calculating basic loss per share: | 5,331,794 |
|---|-----------|

Diluted loss per share

| | |
|--|-----------|
| Loss from continuing operations attributable to the ordinary equity holders of the Company | 5,331,794 |
|--|-----------|

(d) Weighted average number of shares used as the denominator

2017
Number

| | |
|--|------------|
| Weighted average number of ordinary shares used as the denominator in calculating basic & diluted loss per share | 93,961,003 |
|--|------------|

The outstanding share options as at 30 June 2017 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

21 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity shows the following aggregate amounts:

30 June 2017
US\$

Statement of financial position

| | |
|---------------------|-------------------|
| Current assets | 412,410 |
| Non-current assets | 10,006,250 |
| Total assets | 10,418,660 |
| Current liabilities | (164,315) |
| | 10,254,345 |

Shareholders' equity

| | |
|--------------------------------------|--------------------|
| Issued capital | 10,793,542 |
| Reserves | |
| Share-based payments | 447,072 |
| Foreign currency translation | 309,101 |
| Accumulated losses | (1,295,370) |
| | 10,254,345 |
| Profit or loss for the period | (1,295,370) |

As at 30 June 2017, the intercompany loan balance between the parent entity and its subsidiary amounted to US\$8,314,884.

(b) Guarantees entered into by the parent entity

There have been no guarantees entered into by the parent entity during the period ended 30 June 2017.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2017.

22 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of this consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated. The financial statements are for the Group consisting of Sensera Limited and its subsidiaries.

(a) Basis of preparation

This general purpose financial statements has been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Sensera Limited is a for-profit entity for the purpose of preparing the financial statements.

The annual report covers the period from 6 July 2016 to 30 June 2017.

(i) Compliance with IFRS

The consolidated financial statements of the Sensera Limited Group also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

This financial statements has been prepared under the historical cost basis.

(iii) Going concern

The Group incurred a net loss of US\$5,331,794, and had operating cash outflows of US\$4,469,129 for the period from 6 July 2016 to 30 June 2017. As at 30 June 2017, the Group's cash and cash equivalents balance was US\$4,049,772.

The annual report have been prepared on a going concern basis. In the process of approving the Group's internal forecast and business plan for the upcoming fiscal years, the Board has considered the cash position of the Group within the next 12 months from the date of this report. The Board acknowledges the possibility of additional funding to be required in order to meet the Group's working capital requirements and other capital commitments. To the date of this report, the Group has successfully raised US\$9,869,784 from issuing shares (including the proceeds from IPO of AUD10 million) and AUD 4.6 million from a placement to sophisticated and professional investors.

Based on the above considerations, the Board has assessed the resources and opportunities available to the Group, and consequently believe that the Group will be able to repay its debts as and when they fall due.

(iv) New and amended standards adopted by the group

The group has applied the following standards and amendments for first time in their annual reporting period commencing 6 July 2016:

- AASB 2014-1 *Amendments to Australian Accounting Standards (including Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles and Part B: Defined Benefit Plans: Employee Contributions - Amendments to AASB 119)*

The Group also elected to adopt the following two standards early:

- AASB 2015-1 *Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle*, and
- AASB 2015-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101*.

As these amendments merely clarify the existing requirements, they do not affect the group's accounting policies or any of the disclosures.

(v) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

22 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

| Title of standard | Nature of change | Impact | Mandatory application date/ Date of adoption by group |
|--|---|--|---|
| AASB 15 Revenue from Contracts with Customers | <p>The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers revenue arising from the sale of goods and the rendering of services and AASB 111 which covers construction contracts. This standard will also add some revenue-related Interpretations:</p> <ul style="list-style-type: none"> • establishes a new revenue recognition model • changes the basis for deciding whether revenue is to be recognised over time or at a point in time • provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing) • expands and improves disclosures about revenue. <p>The standard permits either a full retrospective or a modified retrospective approach for the adoption.</p> | <p>Management has considered the recognition and measurement requirements of AASB 15 in conjunction with the existing contracts between the Group and its customers. Based on this assessment, management concluded that there would have been no difference to the recognition and measurement of revenue had AASB 15 been adopted and applied during the reporting period, as compared to the current accounting policy on revenue.</p> | <p>Must be applied for financial years commencing on or after 1 January 2018.</p> |
| AASB 16 Leases | <p>AASB 16 was issued in February 2016. It will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases.</p> <p>The accounting for lessors will not significantly change.</p> | <p>Management has considered the recognition and measurement requirements of AASB 16 in conjunction with the existing operating lease agreements between the Group and its suppliers. Based on this assessment, management concluded that there would have been a material impact to the financial statements had AASB 16 been adopted and applied during the period, as compared to the current accounting policy on leases. As at 30 June 2017, the Group had an outstanding operating lease commitment of US\$427,677, see note 15.</p> | <p>Mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.</p> |

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

22 Summary of significant accounting policies (continued)

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The "pooling method" of accounting is used to account for common control business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The consolidated financial statements incorporates the assets and liabilities of all subsidiaries of Sensera Limited ('Company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the period then ended. Sensera Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of Sensera Limited has appointed a strategic steering committee which assesses the financial performance and position of the Group, and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer, the chief financial officer and the manager for corporate planning.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements is presented in US dollars (US\$), which is Sensera Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement, within finance costs. All other foreign exchange gains and losses are presented in the consolidated income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

22 Summary of significant accounting policies (continued)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each consolidated income statement and consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The specific accounting policies for the group's main types of revenue are explained in note 2.

(i) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

22 Summary of significant accounting policies (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See note 5(a) for further information about the group's accounting for trade receivables and note 10(b) for a description of the Group's impairment policies.

(i) Inventories

(i) Work in progress

Work in progress are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(j) Property, plant and equipment

The Group's accounting policy for land and buildings is explained in note 6(a). All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The depreciation methods and periods used by the group are disclosed in note 6(a).

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(k) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of period from 6 July 2016 to 30 June 2017 which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

22 Summary of significant accounting policies (continued)

(l) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(m) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(o) Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the period from 6 July 2016 to 30 June 2017.

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(p) Rounding of amounts

The Company is of a kind referred to in ASIC Corporations Instrument 2016/91 (Rounding in Financial/Director Report), issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest dollar.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

22 Summary of significant accounting policies (continued)

(r) Parent entity financial information

The financial information for the parent entity, Sensera Limited, disclosed in note 21 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Sensera Limited. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

(ii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iii) Intercompany loans

Intercompany loan transactions between the companies within the Group are recognised at costs and eliminated on consolidation.

SENSERA LIMITED: DIRECTORS' DECLARATION - 30 JUNE 2017

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 22 to 51 are in accordance with the Corporations Act 2001, including:
 - i. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), and the Corporations Regulations 2001, and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the period ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 22(a) confirms that the financial statements also complies with International Financial Reporting Standards.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001 for the year ended 30 June 2017.

This declaration is made in accordance with a resolution of Directors.



Matthew Morgan
Director

Brisbane
31 August 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SENSERA LIMITED



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Independent Auditor's Report to the Members of Sensera Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Sensera Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- a Giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the period ended on that date; and
- b Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 22(a) (iii) in the financial statements, which indicates that the Group incurred a net loss of US\$5,331,794 during the period ended 30 June 2017, had operating cash outflows of US\$4,469,129 for the period then ended, and is reliant on raising equity in the future to fund its ongoing operations. As stated in Note 22(a) (iii), these events or conditions indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report:

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| Common Control Acquisition Note 12 <p>During the period Sensera Limited acquired shares in Sensera Inc. from Triton Systems Inc. ("Triton").</p> <p>Management determined that this acquisition was a common control business combination. AASB 3 <i>Business Combinations</i> specifically excludes common control business combinations from its guidance, and either the purchase method of accounting or the pooling of interests method are commonly utilised. Management has adopted the pooling of interests method to account for the acquisition.</p> <p>This is a key audit matter given the nature of the transaction and the judgement involved in determining the most appropriate accounting treatment.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> considering Management's position paper on this matter to obtain an understanding of the transaction; understanding the share exchange agreement between Triton, Sensera Inc., and Sensera Pty Ltd (now Sensera Limited) to identify the existence of any contingencies or other compensating arrangements; assessing the accounting treatment applied to the transaction by reference to professional publications; performing testing on the group's consolidation regarding the transaction including testing the mathematical accuracy of the calculations; and assessing the appropriateness of financial statement disclosures. |
| Revenue Recognition Note 2 <p>Revenue is a key item in the Statement of Profit or Loss and is a key audit matter given the nature and timing of revenue contracts, and the associated work in progress and deferred revenue.</p> | <p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> assessing the revenue recognition policies for appropriateness and compliance with AASB 118 <i>Revenue</i>; performing testing of a sample of contracts to determine whether revenue was recognised in line with the revenue recognition policy; evaluating on a sample basis, the work in progress and unearned income schedules by obtaining the corresponding sales contracts and other supporting documentation; and assessing the appropriateness of financial statement disclosures. |

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the period ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 14 of the directors' report for the period ended 30 June 2017.

In our opinion, the Remuneration Report of Sensera Limited, for the period ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A stylized signature of Grant Thornton in blue ink.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

A stylized signature of CDJ Smith in blue ink.

CDJ Smith
Partner - Audit & Assurance

Brisbane, 31 August 2017

SHAREHOLDER INFORMATION - 30 JUNE 2017

The shareholder information set out below was applicable as at 11 September 2017.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

| Holding | No. of holders | No. of shares |
|------------------|----------------|---------------|
| 1 - 1000 | 21 | 1,443 |
| 1,001 - 5,000 | 64 | 193,000 |
| 5,001 - 10,000 | 82 | 716,019 |
| 10,001 - 100,000 | 296 | 13,412,335 |
| 100,001 and over | 186 | 121,936,700 |
| | 649 | 136,259,497 |

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

| Name | Ordinary shares | |
|--|-----------------|--------------------|
| | Number held | % of issued shares |
| TRITON SYSTEMS INC | 11,875,000 | 8.71 |
| NEWBURYPORT CAPITAL LTD | 10,025,000 | 7.36 |
| MAPLE MANAGEMENT LTD | 9,740,000 | 7.15 |
| J P MORGAN NOMINEES AUSTRALIA LIMITED | 7,203,250 | 5.29 |
| OLIVAB PTY LTD <ABOLIV DISCRETIONARY A/C> | 2,375,000 | 1.74 |
| SANDHURST TRUSTEES LTD <JMFG CONSOL A/C> | 2,283,750 | 1.68 |
| DR STUART LLOYD PHILLIPS & MRS FIONA JANE PHILLIPS <SL & FJ PHILLIPS S/FUND A/C> | 2,250,000 | 1.65 |
| DEAD KNICK CAPITAL PTY LTD | 2,000,000 | 1.47 |
| JINDABYNE CAPITAL PTY LTD <PROVIDENCE EQUITY A/C> | 1,700,000 | 1.25 |
| MR JACK SALERNO | 1,625,000 | 1.19 |
| JOHN W KING NOMINEES PTY LTD | 1,562,500 | 1.15 |
| MR PAUL HENRI VERON & MRS JULIE ANNE VERON <DEAD KNICK S/F A/C> | 1,500,000 | 1.10 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 1,406,625 | 1.03 |
| MR BILLY HARKIN & MRS AMANDA ANNE HARKIN | 1,400,000 | 1.03 |
| AUST EXECUTOR TRUSTEES LTD <CYAN C3G FUND> | 1,293,750 | 0.95 |
| A L R INVESTMENTS PTY LTD <ALR SUPER FUND A/C> | 1,250,000 | 0.92 |
| BL FAMILY NOMINEES PTY LTD <B LIBERMAN PERSONAL A/C> | 1,250,000 | 0.92 |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP> | 1,210,634 | 0.89 |
| SZABO INVESTMENT NOMINEES PTY LTD <SZABO INVESTMENTS A/C> | 1,150,000 | 0.84 |
| INVERNESS INVESTMENTS PTY LTD <SAM DE VITA FAMILY NO 2 A/C> | 1,150,000 | 0.84 |
| | 64,250,509 | 47.16 |

B. Equity security holders (continued)

Unquoted equity securities

| | Number on issue | Number of holders |
|------------------|--------------------|----------------------|
| Unquoted options | 3,000,000 | 12 |

One holder, MRS MARGARET JULIE WILLIAMS, holds 1,500,000 unquoted options which is more than 20% of these securities.

Securities in escrow

| | Number of securities | Date that the escrow period ends |
|----------------------------|-------------------------|-------------------------------------|
| Fully paid ordinary shares | 50,125,000 | 22 December 2018 |

C. Substantial holders

Substantial holders in the company are set out below:

| | Number held | Percentage |
|-------------------------|-------------|------------|
| TRITON SYSTEMS INC | 11,875,000 | 8.71% |
| NEWBURYPORT CAPITAL LTD | 10,025,000 | 7.36% |
| MAPLE MANAGEMENT LTD | 9,740,000 | 7.15% |

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

- (a) Ordinary shares: on a show of hands every member present at the meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) Options: no voting rights.

E. Listing rule 4.10.19 disclosure

For the purpose of ASX Listing Rule 4.10.19, the Board confirms that during the period from 22 December 2016 to 30 June 2017, the Company used its cash and assets readily convertible to cash in a manner consistent with its stated business objectives.

