

SenSen Networks Limited

And Controlled Entities

ABN 67 121 257 412

Appendix 4D (rule 4.2A.3)

Half year report for the half year ended 31 December 2024

Results for announcement to the market

(all comparisons to half year ended 31 December 2023)

	2024 \$'000	Up/(down) \$'000	% Movement
Revenue from ordinary activities	5,483	62	1%
Loss from ordinary activities after income tax attributable to members	(1,593)	469*	23%
Net loss for the period attributable to members	(1,593)	469*	23%

* Indicates an improvement from PCP

Note 1:

	2024 \$'000	2023 \$'000
Loss from ordinary activities after income tax attributable to members	(1,593)	(2,062)
Adjustments		
<i>Interest expense (finance costs)</i>	228	238
<i>Taxation</i>	48	13
<i>Depreciation and amortisation (non-cash)</i>	442	736
<i>Share based payment expense (non-cash)</i>	788	455
EBITDA excluding share-based payment expense (Underlying profit performance)	(87)	(620)

EBITDA excluding share-based payment expense (underlying profit performance) is a non-IFRS measure that has not been subject to audit or review. EBITDA excluding share-based payment expense represents underlying trading performance excluding non-cash items.

Dividend Information

The company did not pay any dividends during the period.

Net Tangible Assets

	2024 \$	2023 \$
Net tangible assets per ordinary share	(0.0007)	0.0004

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SenSen Networks Limited

And Controlled Entities

ABN 67 121 257 412

**HALF YEAR REPORT
AND
FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

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the Live Awareness platform

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Directors' Report

The Directors present their report with the consolidated financial report of SenSen Networks Limited ("the Company") and the entities it controlled ("the Group") at the end of, or during, the half year ended 31 December 2024 and the auditor's review report thereon.

Directors

The names of the Directors who held office during or since the end of the half year are:

Mr Mark Brayan, Non-Executive Director and Chairman
Mr Subhash Challa, Executive Director and CEO
Mr David Smith, Non-Executive Director
Mr Zenon Pasieczny, Non-Executive Director (resigned 19 November 2024)
Ms Jennifer Martin, Non-Executive Director (appointed 28 January 2025)

Principal Activities

The principal activities of the group during the half year were to develop and sell SenDISA platform-based products and services into Smart Cities across three geographic segments.

Smart Cities services include civic compliance, traffic data and law enforcement solutions to city councils, national parks, road authorities and transit agencies across the globe as well as anti-fuel theft solutions for fuel retailers.

Dividends – SenSen Networks Limited

No dividends have been declared in the half-year financial statements ended 31 December 2024 (2023: no dividend declared).

Review of Operations

The Group is an Australian enterprise AI software solution provider with a rich research and development background.

- SenSen Networks Limited (SNS: ASX) was founded in 2007 and floated on the ASX in 2017.
- Headquarters in Melbourne with global offices in India, Singapore, Canada and USA.
- Delivering solutions since 2011 to key customers in some of the largest cities in the world including, Singapore, Brisbane, Las Vegas, Chicago, Vancouver and Sydney.
- Solutions for Smart Cities globally.

Business Update

Key highlights for the six months ending 31 December 2024 are outlined below.

Financial Performance

Key highlights include:

1. The Group has delivered a positive operating cash flow for the half year. Operating cash inflow for the half was \$1,578,819 (prior comparative period (PCP) \$597,617), an increase on PCP of \$981,202.
2. Record first half revenues of \$5,483,322 representing 1% growth on PCP of \$5,420,899.
3. Revenue of \$5,483,322 increased \$463,487 or 9% on PCP of \$5,019,835 from Smart Cities after excluding Gaming.
4. Record first half customer cash receipts of \$6,304,364, a 14% increase over PCP from Smart Cities after excluding Gaming, and a 4% increase over total PCP collections.



Directors' Report (cont'd)

5. Net loss of \$1,592,949 for the six-months to 31 December 2024, compared to \$2,062,306 loss reported in PCP.

These results reflect the Group's first reporting period as a specialised Smart city operator after its exit from the Gaming industry in the prior year. During the period the Group was successful in winning tenders in Calgary and Montreal, two significant contracts which are on track to be delivered in 2025. The Company's ability to continue to win significant new business, whilst maintaining a stable cost base provides a strong foundation for the business to build upon.

Key operational achievements vs PCP include:

1. Successful resolution of the Angel Patent dispute and exit from the Gaming business;
2. Reduction in operating costs of \$523,783 (7%) vs PCP and ongoing cost stabilisation;
3. Board refresh program was completed following appointment of Mr Mark Brayan 1 May 2024, and Ms Jennifer Martin 28 January 2025;
4. Significant contract wins in Calgary and Montreal;
5. Company recorded its third consecutive cash flow positive quarter in Q2 FY25.

EBITDA (excluding share-based payments)

The company measures EBITDA, excluding share-based payments, in order to assess the operational performance of the business after removing non-cash items. This same measure is used in calculating the company's long-term incentive plan (ESOP). EBITDA is a non-IFRS measure.

As shown below, the company achieved a \$533,703 improvement in EBITDA (excluding share-based payments) in the half year, compared to the prior comparable period through sustained cost management and growth in continuing Smart Cities business income.

	Consolidated	
	31-Dec-24	31-Dec-23
	\$	\$
EBITDA (excluding share-based payments)		
Loss after income tax	(1,592,949)	(2,062,306)
Add back: Interest expense (finance costs)	228,256	237,695
Add back: Taxation	47,695	13,141
Add back: Depreciation and amortisation	441,866	736,250
Add back: Share based payments	788,360	454,745
EBITDA (excluding share-based payments)	(86,772)	(620,475)

EBITDA (excluding share-based payments) is a non-IFRS measure and has not been audited or reviewed.

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 5.

This directors' report is signed in accordance with a resolution of the Board of Directors.

Mr Mark Brayan, Non-Executive Chairman

Date: 27 February 2025

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**SENSEN NETWORKS LTD
ABN 67 121 257 412
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF SENSEN NETWORKS LTD**

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of SenSen Networks Ltd. As the lead audit partner for the review of the financial report of SenSen Networks Ltd for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 27 February 2025

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Note	Consolidated	
		31-Dec-24 \$	31-Dec-23 \$
Revenue from contracts with customers			
Sales revenue	2	5,483,322	5,420,899
Cost of sales		(1,243,513)	(1,293,838)
Gross profit		4,239,809	4,127,061
Other income	2	1,000,216	1,148,092
Interest income	2	32,534	17,277
Expenses			
Administration expense		(429,866)	(685,704)
Advertising and marketing expense		(253,289)	(341,567)
Other expenses	3	(832,651)	(1,151,206)
Finance cost		(228,256)	(237,695)
Occupancy cost		(73,841)	(89,488)
Staff cost		(3,058,751)	(2,968,702)
Technology costs		(710,933)	(669,887)
Depreciation and amortisation		(441,866)	(736,250)
Share based payments	9	(788,360)	(454,745)
Fair value gain / (loss)		-	(6,351)
Loss before income tax		(1,545,254)	(2,049,165)
Income tax benefit/(expense)		(47,695)	(13,141)
Net loss for the period		(1,592,949)	(2,062,306)
Loss attributable to members of the parent entity		(1,592,949)	(2,062,306)
		(1,592,949)	(2,062,306)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign controlled entities		(23,734)	(43,064)
Other comprehensive income/(loss)		(23,734)	(43,064)
Total comprehensive loss for the period attributable to:			
- Members of the parent entity		(1,616,683)	(2,105,370)
Loss per share:			
Basic and diluted loss per share (cents)	12	(0.20)	(0.30)

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	Consolidated	
		31-Dec-24	30-Jun-24
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		1,695,958	1,571,130
Trade and other receivables	5	1,350,054	1,030,269
Contract assets		289,671	173,063
Inventory		223,711	120,317
Other current assets	6	1,142,853	2,453,678
Total Current Assets		4,702,247	5,348,457
Non-Current Assets			
Intangibles	15	479,450	730,257
Goodwill	15	5,632,016	5,632,016
Right of use asset		506,383	682,101
Other assets		36,380	-
Property, plant and equipment		226,213	231,387
Total Non-Current Assets		6,880,442	7,275,761
TOTAL ASSETS		11,582,689	12,624,218
LIABILITIES			
Current Liabilities			
Trade and other payables		1,909,786	1,995,340
Contract liabilities		1,603,570	399,888
Employee benefits		817,833	707,625
Lease liabilities		234,188	327,778
Borrowings	7	1,095,849	2,271,806
Total Current Liabilities		5,661,226	5,702,437
Non-Current Liabilities			
Employee benefits		-	67,008
Lease liabilities		337,634	442,621
Total Non-Current Liabilities		337,634	509,629
TOTAL LIABILITIES		5,998,860	6,212,066
NET ASSETS		5,583,829	6,412,152
EQUITY			
Issued capital	8	64,614,835	63,887,639
Reserves		4,591,458	4,554,028
Accumulated losses		(63,622,464)	(62,029,515)
TOTAL EQUITY		5,583,829	6,412,152

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

<u>Consolidated</u>	Issued Capital \$	Accumulated Losses \$	Reserves \$	Total Equity \$
1 July 2023	59,906,517	(58,426,055)	4,397,166	5,877,628
Loss for the period	-	(2,062,306)	-	(2,062,306)
Other comprehensive loss for the period	-	-	(43,064)	(43,064)
Total comprehensive loss for the period	-	(2,062,306)	(43,064)	(2,105,370)
Transactions with owners in their capacity as owners				
Share based payments	45,236	-	409,509	454,745
Shares issued during the year	2,891,948	-	-	2,891,948
Transfer from reserves	958,982	-	(958,982)	-
Total transactions with owners for the period	3,896,166	-	(549,473)	3,346,693
Balance at 31 Dec 2023	63,802,683	(60,488,361)	3,804,629	7,118,951
1 July 2024	63,887,639	(62,029,515)	4,554,028	6,412,152
Loss for the period	-	(1,592,949)	-	(1,592,949)
Other comprehensive loss for the period	-	-	(23,734)	(23,734)
Total comprehensive loss for the period	-	(1,592,949)	(23,734)	(1,616,683)
Transactions with owners in their capacity as owners				
Share based payments	15,462	-	772,898	788,360
Shares issued during the year	-	-	-	-
Transfer from reserves	711,734	-	(711,734)	-
Total transactions with owners for the period	727,196	-	61,164	788,360
Balance at 31 Dec 2024	64,614,835	(63,622,464)	4,591,458	5,583,829

The accompanying notes form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

	Note	Consolidated	
		31-Dec-24 \$	31-Dec-23 \$
Cash flows from operating activities			
Receipts from customers		6,304,364	6,086,677
Payments to suppliers and employees		(6,716,408)	(7,715,201)
Interest received		28,766	17,277
Finance costs		(309,243)	(330,189)
Government grants received		2,271,340	2,539,053
Net cash provided by operating activities		1,578,819	597,617
Cash flows from investing activities			
Purchase of plant and equipment		(63,214)	(25,497)
Proceeds from deposits		12,375	-
Net cash used in investing activities		(50,839)	(25,497)
Cash flows from financing activities			
Proceeds from issue of shares		-	2,097,725
Repayment of lease liabilities		(198,929)	(154,574)
Proceeds from borrowings	7	124,043	1,547,503
Repayment of borrowings	7	(1,300,000)	(3,058,722)
Transaction costs related to issues of equity		-	(86,580)
Net cash provided by/(used in) financing activities		(1,374,886)	345,352
Net increase in cash and cash equivalents		153,094	917,472
Effects of exchange rate changes on cash and cash equivalents		(28,266)	25,069
Cash and cash equivalents at beginning of the half year		1,571,130	1,897,681
Cash and cash equivalents at end of the half year		1,695,958	2,840,222

The accompanying notes form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

NOTE 1 MATERIAL ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2024 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

SenSen Networks Limited is a public company, incorporated and domiciled in Australia.

These half year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the group as the full financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2024 and any public announcements made by SenSen Networks Limited during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have generally been followed in these half year financial statements as compared with the most recent annual financial statements, except for the adoption of new standards effective from 1 July 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

These half year financial statements were authorised for issue on 27 February 2025.

Significant Accounting Judgements, Estimates and Assumptions

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on historical experience and other factors, including expectation of future events that may have an impact on the Group. All judgements, estimates, and assumptions made are believed to be reasonable based on the most current set of circumstances available to management. Actual results may differ from the judgments, estimates and assumptions. There have been no changes to significant accounting estimates, judgements, assumptions or accounting policies from the 30 June 2024 annual financial statements. The most significant judgment, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

Going Concern

As disclosed in the half year financial statements, the Group has net operating cash inflows for the half year of \$1,578,819 (31 December 2023: net operating cash flows of \$597,617), and as at 31 December 2024 has a net current asset deficit of \$958,979 (30 June 2024: net current asset deficit of \$353,980). The Group also generated a loss after tax for the half year of \$1,592,949 (31 December 2023: \$2,062,306).

The ability of the Group to continue as a going concern is principally dependent upon the following conditions:

- The ability to meet its internal cash flow forecasts, in particular the Group's revenue growth targets and operating cost expectations;
- The ability of the Group to draw down on its unused loan facilities; and
- The ability of the Group to raise sufficient capital as and when necessary.

The Directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- the Group has prepared a cash flow forecast based on reasonable assumptions that the Directors believe are achievable;
- the Group has adequate capacity in its existing debt facilities to overcome any short term liquidity requirements;
- the Directors believe the Group has the ability to further scale back expenditure as and when required to preserve cash if needed; and
- the Group has demonstrated the ability to raise capital when required.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial report. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

NOTE 2. REVENUE AND OTHER INCOME

	Consolidated	
	31-Dec-24	31-Dec-23
	\$	\$
Revenue from contracts with customers		
Revenue recognised at a point in time	1,179,383	1,424,757
Revenue recognised over time	4,303,939	3,996,142
	5,483,322	5,420,899
Interest income	32,534	17,277
Other income - research and development grants	1,000,216	1,148,092
Total revenue, interest and other income	6,516,072	6,586,268

NOTE 3. OTHER EXPENSES

	Consolidated	
	31-Dec-24	31-Dec-23
	\$	\$
Other Expenses		
Legal Fees	180,545	214,900
Patents	35,213	109,557
Audit, accounting, tax	203,870	253,955
Contractors	377,087	393,232
Other including registry and listing costs	35,936	179,562
Total other expenses	832,651	1,151,206

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

NOTE 4. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports that are regularly reviewed by the Directors and the executive team in order to allocate resources to the segment and assess its performance.

AASB 8 *Operating Segments* states that similar operating segments can be aggregated to form one reportable segment.

The principal areas of operation of the Group are determined on a geographical basis as follows:

- Australia and New Zealand
- North America (comprising USA and Canada)
- Asia

Segment Revenues and Results

The following is an analysis of the group's revenue and results by reportable operating segment for the periods under review.

The Group sells a range of software products which utilise Artificial Intelligence to identify and provide data on images sourced from video footage. The software is adaptable and can be applied to a range of scenarios across all jurisdictions.

With shared development and customer support costs being incurred in India, via the company's share service centre in Hyderabad, and in corporate costs via the company's corporate headquarters in Australia, it is necessary to allocate these costs across the regions. To do this, a regions' share of revenue has been used as the basis for cost allocation.

	ANZ	North America	Asia	Consolidated	ANZ	North America	Asia	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
	31-Dec-24				31-Dec-23			
Revenue	3,882,190	1,450,549	150,583	5,483,322	3,589,497	1,159,633	671,769	5,420,899
Cost of goods sold	(833,878)	(409,635)	-	(1,243,513)	(1,198,596)	(93,833)	(1,409)	(1,293,838)
Gross Margin	3,048,312	1,040,914	150,583	4,239,809	2,390,901	1,065,800	670,360	4,127,061
<i>Gross Margin %</i>	79%	72%	100%	77%	67%	92%	100%	76%
Other income	1,032,750	-	-	1,032,750	1,165,369	-	-	1,165,369
Regional operating costs	(2,169,140)	(560,030)	(36,753)	(2,765,923)	(1,525,244)	(670,630)	(90,637)	(2,286,511)
India shared services	(524,429)	(195,949)	(20,342)	(740,720)	(814,668)	(263,189)	(152,464)	(1,230,321)
Corporate shared services	(2,344,307)	(875,931)	(90,932)	(3,311,170)	(2,532,602)	(818,189)	(473,973)	(3,824,764)
Segment result before tax	(956,814)	(590,996)	2,556	(1,545,254)	(1,316,244)	(686,208)	(46,714)	(2,049,165)
Income tax	(32,316)	(16,695)	1,316	(47,695)	(8,669)	-	(4,472)	(13,141)
Net profit / (loss)	(989,130)	(607,691)	3,872	(1,592,949)	(1,324,913)	(686,208)	(51,186)	(2,062,306)

	ANZ	North America	Asia	Consolidated	ANZ	North America	Asia	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
	31-Dec-24				31-Dec-23			
Segment assets	10,071,193	765,812	745,684	11,582,689	13,016,133	1,542,836	864,106	15,423,075
Segment liabilities	(6,067,580)	143,059	(74,339)	(5,998,860)	(7,459,974)	(821,261)	(22,889)	(8,304,124)
Net Assets	4,003,613	908,871	671,345	5,583,829	5,556,159	721,575	841,217	7,118,951



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

NOTE 5. TRADE AND OTHER RECEIVABLES

	Consolidated	
	31-Dec-24	30-Jun-24
	\$	\$
CURRENT		
Trade receivables	1,391,395	1,146,664
Allowance for expected credit losses	(41,341)	(116,395)
	1,350,054	1,030,269

NOTE 6. OTHER CURRENT ASSETS

	Consolidated	
	31-Dec-24	30-Jun-24
	\$	\$
Research and Development (R&D) refund receivable	953,241	2,261,167
Prepayments and other assets	189,612	192,511
	1,142,853	2,453,678

The R&D refund receivable is an annual grant paid on R&D work done in the financial year. The 30 June 2024 R&D refund receivable was received during the period, and an accrual was raised for R&D refund receivable for the six month period. This compares to the 30 June 2024 accrual for a twelve-month grant.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

NOTE 7. BORROWINGS

	Consolidated	
	31-Dec-24	30-Jun-24
	\$	\$
(a) Bank loans	450,000	450,000
(b) Other loans	645,849	1,821,806
Total Current Borrowings	1,095,849	2,271,806

a) Bank loan

Includes a bank debt with Commonwealth Bank for \$450,000 secured by an account set-off arrangement with a matching term deposit and a first ranking charge over present and after acquired property. A variable rate interest of 8.07% is charged. The loan was renewed in December 2024. The loan is secured by a letter of set-off between the Group and Commonwealth Bank over a Term Deposit.

b) Other loans

The company maintains the following loan facilities:

Trade Plus 24 (TP24): \$194,517 (30 June 2024: \$136,158)

TP24 provide the Group with working capital facilities which allow the company to reduce the timing differential between invoicing customers and receiving payments by borrowing against Australian debtors. The loans are secured by Australian debtors and attract a variable interest rate of 12.16%.

Director Loans: \$451,332 (30 June 2024: \$385,648)

Subhash Challa has advanced the company an unsecured loan of \$451,332 at an interest rate of 7.57% to provide working capital for the company's operations.

Rocking Horse: Nil (30 June 2024: \$1,300,000)

This facility with Rocking Horse allows the company to accelerate funding available under the company's annual R&D grant. The loan was secured by the company's annual R&D grant and was repaid in full during the period upon receipt of the company's annual R&D grant, which was received as part of its annual tax return. The facility incurs a fixed interest rate of 15% p.a when drawn upon.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

NOTE 8. ISSUED CAPITAL

	Note	Consolidated	
		31-Dec-24	30-Jun-24
		\$	\$
Ordinary shares	(a)	64,614,835	63,887,639
(a) Share capital movement during the period			

	31-Dec-24	
	No.	\$
Balance at beginning of the reporting period	776,830,326	63,887,638
Shares issued under long term incentive plan (i)	15,128,733	695,923
Shares issued via salary sacrifice share scheme (ii)	1,078,416	31,274
Balance at end of period	793,037,475	64,614,835

The Group completed the following share issue allocations in each respective period:

Six months ended 31 December 2024:

- (i) **Employee Long Term Incentive Plan**
On 13 September 2024, 15,128,733 shares were issued in relation to the Group's Long Term Incentive Plan. The shares were issued at a price of \$0.0384 per share based on the 5 day VWAP of the 5 days preceding the date of the financial report release of 29 August 2024.
- (ii) **Salary Sacrifice Share Scheme**
1,078,416 shares were issued under the company's salary sacrifice share scheme on 4 July 2024, relating to the June 2024 payroll. This was the final share issue under the scheme which has now ended.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2024

NOTE 9. SHARE-BASED PAYMENTS

Employee Share Ownership Plan

During the period shareholders approved the Board's recommendation to operate an Employee Share Ownership Plan (ESOP) for the period 2024 – 2026. The key terms of this arrangement are:

1. The ESOP Shares will be issued for nil consideration in addition to the cash remuneration.
2. Shares will be issued in approximately October 2024, 2025 and 2026 subject to employee's ongoing service with the Company and Company performance. The number of shares will be calculated as follows:
 - a) An agreed percentage of eligible employee's annual salary at the date of payment.
 - b) Number of shares issued based on the 5 day Volume Weighted Average Price (VWAP) prior to the Company's Financial Year results announcement.
 - c) A combination of eligible employee's length of service and the Company meeting internal measure targets in the most recent Financial Year. Internal measure targets include:
 - o Continual service period;
 - o Revenue hurdles; and
 - o EBITDA (excluding share based payments) hurdles.These hurdles are considered non-market vesting conditions and the probability of being met is taken into account when determining the expense to be recognised in each period.

The expense recognised in the period ended 31 December 2024 relating to the ESOP plan for 2024 was \$788,360 (2023: \$454,745).

Salary Sacrifice Scheme

In May 2023 the company launched an employee salary sacrifice share scheme whereby management were invited to sacrifice 20% of their salary in exchange for Company shares. In addition to the 20%, employees entering into the plan also received an additional 2% of their monthly salary as shares.

1,078,416 shares were issued under this plan on 4 July 2024. This was the final share issue under the scheme which has now ended.

NOTE 10. CONTINGENT LIABILITIES

The Group had no known contingencies at 31 December 2024.

NOTE 11. RELATED PARTY TRANSACTIONS

Refer to note 7 for information on the borrowings from the Group's CEO and Executive Director Dr Subhash Challa.

There were no other related party transactions during the period other than those shares issued via the long-term incentive plan noted in Note 8, Issued Capital and Note 9, Share-based payments.



**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2024**

NOTE 12. LOSS PER SHARE

	Consolidated	
	31-Dec-24	31-Dec-23
	\$	\$
Basic and diluted loss per share (cents)	<u>(0.20)</u>	<u>(0.30)</u>
The loss and weighted average number of ordinary shares used in the calculation of basic loss per share are as follows:		
Loss for the half-year attributable to the owners of the Company	<u>(1,592,948)</u>	<u>(2,062,306)</u>
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>787,019,415</u>	<u>690,575,691</u>

NOTE 13. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

There are no other events and transactions except as disclosed in this half year report that have occurred during the period that are significant to an understanding of the changes in financial position and performance of the Group since the end of the last annual reporting period that have not been disclosed within the notes to these financial statements.

NOTE 14. EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since 31 December 2024 that have significantly affected the Group's operations, results or state of affairs, or may do so in the future years.

NOTE 15. INTANGIBLES

Goodwill is monitored by management at the lowest cash-generating unit level, being that of Snap Network Surveillance Pty Ltd (i.e. SenTrack), and the Scancam group acquisition (SenShield). The goodwill and other intangibles are therefore entirely allocated to these cash-generating units as shown below:

	31-Dec-24		30-Jun-24	
	Patents & other acquired intangible assets \$	Goodwill \$	Patents & other acquired intangible assets \$	Goodwill \$
SenTrack	-	383,399	133,460	383,399
SenShield	479,450	5,248,617	596,797	5,248,617
	<u>479,450</u>	<u>5,632,016</u>	<u>730,257</u>	<u>5,632,016</u>

All cash generating units (CGUs) were reviewed for indicators of impairment as at 31 December 2024. Upon assessing the indicators of impairment for the period ending 31 December 2024, it was determined that no impairment was necessary.

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Directors' Declaration

In accordance with a resolution of the Directors of SenSen Networks Limited, the directors of the company declare that: The financial statements and notes, as set out on pages 6 to 17, are in accordance with the *Corporations Act 2001*, including:

- a) complying with Accounting Standard AASB 134: *Interim Financial Reporting, Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- b) giving a true and fair view of the group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Mr Mark Brayan, Non-Executive Chairman

Date: 27 February 2025

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**SENSEN NETWORKS LTD
 ABN 67 121 257 412
 AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT
 TO THE MEMBERS OF SENSEN NETWORKS LTD**

Conclusion

We have reviewed the half-year financial report of SenSen Networks Ltd (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, a summary of material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the group financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the group in accordance with the auditor 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 (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the financial report, which indicates the group incurred a loss after tax of \$1,592,949 for the half-year ended 31 December 2024 and as of that date, the group's current liabilities exceeded its current assets by \$958,979. As stated in Note 1, these conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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SENSEN NETWORKS LTD
ABN 67 121 257 412
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SENSEN NETWORKS LTD

Auditor's Responsibility for the Review of the Financial Report

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner

Dated: 27 February 2025