SenSen Networks Ltd
Annual Report
for the year ended 30 June 2024

SenSen Networks Limited and

Controlled Entities

ABN 67 121 257 412

sensen.ai
the Live Awareness platform

CORPORATE INFORMATION

SenSen Networks Limited
ACN 121257412

Directors
Mr Mark Brayan, Non-Executive Chairman
Dr Subhash Challa, Managing Director
Mr Zenon Pasieczny, Non-Executive Director
Mr David Smith, Non-Executive Director

Company Secretary
Mr Christian Stevens

Chief Financial Officer
Mr Christian Stevens

Registered Office and Principal Place of Business
2/570 City Road,
South Melbourne, VIC 3205
Telephone: +61 3 9417 5368

Share Register
Automic Pty Limited
Level 5, 126 Phillip Street
Sydney NSW 2000

Australia:	1300 288 664
Overseas callers:	+61 2 8072 1400
Internet:	www.automicgroup.com.au

Stock Exchange Listing
SenSen Networks Limited shares are listed on the Australian Securities Exchange (ASX Code: SNS).

Solicitors
Thomson Geer Lawyers
Level 16, Waterfront Place
1 Eagle Street
Brisbane Qld 4000

Auditors
Hall Chadwick
Level 40, 2 Park St
Sydney NSW 2000

Bankers
Commonwealth Bank of Australia727
Collins Street
Melbourne VIC 3000

Website
www.sensen.ai

LETTER FROM THE CHAIRMAN

Dear Fellow Shareholders,

It's an honour to provide my first letter as the Chairman of the Board of SenSen, having joined the board in the last quarter of the Financial Year 2024.

SenSen is one of the most exciting companies in the applied AI space. Our Live Awareness Platform is the world's first and one of a kind platform that fuses data from multiple cameras and sensors with relevant enterprise digital information to provide real world context awareness. Everyday decisions such as parking zone compliance relies on multiple factors that make simple decisions very complex. Our Live Awareness Platform uses multiple inputs to make accurate decisions more productively and safer across many industries.

Currently we operate in smart cities, retail, security & public safety industries across Australia, Singapore and North American markets with offices in Australia (Melbourne), India (Hyderabad) and the USA (Las Vegas).

FY 2024 was a transformative year for SenSen. We grew revenue, had all patent infringement litigations dismissed, removed significant operating costs and reduced debt. The company is well poised for a sustainable cash flow positive and profitable future.

The following significant achievements highlight the progress made in FY 2024:

- Grew revenue 12.5% to $12.1M in FY 2024 despite loss of gaming revenue
- Delivered record quarterly customer cash receipts in Q4 FY 2024, exceeding $4m in a quarter for the first time
- Delivered first ever cash flow positive quarter in Q4 FY 2024
- Reduced costs[1] from $15.3M to $12.3M per annum
- Reduced staff from a headcount of 136 to 79 across the globe
- Reduced debt from $3.1M to $2.3M
- All IP infringement court cases in Australia and The Philippines successfully dismissed. Gaming market exited.
- Significant contract win with the National Heavy Vehicle Regulator, Australia
- Added 10 cities in North America
- Appointment of an independent non-executive Chair
- Multiple innovation awards

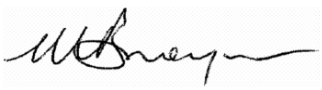
We enter FY 2025 with significant revenue momentum, with a recent contract win with City of Montreal, Quebec, Canada, and a healthy pipeline. Our plans for FY 2025 focus on the following:

- Revenue growth through the sale and delivery of our current product portfolio
- Operational efficiencies and tight cost management
- Cash collections and debt reduction, and,
- Prudent investments in new product development to maintain our leadership position

I am pleased to report that the work carried out by the CEO, Dr. Subhash Challa and his team over the last 18 months has set the company up to deliver strong financial results for the company in FY25 and beyond. Please join me in thanking them for their hard work and focus.

I am looking forward to engaging with you to share the growth story and journey of SenSen. Thank you for your ongoing support.

Sincerely,



Mr Mark Brayan, Non-Executive Chairman

[1] Excluding depreciation, amortisation and share-based payments.

CORPORATE VALUES

Corporate Values

Integrity – Always doing the right thing, and bring this value into all customer and employee relationships

Ingenuity – Solve problems considered impossible by our customers through innovation.

Excellence – Deliver solutions and service that exceed our customer expectations**.**

Corporate Identity

The Live Awareness Platform.

SenDISA, our Live Awareness Platform, is a reconfigurable data fusion platform that sources and fuses data from multiple sensors and systems to extract accurate insights in real time that deliver actionable outcomes quickly and cost effectively

Corporate Behavior

We are relentless in our pursuit of excellence and turning what seem like impossible problems into working solutions.

We do this by listening to the issues faced by customers, working intensely with them to resolve their painpoints, and building inventions that work based on our deep understanding of AI, Machine Learning, Deep Learning and Data Fusion.

Corporate Culture

Our culture of constant reinvention is made possible by the ability and eagerness of our people to innovate and progress while strengthening relationships and commercial outputs.

The conventional does not serve us, neither our customers nor staff.

Unafraid of taking risks and learning from mistakes, we are 'ingenious by design' – a state of constant evolution as demonstrated by our many world-firsts. We are anti-fragile, our every setback made us come back stronger.

FINANCIAL SUMMARY

Financial Result

SenSen Networks Limited recorded a net loss for the year of $3,603,460, an improvement of $3,805,724 over prior year (FY23 loss: $7,409,184). This was achieved through revenue growth of $1,347,937 to $12,144,460 (FY23: $10,196,523), gross margin improvement of 3.0% to 72.3% (FY23: 69.3%), and active cost management that resulted in an operating cost reduction of $2,451,097 to $14,951,062 (FY23: $17,402,159).

EBITDA excluding share-based payments, the metric against which management performance is assessed, improved $4,971,110 to ($259,676) from a prior year of ($5,230,786). As shown in the table below, in the second half of FY24 the company achieved its first ever positive EBITDA excluding share-based payments half-year result of $420,705, an improvement of $2,140,771 over the prior comparable period.

	Half Year 1		Half Year 2		Full Year	
	31-Dec-23	31-Dec-22	30-Jun-24	30-Jun-23	30-Jun-24	30-Jun-23
	$	$	$	$	$	$
Net Profit	(2,062,306)	(4,565,748)	(1,541,154)	(2,843,436)	(3,603,460)	(7,409,184)
Add back:						
Interest	237,695	202,677	213,089	267,656	450,784	470,333
Tax	(13,141)	(14,817)	55,782	40,482	42,641	25,665
Depreciation & Amortisation	736,250	501,100	702,207	973,551	1,438,457	1,474,651
EBITDA	**(1,101,502)**	**(3,876,788)**	**(570,076)**	**(1,561,747)**	**(1,671,578)**	**(5,438,535)**
Share based payments	421,121	366,068	990,781	(158,319)	1,411,902	207,749
EBITDA excluding share based payments	**(680,381)**	**(3,510,720)**	**420,705**	**(1,720,066)**	**(259,676)**	**(5,230,786)**

Cash flow from operations for the year ($1,272,679) improved $3,511,534 over prior year (FY23: $4,784,213). The company finished the year with $1,571,130 in cash compared to a prior year of $1,897,681.

As the company's profitability has improved, SenSen has actively looked to strengthen its balance sheet with a reduction in trade and other payables of $1,222,314 to $1,995,340 (FY23: $3,217,654) and a reduction in borrowings of $829,652 to $2,271,806 (FY23: $3,101,458).

2024 FINANCIAL STATEMENTS

Financial Report for the year ended 30 June 2024

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 year ended 30 June 2024.

Directors and Company Secretary

The following persons were directors of SenSen Networks Limited during the whole financial year and up tothe date of this report:

Mr Mark Brayan, Non-Executive Chairman
Dr Subhash Challa, Executive Director
Mr David Smith, Non-Executive Director
Mr Zenon Pasieczny, Non-Executive Director
Mr Christian Stevens, Company Secretary

Mr Mark Brayan	Non-Executive Chairman
Qualifications:	MBA, Australian Graduate School of Management First-Class Honours Bachelor of Surveying, University of New South Wales
Experience:	Mark is a proven leader of technology businesses including AI, software, services and outsourcing in his various roles as CEO, Managing Director and Non-Executive Director in public and private companies. He has a track record of high profitable growth and value creation, managing and expanding Australian companies globally, including a strong emphasis on the US. From 2015-2023, he was the CEO and Managing Director of Appen Limited (ASX: APX), the world's leading provider of artificial intelligence (AI) training data and testing services. Mr Brayan successfully transformed Appen from a provider of language data and services to the world's leading AI data and services company through a mix of organic growth, strategic acquisitions, new product and service development and new market entry. Mr Brayan has M&A, investor relations and capital markets experience and a successful track record with technology company founders.
Special responsibilities:	Chairman of the Board of Directors since 1 May 2024
Interest in shares and options:	5,923,777 Ordinary shares and nil options over ordinary shares

DIRECTORS' REPORT

Mr Subhash Challa

CEO and Managing Director

Qualifications:	B. Tech (Electrical and Electronics Engineering), JNTU College of Engineering, Hyderabad, India. PhD (Aerospace and Electronic Systems, Signal Processing), Queensland University of Technology
Experience:	Subhash founded SenSen Networks in 2007 as a spin-off from the University of Technology Sydney where he was Professor of Computer Systems. Subhash isa world-leading authority in data fusion specialising in the analysis and fusion ofvideo and sensor data and is a regular speaker at international industry and academic conferences, and is a charter member of entrepreneurship organisation TIE. Born and raised in Hyderabad, India, Subhash received his PhD from Queensland University of Technology, Brisbane, Australia in 1999. Part of his PhD studies were conducted at Harvard University (1997). He started his professional career as a Research Fellow at the University of Melbourne in 1998where he led a number of defense industry projects. Subhash received the Tan-Chin Tau Fellowship in Engineering from Nanyang Technological University in Singapore (2003) where he worked with NTU researchers on traditional and underwater robotics. He holds a Bachelor's Degree in Electrical Engineering from JNTU, Kukatpally, India. Subhash was the Professor of Computer Systems Engineering at the Universityof Technology Sydney from 2004-2007 where he mentored several doctoral students to completion in the areas of Bayesian Estimation Theory, Object Tracking, Sensor Networks, Computer Vision, License Plate Recognition, FacialRecognition and Data Fusion. He has co-authored more than 150 papers and isco-author of the reference text, 'Fundamentals of Object tracking' Cambridge University Press, 2011) unifying disparate advances in estimation theory and object tracking into a recursive Bayesian framework. Subhash left his successful career in academia to join SenSen full-time as CEO in January 2012. He has led the development of the company's video-IoT platform SenDISA and pioneered applications in diverse market segments. As the CEO and CTO of the company, he led SenSen to win a number of innovationawards including iAwards Victoria for SenFORCE and SenSIGN products in 2014 and 2017 respectively; Parking Australia Innovation Award in 2015; and Security Industry Innovation Award in 2014. Subhash is a member of the Australian Institute of Company Directors (MAICD). Mr Challa has no other current or previous listed company directorships in thelast three years.
Special responsibilities:	Member of the Audit and Risk Committee
Interest in shares and options:	100,314,414 Ordinary shares and nil options over ordinary shares

DIRECTORS' REPORT

Mr David Smith Non-Executive Director

Qualifications: B Econ, The University of Sydney
Dip Mgmt – Exec MBA, Australian Graduate School of Management

Experience: David was previously an investment banker with more than 20 years experience,working in both the capital markets and M & A globally. He was regularly ranked as one of the Top 10 Australian Investment Bankers in annual surveys, and raised more than $4 billion for corporate clients. With an extensive background in advising companie across all sectors, including technology, industrials and resources, David has been integrally involved in the evolution of numerous emerging companies into multi billion dollar enterprises.

David is also a Non-Executive Director of RAW Capital Partners Holdings Limited, a UK based, international asset management business.

David completed his B Econ from the University of Sydney and a Dip Mgmt - Exec MBA from Australian Graduate School of Management, Sydney.

David is a member of the Australian Institute of Company Directors (MAICD).

Mr Smith has no other current or previous listed company directorships in the last three years.

Special responsibilities: Chief Operating Officer & Company Secretary up to 29 February 2024, Chair of the Audit & Risk Committee since 1 March 2024.

Interest in shares and options: 20,709,904 Ordinary shares and nil options over ordinary shares

Mr Zenon Pasieczny Non-Executive Director

Qualifications: MBA, Maastricht School of Management, The Netherlands

Experience: Zenon is an experienced venture capital investor screening 300+ deals annually and investing in only a handful. He backed SenSen for its outstanding potential as an Australian technology company with innovative and IP-driven solutions, helping it grow from an R&D focused start-up to a globally respected industry leader.

Zenon is closely involved in SenSen's strategic marketing and delivery of global communication messages to clients, partners and the media.

Zenon is a member of the Australian Institute of Company Directors (MAICD).

He is Director of venture capital firm Saphet Capital Management and ManagingDirector of The House Family Office providing strategic and commercial advice to a select global client list.

Special responsibilities: Mr Pasieczny has no other current or previous listed company directorships in the last three years. Chair of the Audit and Risk Committee until 29 February 2024

Interest in shares and options: 50,751,357 Ordinary shares and nil options over ordinary shares

Mr Christian Stevens	Company Secretary
Qualifications:	MBA, University of Technology, Sydney B Bus, Griffith University
Experience:	Christian is an experienced professional with over 25 years experience across a variety of industries and organisations. Christian commenced his career at KPMG Sydney where he qualified as a Chartered Accountant, before working with a number of blue chip multi-nationals including Origin Energy, Vodafone and Enovis Llc. Christian has an in-depth understanding of the software industry having previously held the positions of Chief Financial Officer and Company Secretary at Tramada Systems, helping the travel industry manage complex data, and several senior positions at Misys Plc (now Finastra) one of the world's largest fintech companies. While at Misys, Christian was a key part of the team responsible for divesting a controlling stake in Nasdaq listed Allscripts, a med-tech subsidiary, returning over US$1Bn to shareholders, and was integral to the 2020 sale of Tramada Systems. Christian has a track record of scaling the operations of high growth businesses, bringing blue chip expertise to rapidly expanding organisations with global aspirations.
Special responsibilities:	Chief Financial Officer and Company Secretary since 1 March 2024
Interest in shares and options:	1,425,233 Ordinary shares and nil options over ordinary shares

DIRECTORS' REPORT

Following is a summary of the SenSen Directors' Skill Matrix.

S.No		Directors with the mentioned skill
1	Industry knowledge and Expertise The directors on the board all have experience in the markets SenSen operates.	3 out of 4
2	Executive Leadership The board has valuable capability at executive level across a broad sector	3 out of 4
3	Strategy development and Implementation Experience in Strategy development and execution at large and small scales	4 out of 4
4	Investor/Public Relations Experience in capital markets, IPO, investment, mergers and acquisitions	4 out of 4
5	Financial Reporting and Management Senior experience in financial management, reporting and audit	4 out of 4
6	Corporate Governance Commitment to high standards of corporate governance and legal compliance	4 out of 4
7	Risk Management Experience in managing financial and non-financial risk	3 out of 4
8	Human Resource management experience in employee management, succession planning and recruitment	3 out of 4
9	Global business experience Significant international exposure across the globe, particularly North America, Asia, Europe and Africa	4 out of 4
10	Digital experience / information technology Senior experience in technology, especially in software innovation and digital technology and oversight of implementation of major technology projects	3 out of 4

Principal Activities

The principal activities of the group during the year were to develop and sell SenDISA platform-based products and services for use in cities in North America, Asia and Australia.

Dividends – SenSen Networks Limited

No dividends have been declared in the 2024 financial year (2023: no dividend declared).

Operating and financial review

Information on the operations of the Group, its business strategies and prospects is set out in the Chairman's Letter on page 3.

DIRECTORS' REPORT

Operating Results

The Group's net loss after tax was $3,603,460 (2023: Loss of $7,409,184). This result has been achieved through a combination of revenue growth, growing margins through higher recurring revenue, and active cost management.

The loss for the year includes a non-cash share-based payment expense of $1,411,902 (2023: $207,749). Share-based payments were significantly higher in the current year due to FY24 share-based payments including a portion of both FY25 and FY26 incentives due to the three-year nature of the Company's long term incentive plan.

Financial position

The Group's net asset position was $6,412,152 (2023: $5,877,628). Equity raised via a non-renounceable entitlement offer during the period of $2,097,725 contributed to the increase.

Shares

The following shares were issued during the year:

No. of Shares	
Balance as of 1 July 2023	**679,232,349**
- Shares issued in deferred consideration for the acquisition of Scancam Industries Pty Ltd on 6 November 2023	17,036,806
- Shares issued to ESOP LTI on 1 December 2023	15,888,175
- Shares issued under non-renounceable entitlement offer on 27 December 2023	52,443,130
- Shares issued under SenSen Salary Sacrifice Scheme	11,191,976
- Shares issued to staff in place of remuneration	1,037,890
Balance as of 30 June 2023	**776,830,326**

Shares under option

As at 30 June 2024 no options were in place over SenSen shares. No options were exercised during the year.

Significant changes in the state of affairs

During the year the company exited the Gaming Industry as agreed as part of the settlement of a patent dispute with the Angel Group.

Events after the Reporting Period

No significant events took place after the reporting period that were outside of the ordinary course of business.

Likely developments and review of operations

While the company focuses on improving the company's financial performance, no significant developments outside the ordinary course of business are expected at this time.

Material Business Risks

SenSen Networks Limited is subject to risks, a number of which may have a material adverse effect on operating and financial performance. SenSen's Risk Management Policy can be found within the Audit and Risk Committee Charter on its website. It is not possible to identify every risk that could affect the business or shareholders and the actions taken to mitigate these risks cannot provide absolute assurance that a risk will not materialise or have a material adverse effect on business strategies, assets or future performance of SenSen. A non-exhaustive list (in no particular order) of material risks and relevant mitigation strategies implemented by the Company are set out below.

Risk	Description and potential impact	Strategies used to mitigate the risk
Regulatory	The Company operates within a constantly changing regulatory environment and is required to respond to any changes to privacy regulations or regulations around the use of artificial intelligence.	SenSen has developed variants of its product range which deliver the benefits of automation via alternate methods. Examples include handheld scanners and spot ticketing products which run in parallel to other products.
Cyber Security	A malicious data breach occurs which inhibits SenSen's ability to operate and/or results in the disclosure of confidential data.	SenSen continues to update its defence mechanisms, monitoring capability and maintains cyber and IT threat insurance cover.
People	The Company may lose key executives. The Company operates in a competitive environment in relation to attracting software development and technical personnel. The loss of key staff or the inability to attract personnel may adversely affect the Company's operations.	Identification of key people and the implementation of appropriate staff training as well as succession plans. The Company offers incentives and career development opportunities for key executives and senior management.
Product innovation and competitive advantage	Competitors may bring comparable products or technology to the market which may challenge SenSen's perceived advantage. Products and technologies developed by competitors may render the Company's product and platform obsolete or non-competitive.	The company continues to invest in development in areas where is has a competitive advantage, and to introduce new and innovative products.
Sustainability	The impact a business makes on the environment in which it operates is a key focus for all businesses. The impact of a company's actions can impact many facets of its operations.	The Company is constantly looking for ways to reduce its impact on the environment. This is done by focussing on the minimum resources required to run the company, be it floor space, equipment, server usage or other resources consumed.
Public perception impacts on customers	The general public is becoming increasingly vocal about personal privacy and the impacts of technology on day to day lives. The impact of a public relations issue may influence SenSen customers use of our products.	The Company continuously monitors news and industry information for any exposure to potential perception issues and is quick to address any performance issue that may provide the catalyst to a perception issue.

Environmental regulations

The Group is subject to environmental regulations in Australia and in foreign countries where it operates. To the best of the Directors' knowledge, all activities have been undertaken in compliance with these environmental regulations.

Directors' Meetings

The Company held nine Directors' meetings during the year and three Audit and Risk Committee meetings.
The attendances of the directors in office during the year at meetings of the Board and Committees were:

Director	Board of Directors		Audit and Risk Committee	
	Number Eligible to attend	**Number Attended**	**Number Eligible to attend**	**Number Attended**
Mark Brayan	1	1	0	0
Subhash Challa	6	6	3	3
David Smith	6	6	3	3
Zenon Pasieczny	6	6	3	3

DIRECTORS' REPORT

Remuneration Report (Audited)

The Directors are pleased to present the Company's 2024 remuneration report which sets out remuneration information for the Company's executive directors, non-executive directors and other key management personnel.

(a) Details of Directors and Key Management Personnel during the year ended 30 June 2024

Mr Mark Brayan, Non-Executive Chairman (appointed 1 May 2024)
Mr Subhash Challa, CEO and Managing Director
Mr Zenon Pasieczny, Non-Executive Director
Mr David Smith, Non-Executive Director
Mr Christian Stevens, Chief Financial Officer & Company Secretary

The above Key Management Personnel (KMP) are the KMP of the Company, there are no other KMP in the Group.

(b) Remuneration governance

The Company does not have a remuneration committee, with remuneration decisions made by the Board on:

- The over-arching executive remuneration framework
- Operation of the incentive plans which apply to the executive team including key performance indicators and performance hurdles
- Remuneration levels of executive directors and the key management personnel, and
- Non-executive director fees

The objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

(c) Executive remuneration policy and framework

Remuneration levels are competitively set to attract the most qualified and experienced directors and executives.

The remuneration structures outlined below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creating shareholder value.

The Board ensures that executive reward satisfies the following criteria for good reward corporate governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation;
- transparency; and
- capital management.

The executive remuneration framework has two components

- base pay and benefits, including superannuation; and
- long-term incentives (LTIs) through participation in the SenSen Long Term Incentive Plan ("the Plan").

Remuneration Report (Audited) (cont'd)

The payment of LTIs is conditional on the achievement of set performance criteria as outlined in detail later in the Remuneration Report.

(d) Long-term incentives (LTIs)

SenSen's Long-Term Incentive Plan ("The Plan") was approved by shareholders at the 2023 Annual General Meeting (GM) on 28 November 2023. The Plan is designed to provide long-term incentives for employees including directors, to deliver long-term shareholder returns. Under the Plan, participants are granted LTI shares and options which only vest if certain performance standards are met. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the Plan or to receive any guaranteed benefits.

(e) Non-executive Director remuneration

Non-executive Directors receive director's fees plus superannuation contributions to a complying fund.

Fees are reviewed annually by the Board taking into account comparable roles and market data. These fees are subject to the annual limit outlined below.

(f) Shareholder approved Non-executive Directors' fees pool

The maximum annual aggregate non-executive directors' fee pool limit is $400,000 and was approved by shareholders at the 2017 annual general meeting held on 30 November 2017.

(g) Voting and comments made at the company's 2023 Annual General Meeting

SenSen Networks Limited received less than the required 50% of votes to pass its remuneration report at the company's Annual General Meeting held on 28 November 2023. This is a first strike for the company in relation to its remuneration report and was seen as a reflection of the company's share price and performance during the year. Subsequent to the AGM, the company undertook sweeping changes including significant cost cutting and restructure and the appointment of an independent non-executive chairman.

(h) Group's performance and link to remuneration

In considering the consequences of the Company's performance on shareholder wealth the Board is focused on total shareholder returns. The Company's Long-Term Incentive Plan is heavily performance based and the vesting of Key Management Personnel and staff options is dependent on the company meeting specific revenue targets.

The factors that are considered to affect shareholder return in the past 5 years are summarised below:

Measures	2024 $	2023 $	2022 $	2021 $	2020 $
Share price at end of financial year	0.022	0.050	0.073	0.150	0.070
Market capitalisation at end of financial year ($M)	$17.1	$34.0	$47.5	$74.5	$31.3
Net Profit/(loss) for the financial year	(3,603,460)	(7,409,184)	(12,075,161)	(3,021,747)	(3,705,235)
Director and Key Management Personnel remuneration	1,478,714	1,243,310	2,562,297	1,167,619	1,182,298

Remuneration Report (Audited) (cont'd)

(i) Details of Remuneration

2024	Short-term Employee Benefits		Post-Employment Benefit	Long-term	Share-based payments		Total	Performance related %
Name	**Salary and Fees**	**Bonus**	**Super**	**Long Service Leave**	**Share Rights**	**Salary sacrifice shares**		
	$	**$**	**$**	**$**	**$**	**$**	**$**	
Directors								
S Challa	290,909	-	40,000	-	110,545	80,000	521,454	21.1%
D Smith[1]	446,248[2]	-	38,916	32,108	61,307	44,367	622,946	9.8%
Z Pasieczny	57,600	-	6,336	-	-	-	63,936	-
M Brayan[3]	15,000	-	1,650	-	-	-	16,650	-
Other key management personnel								
C Stevens (CFO)	149,539	-	20,562	-	42,504	41,123	253,728	16.8%
	959,296	**-**	**107,464**	**32,108**	**214,356**	**165,490**	**1,478,714**	**14.5%**

[1] D Smith's role of Chief Operating Officer was made redundant effective 29 February 2024. From 1 March 2024 he assumed the role of Non-executive director.

[2] Includes termination payments of $215,240

[3] M Brayan was appointed on 1 May 2024. The remuneration shown here is for the period from 1 May 2024 to 30 June 2024.

2023	Short-term Employee Benefits		Post-Employment Benefit	Long-term	Share-based payments		Total	Performance related %
Name	**Salary and Fees**	**Bonus**	**Super**	**Long Service Leave**	**Share Rights**	**Salary sacrifice shares**		
	$	**$**	**$**	**$**	**$**	**$**	**$**	
Directors								
S Challa	351,515	-	38,182	4,206	34,071	13,807	441,781	7.7%
D Smith	292,417	-	28,875	-	28,343	11,486	361,121	7.8%
Z Pasieczny	57,600	-	6,048	-	-	-	63,648	-
H Scheibenstock[1]	123,380	-	11,550	-	-	-	134,930	-
Other key management personnel								
C Stevens (CFO)[2]	143,339	-	15,667	-	7,040	6,550	172,596	4.1%
J Cook (former CFO)[3]	64,771	-	4,463	-	-	-	69,234	-
	1,033,022	**-**	**104,785**	**4,206**	**69,454**	**31,843**	**1,243,310**	**5.6%**

[1] H Scheibenstock resigned on 31 December 2022. The remuneration shown here is for the period from 1 July 2022 to the date of resignation.

[2] C Stevens was appointed on 12 September 2022. The remuneration shown here is for the period from appointment to 30 June 2023.

[3] J Cook resigned on 12 September 2022. The remuneration shown here is for the period from 1 July 2022 to the date of resignation.

Remuneration Report (Audited) (cont'd)

(j) Details of share-based payments

The share rights in the above table were issued as part of compensation to key management personnel during the year ended 30 June 2023 and 30 June 2024. No options over ordinary shares were issued as part of compensation to key management personnel during the years ended 30 June 2023 or 30 June 2024.

Salary Sacrifice Share 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 SenSen shares. In addition to the 20%, employees entering into the plan also received an additional 2% of their monthly salary as shares. 5,006,496 shares were issued to key management personnel under this plan in the year ended 30 June 2024.

The plan commenced on 1 May 2023 and ended on 30 June 2024. As at 30 June 2024, $165,490 (FY23: $31,843) has been recognised as a share based payment to key management personnel under this scheme.

Share Rights

A new long-term incentive (LTI) scheme was approved at the company's annual general meeting on 28 November 2023.

The number of shares to be issued will be calculated as follows:

- An agreed percentage of eligible employee's annual salary;
- Number of shares to be issued based on the 5 day Volume Weighted Average Price (VWAP) prior to the Company's Financial Year results announcement.
- A combination of an eligible employee's length of service and the Company meeting internal measure targets in the most recent Financial Year. Internal measure targets include:
    - Continual service period;
    - Revenue hurdles; and
    - 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 rights to shares vest annually if the following three targets are achieved by SenSen employees:

Grants		Target measures			
Financial Year	**Grant dates [1]**	**Service**	**Revenue Target**	**Revenue/EBITDA Stretch**	**EBITDA excl. SBP**
2023/2024	Various	50%	40%	20% of target	10%
2024/2025	Various	50%	40%	20% of target	10%
2025/2026	Various	50%	40%	20% of target	10%

[1] For the different relevant employees

The actual number of shares to be issued to each employee is based on the above fixed percentages of their salary at grant date. A summary of the value expensed, and the number of shares issued is detailed below.

Share rights to these three grants vest annually once the Company issues its Annual Report on or around 29 August. This report will provide revenue and EBITDA (excluding share based payments) results that will be used to determine whether individual tranches vest. The following tables outline the individual annual hurdles/targets required in order for annual share rights to be awarded and vest:

Remuneration Report (Audited) (cont'd)

Annual Hurdles/Targets

Service Target

Service	Percentage of Rights Vesting
Less than 12 months	Nil
Threshold: 1 year – 3 years	75%
Target: 3 years +	100%

The service target is assessed each year at 30 June.

Revenue Target

- First vesting date Revenue 25% greater than FY2023 Revenue recorded in the 30 June 2024 Annual Report
- Second vesting date Revenue 25% greater than hurdle - revenue established at first vesting date (i.e. audited full year revenue for FY2025)
- Third vesting date Revenue 25% greater than hurdle Revenue established at second vesting date (i.e. audited full year revenue for FY2026)
- Continued service to vesting date

EBITDA excluding share-based payments Target

- First vesting date EBITDA excluding share-based payments 25% greater than FY2023 EBITDA excluding share based payments recorded in the 30 June 2023 Annual Report
- Second vesting date EBITDA excluding share-based payments 25% greater than hurdle EBITDA excluding share-based payments established at first vesting date (i.e. audited full year EBITDA excluding share-based payments for FY2025)
- Third vesting date EBITDA 25% greater than hurdle EBITDA excluding share-based payments established at second vesting date (i.e. audited full year EBITDA excluding share-based payments for FY2026)
- Continued service to vesting date

These share rights are issued for nil consideration based on a five-day VWAP of the Company's share price prior to the lodgment of the Annual Report is lodged based on the relevant percentage of the employee salary.

Share-based compensation
The terms and conditions of each grant of share rights affecting remuneration in the current or a future reporting period are as follows:

Name	Grant Date	Salary (as at 30 June 2024 excl Super)	Percentage eligible to be earnt each year	Potential value of LTI Shares each year [1]
S Challa	28/11/2023	$363,636	50%	$181,818
C Stevens (CFO)	20/12/2023	$220,000	40%	$88,000

[1] Excludes any further discretionary grants that may be awarded each year.

2024 Tranche Summary

		Tranche 1 - 2024						
Name	**Potential value of LTI Shares each year**	**Service**	**Revenue**	**EBITDA excl. SBP**	**EBITDA excl. SBP – Stretch**	**Discretionary Grant**	**Total**	**Number of Shares issued [1]**
		50%	**40%**	**20%**	**2%**	**N/A**		
S Challa	$181,818	$90,909	-	$18,182	$1,454	-	$110,545	-
D Smith[2]	$100,833	$50,417	-	$10,083	$807	-	$61,307	-
C Stevens (CFO)	$88,000	$33,000	-	$8,800	$704	-	$42,504	-

[1] Final number of shares to be issued will be determined based on a five-day VWAP of the Company's share price prior to the lodgment of the 30 June 2024 Annual Report. These shares will be issued in the 2025 financial year.
[2] David Smith is eligible for LTI on a prorated basis up to 29 February 2024 when he ceased to be an executive.

In respect of the service element above for 2024 S Challa and D Smith have served greater than 3 years and were entitled to the full 'Service Target' grant. C Stevens had served between 1 – 3 years and was entitled to 75% of the 'Service Target'.

For 2024 the EBITDA excluding share-based payments and EBITDA excluding share-based payments stretch target targets were met and Revenue target was not met as shown below:

Target Measure	Target $	Actual Result	Target met? [1]
Revenue	$13,495,654	$12,144,460	No
EBITDA excl. SBP	($3,923,089)	($259,676)	Yes
EBITDA Stretch	($3,400,011)	($259,676)	Yes

[1] Represents current expectations for each target.

2025 Tranche Summary

		Tranche 2 - 2025						
Name	**Potential value of LTI Shares each year**	**Service**	**Revenue**	**EBITDA excl. SBP**	**Revenue – Stretch**	**Discretionary Grant**	**Total**	**Shares issued [1]**
		50%	**40%**	**10%**	**8%**	**N/A**		
S Challa	$181,818	$90,909	$72,727	$18,182	-	-	$181,818	-
C Stevens (CFO)	$88,000	$33,000	$35,200	$8,800	-	-	$77,000	-

[1] Final number of shares to be issued was determined based on a five-day VWAP of the Company's share price prior to the lodgment of the 30 June 2025 Annual Report. The shares for the 2025 tranche will be issued during the 2026 financial year

In respect of the service element above for 2025 S Challa will have served greater than 3 years and is entitled to the full 'Service Target' grant. C Stevens will had served between 1 – 3 years and was entitled to 75% of the 'Service Target'.

For 2025 the Revenue and EBITDA excluding share-based payments are expected to be met and the Revenue stretch target is not expected to be met as shown below:

Target Measure	Target $	Actual Result	Target met? [1]
Revenue	$15,371,973	N/A	Yes
EBITDA excl. SBP	($67,034)	N/A	Yes
Revenue Stretch	16,601,730	N/A	No

[1] Represents current expectations for each target.

Remuneration Report (Audited) (cont'd)

2026 Tranche Summary

Name	Potential value of LTI Shares each year	Tranche 3 - 2026						
		Service	Revenue	EBITDA excl. SBP	Revenue – Stretch	Discretionary Grant	Total	Shares issued [1]
		50%	40%	10%	8%	N/A		
S Challa	$181,818	$90,909	$72,727	$18,182	-	-	$181,818	-
C Stevens (CFO)	$88,000	$44,000	$35,200	$8,800	-	-	$88,000	-

[1] Final number of shares to be issued will be determined based on a five-day VWAP of the Company's share price prior to the lodgment of the 30 June 2026 Annual Report. These shares will be issued in the 2027 financial year.

In respect of the service element above for 2026 S Challa and C Stevens will have served greater than 3 years and were entitled to the full 'Service Target' grant.

For 2023 the EBITDA target was met, however the Revenue and Revenue Stretch targets were not achieved as shown below:

Target Measure	Target $	Actual Result	Target met? [1]
Revenue	FY25 actual plus 25%	N/A	Yes
EBITDA	FY25 actual plus 25%	N/A	Yes
Revenue Stretch	FY25 actual plus 35%	N/A	No

[1] Represents current expectations for each target.

Summary of Total LTI Remuneration

Name	Grant Date	Total 30 June 2024 LTI Remuneration	LTI Expense recognised in this period [1]
S Challa	28/11/2023	$110,545	$219,310
D Smith	28/11/2023	$61,307	$61,307
C Stevens (CFO)	20/12/2023	$42,504	$87,537

[1] Includes portion of expense recognised in FY24 relating to FY25 and FY26 financial year performance.

(k) Key Management Personnel Shareholdings

(i) Performance right holdings of key management personnel in SenSen Networks Limited

2024	Balance at 1 July 2023	Granted as remuneration	Rights forfeited or lapsed	Balance as at 30 June 2024	Total Vested	Total Non-vested
S Challa	-	9	-	9	-	-
D Smith	-	9	-	9	-	-

2023	Balance at 1 July 2022	Granted as remuneration	Rights forfeited or lapsed	Balance as at 30 June 2023	Total Vested	Total Non-vested
S Challa	-	-	-	-	-	-
D Smith	-	-	-	-	-	-

During the year, performance rights were issued to Executive Directors. David Smith's rights relating to future years will be forfeited as a result of him ceasing to be an Executive on 29 February 2024.

Remuneration Report (Audited) (cont'd)

(ii) Shareholdings of key management personnel in SenSen Networks Limited

2024	Balance at 1 July 2023	Shares issued as remuneration [1]	Shares issued under salary sacrifice scheme [2]	Other changes during the year [4]	Balance held at 30 June 2024
Directors					
S Challa	88,523,186	2,263,299	2,470,467	7,057,462	100,314,414
D Smith	16,228,700	1,882,780	1,350,055	1,248,369	20,709,904
Z Pasieczny	47,126,259	-	-	3,625,098	50,751,357
M Brayan	-	-	-	5,923,777[3]	5,923,777
Other KMP					
C Stevens (CFO)	69,391	146,058	1,185,974	23,810	1,425,233
Total	**151,947,536**	**4,292,137**	**5,006,496**	**17,878,516**	**179,124,685**

[1] Includes shares issued in the 2024 financial year related to a grant that was expensed in 2023.
[2] Includes shares issued under the Company's salary sacrifice share plan during FY24.
[3] M Brayan purchased shares on-market shortly after becoming a Director as announced to the ASX.
[4] Includes shares purchased as part of the non-renounceable entitlement offer on 27 December 2024, and any shares purchased on market during the year.

2023	Balance at 1 July 2022	Shares issued as remuneration [1]	Shares issued on exercise of options	Other changes during the year	Balance held at 30 June 2023
Directors					
S Challa	86,148,062	2,375,124	-	-	88,523,186
D Smith	13,852,894	1,975,806	-	400,000[4]	16,228,700
Z Pasieczny	47,126,259	-	-	-	47,126,259
H Scheibenstock	1,188,485	1,293,255	-	(2,481,740)[3]	-
Other KMP					
C Stevens (CFO)	-	69,391[2]	-		69,391
J Cook (CFO)	2,341,667	1,128,299	-	(3,469,966)[3]	-
Total	**150,657,367**	**6,841,875**	**-**	**(5,551,706)**	**151,947,536**

[1] Includes shares issued in the 2023 financial year related to a grant that was expensed in 2022.
[2] 69,391 shares provided as remuneration to C Stevens under the Company's salary sacrifice share plan.
[3] Shareholding at date of ceasing to be KMP.
[4] 400,000 shares acquired by D Smith via on market purchases.

None of the shares above are held nominally by the directors or any of the other key management personnel.

(l) Loans from key management personnel

Details of loans made with key management personnel during the year ended 30 June 2024 are as follows:

During the period Subhash Challa maintained a loan arrangement with the company, accruing interest at the rate of 7.47% per annum. Drawdowns totaling $460,772, and repayments of $575,124 were made in the period, along with interest paid of $46,806. The loan balance at 30 June 2024 was $385,648 (FY23: $508,380).

Directors David Smith and Zenon Pasieczny each loaned the company $50,000 on 20 September 2023. The loans were repaid on 21 November 2023 along with $628 interest each, calculated at a rate of 7.47% p.a..

Remuneration Report (Audited) (cont'd)

(m) Other transactions with key management personnel

There were no other transactions with key management personnel of the group, including their close family members and entities related to them, during the financial year ended 30 June 2024 or 30 June 2023.

(n) Service Agreements with key management personnel

The Company's policy is to enter into service contracts with executive directors and senior executives on appointment that are unlimited in term but capable of termination on specified notice periods; and that the Company has the right to terminate the contract immediately by making payment equal to the specified notice period as pay in lieu of notice other than for misconduct when termination is immediate. The executive directors and senior executives are also entitled to receive on termination of employment their statutory entitlements of accrued annual leave and long service leave.

The service contract outlines the components of remuneration paid to the executive directors and key management personnel but does not prescribe how remuneration levels are modified year to year.

Details of contracts with the current Directors and KMP of the Group that received remuneration during the 2024 financial year are set out below:

Director / KMP	Terms of Agreement	Base salary including superannuation	Termination benefit	Notice period
S Challa	Ongoing	$403,636	6 Months	6 Months
D Smith	Ongoing	$63,936	Not Applicable	Not Applicable
Z Pasieczny	Ongoing	$63,936	Not Applicable	Not Applicable
C Stevens	Ongoing	$244,200	1 Month	1 Month
M Brayan	Ongoing	$99,900	Not Applicable	Not Applicable

End of Remuneration Report (Audited)

SenSen Corporate Governance Summary

SenSen is committed to ensuring that its corporate governance framework, policies and practices are of a high standard. Delivering on this commitment involves SenSen having a solid understanding of current governance requirements and practices, as well as being familiar with emerging governance trends and ever-changing stakeholder expectations.

Throughout FY24, SenSen Network's corporate governance procedures were consistent with the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council (ASX Principles), and detailed explanations where it didn't meet the recommendations.

SenSen's 2024 Corporate Governance Statement is available at sensen.ai/CorporateGovernance.

SenSen's 2024 Corporate Governance Statement outlines SenSen's arrangements in relation to its Board, Board Committees, Executive Team, risk management framework and financial reporting, diversity, corporate governance policies and shareholder engagement.

Auditor's Independence Declaration

The directors received the Independence Declaration from the lead auditor of SenSen Networks Limited which is appended to this report on page 25.

Non-Audit Services

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

Other non-assurance services	$
Tax compliance services - BDO Audit Pty Ltd	36,289
	36,289

No additional non-assurance services were provided by the current company auditor, Hall Chadwick.

Details of the amounts paid or payable to the Company's auditor and related practices of the auditor for non-audit services provided during the year are set out above. The Board has considered the position and in accordance with advice received from the Audit & Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence of auditors imposed by the Corporations Act.

Indemnifying and Insurance of Directors and Officers

During or since the end of the previous financial year, the Company has given an indemnity or entered into an agreement to indemnity, or paid or agreed to pay insurance premiums as follows:
The Company has paid premiums to insure all of the Directors and key management personnel of the Company as named above, the Company Secretary, and all executive officers of the Company against any liability incurred as such by Directors, the Secretary or Executive Officers to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnification has been obtained for the auditors of the Company or the Group.

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 any 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*.

This report has been signed in accordance with a resolution of the directors.

Mr Mark Brayan, Chairman
Date: 29 August 2024

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 audit of the financial report of SenSen Networks Ltd for the year ended 30 June 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

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

DREW TOWNSEND
Partner
Dated: 29 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

	Note	Consolidated 2024 $	2023 $
Revenue from customer contracts			
Revenue from contracts with customers	3	12,144,460	10,796,523
Cost of sales and providing services		(3,367,453)	(3,313,999)
Gross Profit		8,777,007	7,482,524
Other income	3	2,595,958	2,528,661
Interest income	3	17,277	7,455
Expenses			
Administration expense	4	(1,395,590)	(1,302,399)
Advertising & marketing		(562,997)	(501,113)
Other expenses	4	(2,208,079)	(3,420,530)
Finance cost	4	(450,784)	(470,333)
Occupancy cost		(198,848)	(256,417)
Staff costs	4	(6,066,987)	(7,993,865)
Technology costs		(1,371,983)	(1,627,243)
Depreciation & Amortisation	4	(1,438,457)	(1,474,651)
Share based payments	28	(1,411,902)	(207,749)
Fair value gain or loss		154,566	(147,859)
Loss before income tax		**(3,560,819)**	**(7,383,519)**
Income tax (expense)/benefit	5	(42,641)	(25,665)
Loss for the period		**(3,603,460)**	**(7,409,184)**
Loss attributable to members of the parent entity		(3,603,460)	(7,409,184)
		(3,603,460)	**(7,409,184)**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(17,651)	138,672
Other comprehensive income		**(17,651)**	**138,672**
Total comprehensive income for the year		**(3,621,111)**	**(7,270,512)**
Loss per share:			
Basic and diluted loss per share (cents)	6	**(0.49)**	**(1.11)**

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

Consolidated Statement of Financial Position as at 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	1,571,130	1,897,681
Trade and other receivables	10	1,030,269	1,467,415
Contract assets	11	173,063	424,229
Inventory	13	120,317	485,731
Other assets	12	2,453,678	3,011,208
Total Current Assets		**5,348,457**	**7,286,264**
Non-Current Assets			
Intangibles	15	730,257	1,689,804
Goodwill	15	5,632,016	5,632,016
Right of use asset	16	682,101	1,295,479
Other assets		-	38,720
Property, plant and equipment	14	231,387	396,071
Total Non-Current Assets		**7,275,761**	**9,052,090**
TOTAL ASSETS		**12,624,218**	**16,338,354**
LIABILITIES			
Current Liabilities			
Trade and other payables	17	1,995,340	3,217,654
Contract liabilities	20	399,888	1,103,746
Contingent consideration liability	19	-	887,154
Employee benefits	18	707,625	665,601
Lease liabilities	16	327,778	286,880
Borrowings	21	2,271,806	3,101,458
Total Current Liabilities		**5,702,437**	**9,262,493**
Non-Current Liabilities			
Employee benefits	18	67,008	107,446
Lease liabilities	16	442,621	1,090,787
Total Non-Current Liabilities		**509,629**	**1,198,233**
TOTAL LIABILITIES		**6,212,066**	**10,460,726**
NET ASSETS		**6,412,152**	**5,877,628**
EQUITY			
Issued capital	22	63,887,639	59,906,517
Reserves	23	4,554,028	4,397,166
Accumulated losses		(62,029,515)	(58,426,055)
TOTAL EQUITY		**6,412,152**	**5,877,628**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Consolidated Statement of Changes in Equity
For the year ended 30 June 2024

Consolidated	Issued Capital $	Accumulated Losses $	Reserves $	Total Equity $
Balance at 1 July 2022	**57,856,852**	**(51,016,871)**	**5,477,140**	**12,317,121**
Loss for the period	-	(7,409,184)	-	(7,409,184)
Other comprehensive income for the period	-	-	138,672	138,672
Total comprehensive income for the period	**-**	**(7,409,184)**	**138,672**	**(7,270,512)**
Transactions with owners in their capacity as owners				
Shares issued during the year (see note 22)	623,270	-	-	623,270
Share Based Payments (see note 22 and 23)	-	-	207,749	207,749
Transfer from reserves (note 22 and 23)	1,426,395	-	(1,426,395)	-
Total transactions with owners for the period	**2,049,665**	**-**	**(1,218,646)**	**831,019**
Balance at 30 June 2023	**59,906,517**	**(58,426,055)**	**4,397,166**	**5,877,628**
Balance at 1 July 2023	**59,906,517**	**(58,426,055)**	**4,397,166**	**5,877,628**
Loss for the period	-	(3,603,460)	-	(3,603,460)
Other comprehensive income for the period	-	-	(17,651)	(17,651)
Total comprehensive income for the period	**-**	**(3,603,460)**	**(17,651)**	**(3,621,111)**
Transactions with owners in their capacity as owners				
Shares issued during the year (see note 22)	2,743,733	-	-	2,743,733
Share Based Payments (note 22 and 23)	50,861	-	1,361,041	1,411,902
Transfer from reserves (note 22 and 23)	1,186,528	-	(1,186,528)	-
Total transactions with owners for the period	**3,981,122**	**-**	**174,513**	**4,155,635**
Balance at 30 June 2024	**63,887,639**	**(62,029,515)**	**4,554,028**	**6,412,152**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from customers		12,381,965	11,198,917
Payments to suppliers and employees		(15,552,049)	(17,835,452)
Interest received		17,277	7,455
Interest paid		(494,685)	(342,617)
Government grants received		2,374,813	2,187,484
Income tax paid		-	-
Net cash used in operating activities	**9(a)**	**(1,272,679)**	**(4,784,213)**
Cash flows from investing activities			
Purchase of plant and equipment		(8,502)	(151,016)
Deposits		56,550	(40,824)
Net cash used in investing activities		**48,048**	**(191,840)**
Cash flows from financing activities			
Proceeds from issue of shares	22	2,097,725	-
Transaction costs related to issue of shares	22	(86,580)	-
Repayment of lease liabilities	9(b)	(282,654)	(249,011)
Proceeds from borrowings	9(b)	3,262,320	2,722,119
Repayment of borrowings	9(b)	(4,092,731)	(1,813,234)
Net cash provided by financing activities		**898,080**	**659,874**
Net increase in cash and cash equivalents		(326,551)	(4,316,179)
Cash and cash equivalents at beginning of the financial year		1,897,681	6,213,860
Cash and cash equivalents at end of financial year	8	**1,571,130**	**1,897,681**

The above Consolidated Statement of Cashflows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Consolidated Financial Statements
FOR THE YEAR ENDED 30 JUNE 2024

1. MATERIAL ACCOUNTING POLICIES

The financial report includes the financial statements and notes of SenSen Networks Limited, a listed public company incorporated and domiciled in Australia.

The separate financial statements of the parent entity, SenSen Networks Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 29 August 2024 by the directors of the company.

(a) Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The consolidated entity is a for-profit entity for the purpose of preparing the financial statements. For the year ended 30 June 2024 amounts contained in this report and in the financial report have been rounded to the nearest dollar.

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

Parent entity information
In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Changes to presentation – classification of expenses
SenSen Networks Limited decided in the current financial period to change the classification of its expenses in the consolidated statement of profit or loss and other comprehensive income, as it is believed this will provide more relevant information to our stakeholders, and is more in line with common practice in the industry SenSen Networks Limited is operating in. The comparative information has been reclassified accordingly.

Significant Accounting Policies

(b) Going concern basis

The consolidated financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. As disclosed in the consolidated financial statements, the group has net operating cash outflows during the year ended 30 June 2024 of $1,272,679 (30 June 2023 of $4,784,213) and as at 30 June 2024 has a net asset position of $6,412,152 (30 June 2023: $5,877,628) and net current assets of ($353,980). The Group also generated a loss after tax for the year ended 30 June 2024 of $3,603,460 (30 June 2023: $7,409,184).

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 reductions in operating cost expectations;
- The ability of the Group to draw down on its unused loan facilities;
- The ability to continue to benefit from the Australian government Research and Development grant in the near term; and
- The ability of the Group to raise sufficient capital as and when necessary. Refer to Note 22 for capital raises completed.

These conditions give rise to material uncertainty, which may cast significant doubt over the Groups ability to continue as a going concern.

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 directors believe that the Group has the ability to scale back expenditure as and when required to preserve cash if needed; and
- The Group has demonstrated the ability to raise capital when required.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

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.

(c) Revenue Recognition

AASB 15 applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Group is in business of developing and selling SenDISA platform-based products and services to government and retail customers globally.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

AASB 15 Revenue from Contracts with Customers

Sale of Hardware, Software Licence and Customised Installation
In relation to the sale of Hardware and Software Licences, the Group concludes that these sales are highly interrelated and interdependent with the installation therefore not capable of being distinct. The performance obligation in relation to sales is satisfied when the installation is complete. The licences granted to customers provide a right for them to access the software.

Further, the Group sells the software licences in some cases bundled with a maintenance period. After the initial period of maintenance, the customer has the option to sign-up for additional periods of maintenance.
The maintenance is distinct on its own. The software remains functional after installation without updates, support and software maintenance and therefore is not integrated with the other goods or services. Further, the customer can continue to utilise the software without the maintenance (the customer can still retain continued functionality of the software for a reasonable period of time after installation). Thus, the Group concludes that the customer can benefit from the maintenance on its own and the criterion in paragraph 27(a) of AASB 15 is met. In addition, the maintenance is distinct within the context of the contract and the criterion in paragraph 27(b) of AASB 15 is met. Maintenance is recognised over the period the services are provided. Revenue is measured on a straight-line basis, which best depicts the Group's performance.

Service contracts

Identifying performance obligations
Service contracts generally include a number of key deliverables. The Group observed that these key deliverables are considered tasks and not distinct on their own. That is, the customer cannot benefit from the good or service either on its own or together with other resources that are readily available to the customer. Therefore, the criterion in paragraph 27(a) of AASB 15 is not met. Further, the tasks are considered inputs to produce the combined output (i.e. software development of customer's new/existing software) specified in the contract (paragraph 29(a) of AASB 15). Therefore, the criterion in paragraph 27(b) of AASB 15 (on the basis of the factors in paragraph 29 of AASB 15) is not met.

The Group concludes that there is one performance obligation which is the service contracts. Revenue on service contracts is measured on a straight-line basis, which best depicts the Group's performance.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Customer contracts with multiple performance obligations
Where a customer enters into a contract for multiple performance obligations, these are accounted for based on the relative stand-alone selling price for the individual obligation. Contracts for software licences that feature integrated business solution applications, may include additional charges for professional services. Revenues of this nature are considered distinct and are individually accounted for as separate performance obligation. Fees are based on standard hourly rates and have been allocated according to their respective stand-alone selling price.

Customer contracts for transaction services are also treated as a separate performance obligation as business transactions are processed on behalf of the customer for a determined fee.
In all cases, the total transaction price for a customer contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

Cost of obtaining a customer contract
AASB 15 requires that incremental costs associated with acquiring a customer contract, such as sales commissions, are recognised as an asset and amortised over a period that corresponds with the period of benefit.

Unsatisfied performance obligations
The Group continues to recognise its 'contract liabilities' under AASB 15 in respect of any unsatisfied performance obligations. These liabilities are disclosed as in the consolidated statement of financial position.

Financing components
The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Standard payment terms
Standard payment terms on customer invoices is disclosed in note 1 (i) below.

(d) Changes in Accounting Policies

New accounting standards
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2023. The Consolidated Entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, being the most relevant to the Consolidated Entity, are set out below.

AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current

These changes are applicable from annual periods beginning on or after 1 January 2023. There are four main changes to classification requirements.

(1) The requirement for an unconditional right has been deleted because covenants in banking agreements would rarely result in unconditional rights.
(2) The right to defer settlement must exist at the end of the reporting period. If the right to defer settlement is dependent upon the entity complying with specified conditions (covenants), the right to defer only exists at reporting date if the entity complies with those conditions at reporting date.
(3) Classification is based on the right to defer settlement, and not the intention.
(4) If a liability could be settled by an entity transferring its own equity instruments prior to maturity (e.g. a convertible bond), classification is determined without considering the possibility of earlier settlement by conversion to equity, but only if the conversion feature is classified as equity.

The entity has adopted the requirements of the standard and assessed the impact of the change in standard in the preparation of the 30 June 2024 financial statements and has determined there to be no material impact on the current or prior periods.

AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates

These amendments introduce a definition of 'accounting estimate', i.e. monetary amounts in financial statements that are subject to estimation uncertainty, such as estimating expected credit losses for receivables. Accounting estimates are developed using measurement techniques and inputs. The amendments clarify that a change in an estimate occurs when there is either a change in a measurement technique or a change in an input. The amendments also indicate that only material accounting policy information must be disclosed in the financial statements.

1. **MATERIAL ACCOUNTING POLICIES (CONTINUED)**

The entity has adopted the requirements of the standard in the preparation of the 30 June 2024 financial statements and has determined there to be no material impact on the current or prior periods.

New standards and interpretations not yet adopted
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods. The Consolidated Group has decided against early adoption of these standards. The Consolidated Group has assessed the impact of these new standards and interpretations and does not expect that there would be a material impact on the Consolidated Group in the current or future reporting periods and on foreseeable future transactions.

(e) Business combinations and asset acquisitions

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued, or liabilities incurred or assumed at the date of exchange. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

All identifiable assets acquired, and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the statement of profit or loss and other comprehensive income, but only after a reassessment of the identification and measurement of the net assets acquired.

Acquisitions of entities that do not meet the definition of a business contained in AASB 3 Business Combinations (IFRS 3) are not accounted for as business combinations. In such cases the Group identifies and recognises the individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in AASB 138 Intangible Assets (IAS 38) and liabilities assumed. The cost of the group of net assets is then allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

Except for business combinations, no deferred income tax is recognized from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled, and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

(f) Income tax

The income tax for expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).
Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authorities.
Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a 'legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

SenSen Networks Limited and its fully owned Australian subsidiary SenSen Networks Group Pty Limited have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

(g) Fair value of assets and liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position. For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(i) Trade and other receivables

Trade receivables and other receivables, both of which generally have 30-day terms, are non-interest bearing and are recognised and carried at amortised cost using the effective interest rate method, less allowance for credit losses. These receivables are classified as current assets unless not recoverable within 12 months after reporting period

(j) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The amounts are unsecured and are usually paid within 30 days from date of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using effective interest method.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).
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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

NOTES TO THE FINANCIAL STATEMENTS

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Property, plant and equipment

Property, plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of property, plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(n) for details of impairment).

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. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

Depreciation
The depreciable amount of all fixed assets is depreciated on either a diminishing value or a straight-line basis over the asset's useful life from the time the asset is ready for use. The depreciation rates used for each class of depreciable asset are:

Class of fixed asset	Depreciation rate per annum
Computer equipment	33 – 50%
Furniture and equipment	20 – 33%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An assets recoverable amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(m) Intangible assets

Goodwill
Goodwill is measured as per the Business Combination policy in note 1 (e). Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

Intellectual Property
Separately acquired intellectual property is shown at historical cost. Intellectual property acquired in a business combination is recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

The useful life applied to the recognised intellectual property is 4-7 years.

Acquired Intangible Assets
Acquired intangible assets, including brand names, technology and customer contracts are recorded at fair value at date of acquisition. These assets have a finite useful life and are subsequently carried at fair value less accumulated amortisation and impairment losses.

The useful lives applied to these assets are as follows:
Brand names – 3 years
Technology – 3 years
Customer contracts – 6 years

NOTES TO THE FINANCIAL STATEMENTS

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Sofware developed or acquire for sales and licensing
Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new areas of products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs and acquired software are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, which varies from three to five years.

(n) Impairment of non-financial assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(p) Employee benefits – short term obligations

Liabilities for wages and salaries, including non-monetary benefits and personal 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.

All other short-term employee benefit obligations are presented as payables.

Employee benefits – long term obligations

The Group also has liabilities for long service leave that is not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms that match the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Equity-settled compensation

The Group provides benefits to employees (including senior executives) and consultants of the Group in the form of share-based payments, whereby employees and consultants render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of rights over shares is determined using a binomial, or Black-Scholes model, further details of which are given in Note 30. The fair value of shares is determined by the market value of the Group's shares at grant date.

In valuing equity-settled transactions, any performance conditions are taken into account if relevant and assumptions around the likelihood of meeting these performance conditions are factored into the valuation model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired; and

(ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(r) Leases

The group leases office space and motor vehicles. Rental contracts are typically made for fixed periods of 3 to 8 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis, and range between one and three years. These assets are also subject to impairment, as per Note 1(n).

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down. The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months of less (with no extension options) and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

(s) Inventory

The Group's inventory consists of hardware and other finished goods, which are stated at the lower of cost and net realisable value. Cost comprises direct purchase price and is 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.

Financial instruments

The Group measures financial instruments under the requirements of AASB 9. AASB 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVPL). The classification of financial assets under AASB 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

Financial assets
Financial assets (trade and other receivables) and financial liabilities are classified at amortised cost, as they are held to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Impairment of financial assets
In determining the impairment of financial assets under AASB 9, an expected credit loss model is applied. To reflect changes in credit risk, this expected credit loss (ECL) model requires the group to account for expected credit loss since initial recognition. The Group applies the AASB 9 simplified approach to measuring expected credit losses which used lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, the trade receivables have been grouped based on shared credit risk characteristics and the number of days past due. The contract assets relate to unbilled work in progress and unbilled software and hardware sales and have substantially the same characteristics as the trade receivables for the same types of contracts. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, there was no material impairment loss identified.

(t) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(u) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(v) Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and accumulated losses are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(w) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the group will comply with all attached conditions.

Research and development tax incentive

The company is eligible for the Commonwealth Government research and development tax incentive. To be eligible the company must meet stringent guidelines on what represents both core and supporting activities of research and development. Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

(x) Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity where 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 acquisition method of accounting is used to account for business combinations by the Group (refer to note 1 (e)).

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

(y) Segment reporting

Refer to note 2 for the accounting policy and disclosures relating to the Group's operating segments.

(z) Contributed equity

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

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit/(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 financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share is calculated by dividing:

(i) 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.

1. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Significant estimates and judgements

(aa) In applying the Company's accounting policies, management continually evaluates judgements, estimates and assumptions based on historical experience and other factors, including expectations of future events that may have an impact on the Company. All judgments, 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. The more significant judgments, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

(i) Share-based payments (note 28)
The estimation of the likelihood of meeting performance conditions on Long Term Incentive Performance Options has been based on historical experience and management judgement. In addition, this estimate is assessed annually and considered in the context of actual Group performance.

(ii) Recognition of revenue (note 1 (c))
The Group recognises revenue from either individual or multiple element arrangements such as hosting and installation, an assessment is made as to whether these give rise to separate performance obligations which are accounted for using the methods outlined in Note 1 (c) for each individual element contained within the contract.

(iii) Impairment of goodwill and intangible assets (note 1 (n))
The Group is required to perform an annual impairment assessment of goodwill and *indefinite* life intangible assets, comparing the recoverable amount (i.e. the value-in-use) of the cash-generating unit to the carrying value of the cash-generating unit. Assumptions are applied in this assessment, including the forecast period growth of the cash-generating unit, the long term growth rate and the discount rate of the cash-generating unit.

(iv) *Research and development tax incentive*

The company is eligible for the Commonwealth Government research and development tax incentive. To be eligible the company must meet stringent guidelines on what represents both core and supporting activities of research and development. Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

2. SEGMENT REPORTING

Operating segments are identified on the basis of internal reports that are regularly reviewed by 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 as follows:
- North America (USA and Canada)
- Australia and New Zealand
- Asia (Singapore)

As SenSen has grown, an Indian based product and operations resource pool has been developed which provides software development, support and expertise for all of the company's products and its customers. This pool is responsible for developing SenSen's technology and product offering, as well as providing annotation to support artificial intelligence learning and customer support services. Due to being a support function for all regions, the pool resource costs are allocated across the regional segments.

Segment Results

	ANZ	North America	Asia	Consolidated	ANZ	North America	Asia	Consolidated
	$	$	$	$	$	$	$	$
	30-Jun-24				30-Jun-23			
Revenue	8,630,454	2,449,954	1,064,052	12,144,460	6,792,472	2,341,988	1,662,063	10,796,523
Cost of goods sold	(1,867,393)	(1,089,848)	(410,212)	(3,367,453)	(2,151,232)	(758,530)	(404,238)	(3,313,999)
Gross Margin	**6,763,061**	**1,360,106**	**653,840**	**8,777,007**	**4,641,240**	**1,583,458**	**1,257,825**	**7,482,524**
Gross Margin %	*78%*	*56%*	*61%*	*72%*	*68%*	*68%*	*76%*	*69%*
Other income	2,136,000	0	477,235	2,613,235	2,536,116	0	0	2,536,116
Regional Operating costs	(5,353,664)	(1,286,607)	(179,947)	(6,820,218)	(5,464,165)	(1,509,432)	(369,249)	(7,342,846)
India Shared services	(1,549,205)	(439,778)	(191,002)	(2,179,985)	(1,562,226)	(538,642)	(382,264)	(2,483,132)
Corporate Shared services	(4,228,974)	(1,200,492)	(521,392)	(5,950,858)	(4,766,442)	(1,643,430)	(1,166,310)	(7,576,181)
Segment result before tax	**(2,232,782)**	**(1,566,771)**	**238,734**	**(3,560,819)**	**(4,615,476)**	**(2,108,047)**	**(659,997)**	**(7,383,519)**
Income tax	(26,129)	(12,049)	(4,463)	(42,641)	(10,485)	(80)	(15,099)	(25,665)
Net loss	**(2,258,911)**	**(1,578,820)**	**234,271**	**(3,603,460)**	**(4,625,961)**	**(2,108,127)**	**(675,096)**	**(7,409,184)**

	ANZ	North America	Asia	Consolidated	ANZ	North America	Asia	Consolidated
	$	$	$	$	$	$	$	$
	30-Jun-24				30-Jun-23			
Segment Assets:								
Segment assets	9,700,874	1,985,133	938,211	12,624,218	13,332,380	1,701,100	1,304,874	16,338,354
Segment liabilities	(4,213,742)	(1,577,252)	(421,072)	(6,212,066)	(8,439,818)	(1,338,878)	(682,030)	(10,460,726)
Net Assets	**5,487,132**	**407,881**	**517,139**	**6,412,152**	**4,892,562**	**362,222**	**622,844**	**5,877,628**

3. REVENUE AND OTHER INCOME

	Consolidated 2024 $	Consolidated 2023 $
Revenue from contracts with customers		
Revenue recognised at a point in time	4,340,270	3,720,889
Revenue recognised over time	7,804,190	7,075,634
Total Revenue	**12,144,460**	**10,796,523**
Other Income		
Interest received	17,277	7,455
Research and Development Grant	2,261,168	2,528,661
Other	334,790	-
Total Other Income	**2,613,235**	**2,536,116**
Total revenue and other income	**14,757,695**	**13,332,639**

4. EXPENSES

	Note	Consolidated 2024 $	Consolidated 2023 $
Interest and fees paid on finance facilities and lease liabilities		450,784	470,333
Total Finance costs		**450,784**	**470,333**
Administration expense			
Insurance		570,909	407,741
Travel		390,467	570,626
Other administration expenses		434,214	324,032
Total Administration expense		**1,395,590**	**1,302,399**
Staff Costs			
Contributions to defined contribution superannuation funds	(a)	391,778	481,280
Wages & other staff expenses		5,675,209	7,512,585
Total Staff Costs		**6,066,987**	**7,993,865**

(a) Contributions to defined contribution plans are expensed when incurred.

	2024 $	2023 $
Other expenses		
Legal Fees	512,762	588,416
Patents and trademarks	174,165	537,264
Audit, bookkeeping and tax advice	442,469	530,288
Contractors	733,557	922,173
University partnership	-	100,000
Registry, investor relations & other listing costs	244,198	323,575
Restructuring costs	-	344,487
other	100,928	74,327
Total other expenses	**2,208,079**	**3,420,530**

	Note	Consolidated 2024 $	Consolidated 2023 $
Depreciation and Amortisation			
Depreciation	14	173,186	189,611
Amortisation of intangibles	15	959,547	959,548
Depreciation – Right of use asset	16	305,724	325,492
Total Depreciation and Amortisation		**1,438,457**	**1,474,651**

5. INCOME TAX

(a) Major components of income tax benefit (expense)

	Consolidated 2024 $	Consolidated 2023 $
Current tax expense		
Current tax expense	42,641	25,665
Deferred tax expense		
Relating to origination and reversal of temporary differences	-	-
Total income tax expense/(benefit)	42,641	25,665

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

	Consolidated 2024 $	Consolidated 2023 $
Loss from continuing operations before income tax expense	(3,560,819)	(7,383,519)
Tax at the Australian tax rate of 25.0% (2023: 25.0%)	(890,205)	(1,845,880)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible items	282,094	212,446
(Over)/Under provision for tax in the previous year	9,902	21,749
Accounting expenditure subject to R&D tax incentive	1,327,737	1,461,934
Other income not included in assessable income	(522,614)	(632,165)
Other	(73,493)	21,334
Deferred tax asset not recognised on temporary differences	(90,780)	786,247
Total Income tax expense/(benefit)	**42,641**	**25,665**

(c) Deferred Income Tax

Deferred income tax at 30 June relates to the following:

	Consolidated 2024 $	Consolidated 2023 $
Deferred Tax Assets		
Sundry creditors and accruals	21,844	29,069
Provisions	222,757	343,482
Borrowing expenses	-	-
Share issue costs	57,899	63,561
Section 40-880 Deduction	38,267	56,785
Depreciation	214,389	112,638
Other	61,786	140,289
Tax losses carried forward	3,195,599	3,275,938
Deferred tax asset not recognised	(3,663,342)	(3,716,749)
	149,199	**305,013**
Acquired intangibles	**(149,199)**	**(305,013)**
Net Deferred tax assets	**-**	**-**

5. INCOME TAX (CONTINUED)

The benefit of the deferred tax asset will only be obtained if:
(i) future assessable income of a nature and of an amount sufficient to enable the benefit to be realised is generated;
(ii) the conditions for deductibility imposed by tax legislation continue to be complied with; and
(iii) no changes in tax legislation adversely affect the Group in realising the benefit.

(d) Movements in deferred tax assets

		Charged/credited to			
Year ended June 2024	**1 July 2023**	**Profit or Loss**	**Directly to equity**	**Acquisition of subsidiary**	**30 June 2024**
Sundry creditors and accruals	29,070	(7,226)	-	-	21,844
Provisions	343,482	(120,725)	-	-	222,757
Borrowing expenses	-	-	-	-	-
Share issue costs	63,561	(27,307)	21,645	-	57,899
Section 40-880 Deduction	56,785	(18,518)	-	-	38,267
Depreciation	112,638	101,751	-	-	214,389
Other	140,288	(78,502)	-	-	61,786
Tax Losses Carried Forward	3,275,938	(80,339)	-	-	3,195,599
Deferred tax asset not recognised	(3,716,749)	75,052	(21,645)	-	(3,663,342)
Offset against deferred tax liability	(305,013)	155,814	-	-	(149,199)
	-	-	-	-	-

		Charged/credited to			
Year ended June 2023	**1 July 2022**	**Profit or Loss**	**Directly to equity**	**Acquisition of subsidiary**	**30 June 2023**
Sundry creditors and accruals	11,375	17,695	-	-	29,070
Provisions	192,309	151,173	-	-	343,482
Borrowing expenses	-	-	-	-	-
Share issue costs	86,540	-	(22,979)	-	63,561
Section 40-880 Deduction	76,059	(19,274)	-	-	56,785
Depreciation	60,859	51,779	-	-	112,638
Other	187,472	(47,184)	-	-	140,288
Tax Losses Carried Forward	2,608,596	667,342	-	-	3,275,938
Deferred tax asset not recognised	(2,918,197)	(821,530)	22,979	-	(3,716,749)
Offset against deferred tax liability	(305,013)	(1)	-	-	(305,013)
	-	-	-	-	-

(e) Movements in deferred tax liabilities

		Charged/credited to			
Year ended June 2024	**1 July 2023**	**Profit or Loss**	**Directly to equity**	**Acquisition of subsidiary**	**30 June 2024**
Intangibles	305,013	(155,814)	-	-	149,199
Offset against deferred tax asset	(305,013)	155,814	-	-	(149,199)
	-	-	-	-	-

(f) Franking credits

The Group does not hold franking credits as at 30 June 2024 or 30 June 2023.

6. EARNINGS/(LOSS) PER SHARE

	Consolidated	
	2024 Cents per Share	2023 Cents per Share
(a) Basic and diluted loss per share		
From continuing operations attributable to the ordinary equity holders of the company	(0.49)	(1.11)
Total basic loss per share attributable to the ordinary equity holders of the company	**(0.49)**	(1.11)
(b) Reconciliation of earnings used in calculating loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating basic and diluted loss per share	(3,603,460)	(7,409,184)

(c) Weighted average number of shares

	Consolidated	
	2024 No	2023 No
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	732,080,715	667,316,346

As at 30 June 2024, there are no (2023: nil) options outstanding.

7. AUDITOR'S REMUNERATION

During the year 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:

	Consolidated	
	2024 $	2023 $
Audit and review of the financial reports – BDO Audit Pty Ltd	292,393	298,143
Audit and review of the financial reports – Hall Chadwick NSW	90,000	-
Taxation compliance services	36,289	69,774
Other compliance services	-	58,000
Total remuneration	**418,682**	**425,917**

8. CASH AND CASH EQUIVALENTS

Cash at bank and in hand*	1,571,130	1,897,681
Reconciliation of cash		
Cash at the end of the financial year as shown in the consolidated statement of cash flows is reconciled to cash at the end of the financial year as follows:		
Cash at bank and on hand	1,656,878	1,897,681
Bank overdrafts	(85,748)	-
	1,571,130	1,897,681

* Includes a term deposit amounting to $675,000 (FY23: $775,000)

9. CASH FLOW INFORMATION

	Consolidated 2024 $	Consolidated 2023 $
(a) Reconciliation of profit/(loss) after income tax to net cash used in operating activities		
Net loss for the year	(3,603,460)	(7,409,184)
Non-cash flows in profit/(loss):		
Expenses		
Depreciation and amortisation expense	1,132,733	1,149,159
Right of use asset depreciation	305,724	325,492
Share based payment expense	1,411,902	207,749
Other non-cash	(188,418)	147,859
Changes in assets and liabilities net of the effects of acquisitions of subsidiaries		
(Increase)/decrease in trade and other receivables	437,146	(23,304)
(Increase)/decrease in contract assets	251,166	137,442
(Increase)/decrease in inventory	365,414	(253,941)
(Increase)/decrease other assets	539,700	(397,733)
Increase/(decrease) in trade, other payables and contract liabilities	(1,926,172)	727,555
Increase/(decrease) in provisions	1,586	604,693
Net cash used in operating activities	**(1,272,679)**	**(4,784,213)**

(b) Reconciliation of cash and non-cash movements in borrowings from financing activities

Year ended 30 June 2024	**Opening Balance**	**Cash flows**	**Non-cash Changes**	**Closing Balance**
Borrowings and Lease liabilities (i)	4,479,125	(1,113,065)	(323,855)	3,042,205
	4,479,125	**(1,113,065)**	**(323,855)**	**3,042,205**

Year ended 30 June 2023	**Opening Balance**	**Cash flows**	**Non-cash Changes**	**Closing Balance**
Borrowings and Lease liabilities (i)	2,322,628	659,874	1,496,623	4,479,125
	2,322,628	**659,874**	**1,496,623**	**4,479,125**

Non-cash changes above include reductions of leases due to lease termination in India.

Financing activities above includes:

(i) Includes cash payments of lease liabilities of $282,654 (FY23: $249,011) and net borrowings of ($830,411) (FY23: $908,885) comprising proceeds from borrowings of $3,262,320 and repayments of ($4,092,731).

Non-cash investing and financing activities disclosed in other notes are:

- Scancam deferred consideration payment via share issue – note 22

10. TRADE AND OTHER RECEIVABLES

	Consolidated 2024 $	Consolidated 2023 $
CURRENT		
Trade Receivables	1,146,664	1,723,810
Allowance for expected credit losses	(116,395)	(256,395)
	1,030,269	**1,467,415**

11. CONTRACT ASSETS

	Consolidated 2024 $	Consolidated 2023 $
Contract Assets		
Customer Contracts – In Progress	173,063	424,229
Allowance for expected credit loss	-	-
	173,063	**424,229**

12. OTHER ASSETS

	Consolidated 2024 $	Consolidated 2023 $
Other Current Assets		
R&D Incentive Receivable	2,261,167	2,538,784
Prepayments	5,569	327,725
Other assets	186,942	144,699
	2,453,678	**3,011,208**

13. INVENTORY

	Consolidated 2024 $	Consolidated 2023 $
Inventory		
Hardware – at cost	120,317	485,731
Raw Materials – at cost	-	-
Provision for inventory	-	-
	120,317	**485,731**

The amount of inventories recognised as an expense during the year ended 30 June 2024 was $3,024,359 (2023: $2,801,659).

14. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles $	Furniture & Equipment $	Computer Equipment $	Total $
30 June 2024				
Opening net book value at 1 July 2023	57,665	82,165	256,241	**396,071**
Net additions/disposals	6,916	(397)	1,983	**8,502**
Depreciation and amortisation	(22,799)	(37,770)	(112,617)	**(173,186)**
Balance at 30 June 2024	41,782	43,998	145,607	**231,387**
At 30 June 2024				
Cost	120,510	180,108	699,356	**999,974**
Accumulated depreciation	(78,728)	(136,110)	(553,749)	**(768,587)**
Net book balance	41,782	43,998	145,607	**231,387**

	Motor Vehicles $	Furniture & Equipment $	Computer Equipment $	Total $
30 June 2023				
Opening net book value at 1 July 2022	29,575	8,301	396,790	**434,666**
Net additions/disposals	48,932	134,923	(32,839)	**151,016**
Depreciation and amortisation	(20,842)	(61,059)	(107,710)	**(189,611)**
Balance at 30 June 2023	57,665	82,165	256,241	**396,071**
At 30 June 2023				
Cost	107,248	160,342	840,660	**1,108,250**
Accumulated depreciation	(49,583)	(78,177)	(584,419)	**(712,179)**
Net book balance	57,665	82,165	256,241	**396,071**

15. INTANGIBLE ASSETS

	Patents & other acquired intangible assets $	Goodwill $	Total $
30 June 2024			
Opening net book value at 1 Jul 2023	1,689,804	5,632,016	**7,321,820**
Additions – business combinations	-	-	**-**
Impairment	-	-	**-**
Depreciation and amortisation	(959,547)	-	**(959,547)**
Balance at 30 June 2024	730,257	5,632,016	**6,362,273**
At 30 June 2024			
Cost	3,269,000	5,632,016	**8,901,016**
Accumulated amortisation	(2,538,743)	-	**(2,538,743)**
Net book balance	730,257	5,632,016	**6,362,273**

	Patents & other acquired intangible assets $	Goodwill $	Total $
30 June 2023			
Opening net book value at 1 Jul 2022	2,649,352	5,632,016	**8,281,368**
Additions – business combinations	-	-	**-**
Impairment	-	-	**-**
Depreciation and amortisation	(959,548)	-	**(959,548)**
Balance at 30 June 2023	1,689,804	5,632,016	**7,321,820**
At 30 June 2023			
Cost	3,269,000	5,632,016	**8,901,016**
Accumulated amortisation	(1,579,196)	-	**(1,579,196)**
Net book balance	1,689,804	5,632,016	**7,321,820**

Impairment test for goodwill

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 (Scancam). The goodwill and other intangibles are therefore entirely allocated to these cash-generating units as shown below:

	2024		2023	
	Patents & other acquired intangible assets $	**Goodwill $**	**Patents & other acquired intangible assets $**	**Goodwill $**
SenTrack	133,460	383,399	453,634	383,399
Scancam	596,797	5,248,617	1,236,170	5,248,617
	730,257	5,632,016	1,689,804	5,632,016

15. INTANGIBLE ASSETS (CONTINUED)

The Group tests whether the goodwill has suffered any impairment on an annual basis. For the 2024 reporting period, the recoverable amount of the cash-generating units (CGU) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and projections approved by management covering a five-year period.

Significant assumptions used for the purposes of assessing each CGU for impairment include:

	SenTrack	Scancam
Average revenue growth rate FY23-FY27	23.00%	14.00%
Fixed cost growth rate	3.00%	3.00%
Pre-tax discount rate[1]	17.00%	18.8%
Terminal value growth	2.5%	3.10%

[1] In performing the value-in-use calculations for each CGU, the group has applied post-tax discount rates to discount the forecast future attributable post-tax cash flows. The equivalent pre-tax discount rates are disclosed above.

Cash flows beyond the five-year period are extrapolated using the estimated long term growth rate attached to consumer price indexation (CPI), estimated at 2.5% as at 30 June 2024 for SenTrack, and 3.1% for Scancam considering this business is likely to still be growing strongly in five years time. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates. The value-in-use calculations are discounted to their net present value using a post-tax discount rate, reflecting specific risks relating to the relevant CGU's and the countries in which the cash-generating unit operates. As at 30 June 2024, the Group has applied a post-tax discount rate of 17.00% to SenTrack cash flows, and a more conservative 18.8% to Scancam.

Revenue forecasts are based on historical amounts, adjusted for known and anticipated factors such as new contracts won and those reasonably assured of converting. Costs based on the CGU's incurrence of these items, factoring in forecast increases and estimated inflation rates over the forecast period. Capital expenditure is estimated based on current costs adjusted for anticipated future expectations.

Based on the above assumptions, the recoverable amount of the SenTrack CGU exceeds the carrying amount by $46,600.

Based on the above assumptions, the recoverable amount of the Scancam CGU exceeds the carrying amount by $2,702,000.

As disclosed in note 1 (aa), the Directors have made judgements and estimates in respect to impairment testing. Should these judgements and estimates not occur the resulting CGU carrying amount may decrease.

Impact of reasonably possible changes in key assumptions

Based on the assumptions above the value-in-use calculations for both the SenTrack and Scancam CGU's show headroom in excess of the carrying value of the CGU.

The table below summarises movements in the key assumptions and the impact on the impairment assessment:

	Movement in assumption	SenTrack – Impairment impact	Scancam – Impairment impact
Average revenue growth rate FY24-FY28	Decrease by 5%	$231,600	$nil
Fixed cost growth rate	Decrease by 1%	$nil	$nil
Post-tax discount rate	Increase by 1%	$nil	$nil
Terminal value growth	Decrease by 0.5%	$nil	$nil

16. LEASES

	Consolidated 2024 $	Consolidated 2023 $
Amounts recognised in the consolidated statement of financial position:		
Right-of-use assets		
Buildings	682,101	1,295,479
Vehicles	-	-
	682,101	**1,295,479**
Lease liabilities		
Current	327,778	286,880
Non-current	442,621	1,090,787
	770,399	**1,377,667**

Additions to the right-of-use assets during the 2024 financial year were $171,056 (2023: $1,258,424), while $640,625 was derecognised on termination of the company's Hyderabad lease in the year (2023: Nil).

	Consolidated 2024 $	Consolidated 2023 $
Amounts recognised in the consolidated statement of profit or loss and other comprehensive income:		
Depreciation charge – right-of-use assets	305,724	325,492
Interest expense – lease liabilities	78,788	60,162
	384,512	**385,654**

The total cash outflow for leases in 2024 was $367,131 (2023: $249,011).

17. TRADE AND OTHER PAYABLES

	Consolidated 2024 $	Consolidated 2023 $
Current		
Trade payables	1,229,430	1,714,432
Accruals and other payables	765,910	1,503,222
	1,995,340	**3,217,654**

18. EMPLOYEE BENEFITS

	Consolidated 2024 $	Consolidated 2023 $
Current		
Employee benefits	707,625	665,601
	707,625	**665,601**
Non-Current		
Employee benefits	67,008	107,446
	67,008	**107,446**

19. FAIR VALUE MEASURMENTS

Fair value

The methods for estimating fair value are outlined in the relevant notes to the financial statements, and unless specifically stated, carrying value approximates fair value for all financial instruments.

Recognised fair value measurements

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level in the fair value measurement hierarchy as follows:

- Level 1: the instrument has quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: a valuation technique is used using inputs other than quoted prices within level 1 that are observable for the financial instrument, either directly (i.e. as prices), or indirectly (i.e. derived from prices);
- Level 3: a valuation technique is used using inputs that are not observable based on observable market data (unobservable inputs).

The following financial instruments are subject to recurring fair value measurements:

	Consolidated	
	30 Jun 2024	30 Jun 2023
	$	$
Contingent consideration – level 3	-	887,154
	-	**887,154**

Contingent consideration was recognised on the acquisition of Scancam Industries Pty Ltd as disclosed in note 15. The fair value of the contingent consideration of $887,154 at 30 June 2023 was estimated by calculating the present value of the future expected cash outflows discounted.
During the year the final installment of contingent consideration was paid via the issue of 17,036,806 fully paid ordinary shares to settle all outstanding deferred consideration. Due to conditions of payment not being met by two of the original Scancam shareholders, $6,352 of deferred consideration was forfeited.

Reconciliation of level 3 movements

The following table sets out the movements in level 3 fair values for contingent consideration payable:

	Consolidated	
	30 Jun 2024	30 Jun 2023
	$	$
Opening balance 1 July	887,154	1,362,565
Payments of contingent consideration	(732,588)	(623,270)
Fair value adjustments	(154,566)	147,859
	-	**887,154**

Valuation processes for level 3 fair values

Valuations are performed every six months to ensure that they are current for the half-year and annual financial statements. As deferred consideration was settled via a share issue on 6 November 2023, no deferred consideration is payable as at 30 June 2024.

20. CONTRACT LIABILITIES

	Consolidated 2024 $	Consolidated 2023 $
Current		
Contract liabilities*	399,888	1,103,746
	399,888	**1,103,746**

* $1,445,388 has been recognised as revenue in the 2024 financial year (FY23: $1,428,536) and $741,530 was accrued during the 2024 financial year (FY23: $1,363,237).

21. BORROWINGS

		Consolidated 2024 $	Consolidated 2023 $
(a)	Bank Loans	450,000	450,000
(b)	Other Loans	1,821,806	2,651,458
Total Current Borrowings		**2,271,806**	**3,101,458**

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. Variable rate interest of 8.07% is charged. The loan was renewed in June 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:

Rocking Horse: $1,300,000 (FY23: $1,619,347)

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

Trade Plus 24: $136,158 (FY23: $523,731)

TP24 provide SenSen 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 12.14%.

Director Loans: $385,648 (FY23: $508,380)

Subhash Challa has advanced the company an unsecured loan of $385,648 at an interest rate of 7.47% to provide working capital for the company's operations.

22. ISSUED CAPITAL

	Note	Consolidated 2024 $	Consolidated 2023 $
Ordinary shares	(a)	63,887,639	59,906,517

(a) Share capital movement during the period

	Consolidated 2024 No.	2024 $	2023 No.	2023 $
Balance at beginning of the reporting period	679,232,349	59,906,517	651,142,760	57,856,852
Shares issued during the year (i) (v)	18,074,696	783,449	8,878,490	623,270
Shares issued under non-renounceable entitlement offer (ii)	52,443,130	2,097,725	-	-
Share Issue Costs (ii)	-	(86,580)	-	-
Shares issued under long term incentive plan (iii) (vi)	15,888,175	765,802	18,641,485	1,398,484
Shares issued under salary sacrifice share scheme (iv) (vii)	11,191,976	420,726	569,614	27,911
Balance at end of period	**776,830,326**	**63,887,639**	**679,232,349**	**59,906,517**

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

2024 financial year

(i) SenSen issued the following shares in the 12 months ended 30 June 2024:

- Scancam deferred consideration payment via share issue
  On 6 November 2023 the company issued 17,036,806 shares, valued at the closing price on the date of issue of $0.043 as the final deferred consideration payment payable for the acquisition of Scancam in July 2021 amounting to $732,588.
- Share issues in place of remuneration
  1,037,890 shares were issued at an average price of $0.049 as remuneration for staff during the year.

(ii) Non-Renounceable entitlement offer

- On 27 December 2023 the company finalised a non-renounceable entitlement offer, raising $2,097,725 via the issue of 52,443,130 fully paid ordinary shares at a price of $0.04 per share. Transaction costs associated with the raise totalled $86,580.

(iii) Employee Long Term Incentive Plan:

- On 1 December 2023 15,888,175 shares were issued in relation to the Group's long term incentive plan.

(iv) Salary Sacrifice Share 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 SenSen shares. In addition to the 20%, employees entering into the plan also received an additional 2% of their monthly salary as shares. 11,191,976 shares were issued under this plan in the financial year ended 30 June 2024.

2023 financial year

(v) SenSen issued the following shares in the 12 months ended 30 June 2023:

- Scancam deferred consideration payment via share issue
  On 7 November 2022 the company issued 8,878,490 shares at a price of $0.0702 as the first of two deferred consideration payments payable for the acquisition of Scancam in July 2021.

(vi) Employee Long Term Incentive Plan:

- On 9 December 2022 18,641,485 shares were issued in relation to the Group's long term incentive plan

(vii) Salary Sacrifice Share 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 SenSen shares. In addition to the 20%, employees entering into the plan also received an additional 2% of their monthly salary as shares. 569,614 shares were issued under this plan in June.

(b) Capital Management

Management controls the capital of the group in order to provide capital growth to shareholders and ensure the group can fund its operations and continue as a going concern. The Group's capital includes ordinary share capital. There are no externally imposed capital requirements. Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and the market.
There have been no changes in the strategy adopted by management to control the capital of the Consolidated Entity since the prior year.

23. RESERVES

		Consolidated	
		2024	**2023**
		$	**$**
(a)	**Other Reserves**		
	Share-based payment reserve	4,531,532	4,357,019
	Foreign currency translation reserve	22,496	40,147
		4,554,028	**4,397,166**
(b)	**Movements**		
	Foreign exchange translation reserve		
	Balance at beginning of financial year	40,147	(98,525)
	Currency translation differences arising during the year	(17,651)	138,672
	Balance at end of financial year	**22,496**	**40,147**
	Share-based payment reserve		
	Balance at beginning of financial year	4,357,019	5,575,665
	Share-based payment expense	1,361,041	207,749
	Transfer from reserves	(1,186,528)	(1,426,395)
	Balance at end of financial year	**4,531,532**	**4,357,019**

(c) Nature and purpose of reserves

(i) Share-based payment reserve
The share-based payment reserve is used to record the value of share-based payments provided to employees, including key management personnel, as part of their remuneration.

(ii) ***Foreign exchange translation reserve***
The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

24. CONTINGENT LIABILITIES

The Group had no known contingent liabilities at 30 June 2024.

At 30 June 2023 the company reported a contingent liability relating to Federal Court of Australia proceedings, and similar proceedings in Branch 148 of the Regional Trial Court, Makati City in the Philippines by the solicitors for Angel Group Co., Ltd and Angel Australasia Pty Ltd (Angel) whereby it is alleged that SenSen has infringed two of Angel's Australian patents.

Proceedings in both courts were dismissed as part of a settlement agreement with Angel as announced to the ASX on 30 April 2024. No further expense in relation to this action is expected to be incurred.

25. RELATED PARTY TRANSACTIONS

(a) Director Loans

During the period Subhash Challa maintained a loan arrangement with the company, accruing interest at the rate of 7.47% per annum. Drawdowns totalling $460,772, and repayments of $575,124 were made in the period, along with interest paid of $46,806. The loan balance at 30 June 2024 was $385,648 (FY23: $508,380).

Directors David Smith and Zenon Pasieczny each loaned the company $50,000 on 20 September 2023. The loans were repaid on 21 November 2023 along with $628 interest each, calculated at a rate of 7.47% p.a..

There were no other related party transactions during the period other than those shares issued as noted in Note 22, Issued Capital.

26. EVENTS AFTER THE REPORTING PERIOD

No significant events outside of the ordinary course of business have taken place between 30 June 2024 and the date of issue of this report.

27. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key Management Personnel compensation

	Consolidated	
	2024	2023
	$	$
Short-term employee benefits	959,296	1,033,022
Post-employment benefits	107,464	104,785
Long-term benefits	32,108	4,206
Share-based payments	379,846	101,297
	1,478,714	1,243,310

Detailed remuneration disclosures are provided in the Remuneration Report on pages 14 to 22.

(b) Equity instrument disclosures relating to Key Management Personnel compensation

Details of Key Management Personnel option and share holdings are disclosed in the Remuneration Report.

28. SHARE BASED PAYMENTS

Share Based Payments were made under both the Salary Sacrifice Share Scheme and the management Long Term Incentive programs in the year ended 30 June 2024.

Salary Sacrifice Share 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 SenSen shares. In addition to the 20%, employees entering into the plan also received an additional 2% of their monthly salary as shares. 11,191,976 shares were issued under this plan throughout the financial year ended 30 June 2024.

The plan commenced on 1 May 2023 and ended on 30 June 2024. As at 30 June 2024, $165,490 has been recognised as a share based payment to key management personnel under this scheme during the financial year.

The following share rights were issued as part of compensation to key management personnel during the year ended 30 June 2024.

Share Rights

A new long-term incentive (LTI) scheme was approved at the company's annual general meeting on 28 November 2023.

The number of shares to be issued will be calculated as follows:

- An agreed percentage of eligible employee's annual salary;
- Number of shares to be issued based on the 5 day Volume Weighted Average Price (VWAP) prior to the Company's Financial Year results announcement.
- A combination of an eligible employee's length of service and the Company meeting internal measure targets in the most recent Financial Year. Internal measure targets include:
  - Continual service period;
  - Revenue hurdles; and
  - 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 rights to shares vest annually if the following three targets are achieved by SenSen employees:

Grants		Target measures			
Financial Year	**Grant dates [1]**	**Service**	**Revenue Target**	**Revenue/EBITDA Stretch**	**EBITDA excl. SBP**
2023/2024	Various	50%	40%	20%	10%
2024/2025	Various	50%	40%	20%	10%
2025/2026	Various	50%	40%	20%	10%

[1] For the different relevant employees

The actual number of shares to be issued to each employee is based on the above fixed percentages of their salary at grant date. A summary of the value expensed, and the number of shares issued is detailed below.

Share rights to these three grants vest annually once the Company issues its Annual Report on or around 29 August. This report will provide revenue and EBITDA (excluding share based payments) results that will be used to determine whether individual tranches vest. The following tables outline the individual annual hurdles/targets required in order for annual share rights to be awarded and vest:

28. SHARE BASED PAYMENTS (CONTINUED)

Annual Hurdles/Targets

Service Target

Service	Percentage of Rights Vesting
Less than 12 months	Nil
Threshold: 1 year – 3 years	75%
Target: 3 years +	100%

The service target is assessed each year at 30 June.

Revenue Target

- First vesting date Revenue 25% greater than FY2023 Revenue recorded in the 30 June 2024 Annual Report
- Second vesting date Revenue 25% greater than hurdle - revenue established at first vesting date (i.e. audited full year revenue for FY2025)
- Third vesting date Revenue 25% greater than hurdle Revenue established at second vesting date (i.e. audited full year revenue for FY2026)
- Continued service to vesting date

EBITDA excluding share-based payments Target

- First vesting date EBITDA excluding share-based payments 25% greater than FY2023 EBITDA excluding share based payments recorded in the 30 June 2023 Annual Report
- Second vesting date EBITDA excluding share-based payments 25% greater than hurdle EBITDA excluding share-based payments established at first vesting date (i.e. audited full year EBITDA excluding share-based payments for FY2025)
- Third vesting date EBITDA 25% greater than hurdle EBITDA excluding share-based payments established at second vesting date (i.e. audited full year EBITDA excluding share-based payments for FY2026)
- Continued service to vesting date

These share rights are issued for nil consideration based on a five-day VWAP of the Company's share price prior to the lodgment of the Annual Report is lodged based on the relevant percentage of the employee salary.

For 2024 the EBITDA excluding share-based payments and EBITDA excluding share-based payments stretch target targets were met and Revenue target was not met as shown below:

Target Measure	Target $	Actual Result	Target met? [1]
Revenue	$13,495,654	$12,144,460	No
EBITDA excl. SBP	($3,923,089)	($259,676)	Yes
EBITDA Stretch	($3,400,011)	($259,676)	Yes

[1] Represents current expectations for each target.

28. SHARE BASED PAYMENTS (CONTINUED)

Year [2]	Grant Date	Vest date	Service $ 50%	Revenue $ 40%	EBITDA excl. SBP $ 10%	EBITDA excl. SBP Stretch $ 20%	Discretionary Grant $ N/A	Total $	Shares issued [1]
2024	Various	30 June 2024	400,692	-	83,238	6,659	-	490,589	N/A
2025	Various	30 June 2025	-	-	-	-	-	-	N/A
2026	Various	30 June 2026	-	-	-	-	-	-	N/A
Total			**400,692**	**-**	**83,238**	**6,659**	**-**	**490,589**	

[1] Final number of shares to be issued will be determined based on a five-day VWAP of the Company's share price prior to the lodgment of the Annual Report.
[2] Being the year for which employees criteria for which performance criteria for vesting are assessed.

a) Performance Rights

The company issued Performance Rights during the year ended 30 June 2024 as approved by shareholders at the company's annual general meeting on 28 November 2023. The performance rights give executive Directors the right to participate in the company's long-term incentive (LTI) scheme.

Performance Rights

Performance Rights outstanding at the end of the year follows:

2024

Grant date	Expiry date	Exercise Price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ Other (i)	Balance at the end of the year
1 December 2024	None	N/A	-	18	-	-	18
			-	18	-	-	**18**

i. Performance rights belonging to David Smith relating to future years will be forfeited due to him ceasing executive employment.

2023

Grant date	Expiry date	Exercise Price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ Other (i)	Balance at the end of the year
N/A	N/A	N/A	-	-	-	-	-
			-	-	-	-	**-**

29. PARENT ENTITY INFORMATION

Parent entity information required to be disclosed in accordance with the *Corporations Act 2001*. The legal parent entity of the group is SenSen Networks Limited, and the results shown below are for the 12 months ended 30 June 2024 and 2023:

(a) Summary financial information

	Parent entity	
	2024	2023
	$	$
Statement of profit or loss and other comprehensive income		
Loss for the year	(76,052)	(1,346)
Other comprehensive income	-	-
Total comprehensive loss for the year	(76,052)	(1,346)
Statement of financial position of the parent entity at year end		
Current assets	2,428	2,428
Non-current assets	-	-
Total assets	**2,428**	**2,428**
Current liabilities	-	-
Non-current liabilities	1,015,300	939,248
Total liabilities	**1,015,300**	**939,248**
Net assets	**(1,012,872)**	**(935,474)**
Issued capital	40,322,041	40,322,041
Accumulated losses	(41,334,913)	(41,258,861)
Total equity	**(1,012,872)**	**(936,820)**

(b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees at the 30 June 2024 and 30 June 2023.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2024 and 30 June 2023.

(d) Contractual commitments for the acquisition of property, plant or equipment

As at the 30 June 2024, the parent entity has made no contractual commitments for the acquisition of plant or equipment.

(e) Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except for the investments in subsidiaries which are accounted for at cost in the financial statements of SenSen Networks Limited.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

	Consolidated	
	2024	2023
	$	$
Financial assets		
Cash and cash equivalents	1,571,130	1,897,681
Trade and other receivables	1,030,269	1,467,415
Contract assets	173,063	424,229
	2,774,462	**3,789,325**
Financial liabilities		
Trade and other payables	1,995,340	1,697,690
Contract Liabilities	399,888	1,103,746
Lease Liabilities	770,399	1,377,667
Borrowings	2,271,806	3,101,458
	5,437,433	**7,280,561**

The Company monitors its exposure to key financial risks, principally market risk (including currency risk), interest risk, credit risk and liquidity risk, with the objective of achieving the company's financial targets whilst protecting future financial security.

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates and assessments of market forecasts for interest rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts and regular internal reporting. Credit risks are managed by credit limits and retention of the title over the investments sold.

The Board reviews and agrees policies for managing each of these risks as summarised below. Primary responsibility for identification and control of financial risks rests with the Board. It reviews and agrees policies for managing each of the risks, including the use of derivatives, hedging cover of interest rate exposure, credit allowances, and future cash flow forecast projections.

(a) Market Risk

Foreign exchange risk

Exchange Risk arises whereby currency exchange rates may affect the assets and liabilities and the consolidation of companies within the group.

The company reports in Australian Dollars; the operating currency for Indian subsidiary is the Indian Rupee, the operating currency for the US subsidiary is US Dollars, the operating currency for the Singapore subsidiary is Singapore Dollars, and the operating currency for the Canadian subsidiary is Canadian Dollars.

(b) Interest Risk

The company has a business loan facility of $450,000 and an overdraft facility of $225,000 with the Commonwealth Bank of Australia. Interest is charged at a variable rate of 8.07% on the business loan.

The company maintains a working capital facility with Rockinghorse Group of $1,300,000 which in repaid annually upon receipt of the company's R&D grant. This loan incurs interest at a rate of 15.0% p.a.

Group sensitivity

At 30 June 2023 if interest rates had increased/decreased by 50 basis points from the year end rates with all other variables held constant, the result would not be material at $11,359. (2023: $15,507)

Based on movements in interest rates the company regularly reviews the deployment of funds and the exposure to interest rate risk in conjunction with currency and exchange rate risk in order to manage these risks in line with corporate objectives.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from other third parties, investments, banks and financial institutions.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. A general security deed is held by Rocking Horse Nominees Pty Ltd at 30 June 2024 and Credit risk is reviewed regularly by the Board.

The Group does not have any other material credit risk exposure to any single counterparty, except for its holdings of cash which is held with the Commonwealth Bank, Royal Bank of Canada, and Wells Fargo Bank.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Approach to determining expected credit losses

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to the Group's right to consideration for performance completed to date before payment is due and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the historical payment profiles. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables including consideration of the uncertain economic environment.

For the year ended 30 June 2024, the Group has considered whether the expected loss rates are required to be increased due to the uncertain economic environment.

The Group has identified the GDP, country specific unemployment rates and the outlook for customer industries as the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due. The Group has assessed that there is no material credit loss exposure on trade receivables and contract assets.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Trade and other receivables

The Group limits its exposure to credit risk by only limiting transactions with high credit quality financial institutions principally government bodies and large listed corporate firms.

31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Liquidity Risk

The table below reflects all contractually fixed payoffs and receivables for settlement from recognised financial assets and liabilities, as of 30 June 2024. The amounts disclosed are undiscounted cash flows anticipated to eventuate in the next fiscal year.

Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2024.

2024	Total $	< 6 Mths $	6-12 Mths $	1-5 Yrs $
Financial assets				
Cash and cash deposits	1,571,130	1,571,130	-	-
Trade and other receivables	1,030,269	1,030,269	-	-
Contract assets	173,063	173,063	-	-
	2,774,462	**2,774,462**	**-**	**-**
Financial liabilities				
Trade and other payables	1,995,340	1,995,340	-	-
Contract liabilities	399,888	399,888		
Borrowings	2,271,806	1,300,000	971,806	-
Lease liabilities	770,399	163,889	163,889	442,621
Contingent consideration	-	-	-	-
	5,437,433	**3,859,117**	**1,135,695**	**442,621**
Net maturity	**(2,662,971)**	**(1,084,655)**	**(1,135,695)**	**(442,621)**

2023	Total $	< 6 Mths $	6-12 Mths $	1-5 Yrs $
Financial assets				
Cash and cash deposits	1,897,681	1,897,681	-	-
Trade and other receivables	1,467,415	1,467,415	-	-
Contract assets	424,229	424,229	-	-
	3,789,325	**3,789,325**	**-**	**-**
Financial liabilities				
Trade and other payables	1,697,690	1,697,690	-	-
Contract liabilities	1,103,746	1,103,746		
Borrowings	3,101,458	2,069,347	1,032,111	-
Lease liabilities	1,377,667	143,440	143,440	1,090,787
Contingent consideration	887,154	887,154	**-**	**-**
	8,167,715	**5,901,377**	**1,175,551**	**1,090,787**
Net maturity	**(4,378,390)**	**(2,112,052)**	**(1,175,551)**	**(1,090,787)**

The contractual maturities of the company’s financial assets and liabilities set out in the table are equivalent to the maturity analysis of financial assets and liability based on management's expectation.

The risk implied from the values in the table reflects a balanced view of cash inflows and outflows, noting however that cash inflows from new sales are expected to cover the net maturity deficit in the near term.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 June 2024

The following are subsidiaries of the group, are controlled entities and have been consolidated at 30 June 2024.

Name of subsidiary	Country of incorporation	Ownership Interest (%)	Tax residency
SenSen Networks Group Pty Ltd	Australia	100%	Australia *
SenSen Networks Operations Pty Ltd	Australia	100%	Australia *
SenSen Networks Gaming Pty Ltd	Australia	100%	Australia *
SenSen Networks (Hong Kong) Limited	Hong Kong	100%	Hong Kong
SenSen Networks Singapore Pte Limited	Singapore	100%	Singapore
SenSen Video Business Intelligence PVT Ltd	India	100%	India
SenSen Networks, Inc.	United States	100%	United States
SenSen Networks Canada Ltd	Canada	100%	Canada
Scancam Industries Pty Ltd	Australia	100%	Australia *
Scancam Leasing Pty Ltd	Australia	100%	Australia *
Scancam Operations Pty Ltd	Australia	100%	Australia *
Fuel Recovery Services Australia Pty Ltd	Australia	100%	Australia *
Orpheus Energy Group Pty Ltd	Australia	100%	Australia*

* SenSen Networks Limited (the ‘head entity’) and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime

DIRECTORS' DECLARATION

Directors' Declaration

In accordance with a resolution of the Directors of SenSen Networks Limited, the Directors of the Company declare that:

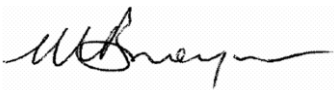
1. the financial statements and notes, as set out on pages 26-64:

   (a) comply with Australian Accounting Standards and interpretations, and *Corporations Act 2001* and *Corporations Regulations 2001*, which confirms compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board; and
   (b) give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date;

2. 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;

3. the information disclosed in the attached consolidated entity disclosure statement is true and correct; and

4. The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.



Mark Brayan
Chairman
Dated: 29 August 2024

HALL CHADWICK
Chartered Accountants & Business Advisors

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

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

Opinion

We have audited the financial report of SenSen Networks Ltd (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policy information, consolidated entity disclosure statement 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 2024 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of 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 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* (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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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 1(b) to the financial report, which indicates the group incurred a loss after tax of $3,603,460 for the year ended 30 June 2024 and as of that date, the group's current liabilities exceeded its current assets by $353,980. As stated in Note 1(b), these conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

SENSEN NETWORKS LTD
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AND ITS CONTROLLED ENTITIES

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

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 for the year ended 30 June 2024. 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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSSED THE KEY AUDIT MATTER
Revenue recognition, contract assets and liabilities *Refer to Note 1(aa) "Significant estimates and judgements", Note 3 "Revenue and Other Income", Note 11 "Contract assets" and Note 20 "Contract liabilities"*	
The assessment of revenue recognition was significant to our audit due to revenue being a material balance in the financial statements for the year ended 30 June 2024, and there being a level of complexity to the contracts regarding performance obligations, and revenue being recognized either over time or at a point in time. The recognition of revenue largely depends on the terms of the underlying contracts with customers. Contracts can be complex and bespoke. In particular, significant judgement and estimation are required by the group in determining the amount of revenue recognised for licenses and other multiple obligation customer contracts, and the timing of when this revenue is recognised. The assessment of revenue recognition and measurement required significant auditor effort.	Our procedures included, amongst others: • We assessed the group's revenue recognition policy for compliance with the relevant accounting standards. • We obtained an understanding of the key controls in the revenue recognition cycle for various revenue streams. • We reviewed a sample of key customer contracts for each revenue stream with multiple obligations to determine whether revenue was recognised in accordance with the group's accounting policies and the requirements of the accounting standards. • We verified a sample of revenue transactions and reviewed the terms and conditions of the executed contracts and supporting documentation including invoice, evidence of payment, proof of delivery or services to ensure the performance obligation had been met and revenue had been correctly recognised. • We performed substantive test of details on trade receivables, contract assets and liabilities to ascertain the accuracy and completeness of the corresponding revenue recognised in the correct period. • We assessed the appropriateness of the disclosures in the financial statements in relation to the revenue, contract assets and liabilities.

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KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSSED THE KEY AUDIT MATTER
Carrying value of goodwill and other intangible assets *Refer to Note 1(aa) "Significant estimates and judgements" and Note 15 "Intangible assets"*	
The carrying value of intangible assets represent a significant asset of the group. The group is required to annually test the amount of goodwill and indefinite useful life intangible assets for impairment and assess other intangible assets for impairment indicators. This annual impairment test was significant to our audit because the goodwill and intangible assets balance is material to the financial statements and because management's assessment process, including the determination of cash-generating units, is complex, highly judgmental and includes estimates and assumptions relating to expected future market or economic conditions.	Our procedures included, amongst others: • We obtained an understanding of and reviewed the key assumptions and inputs to the discounted cash flow model. • We involved our valuation specialists to review discount rate and treatment of terminal value and ensure net present value calculations used in the discounted cash flow model are reasonable. • We corroborated our understanding of the key assumptions applied in the discounted cash flow model to external and internal sources of information provided. • We obtained an understanding of the overhead allocation methodology and ensured the method is appropriate. • We performed an analysis on forecast results applied in the discounted cash flow model against actuals for the cash-generating unit. • We performed a sensitivity analysis on the discounted cash flow model. • We assessed the adequacy of the group's disclosures in relation to the carrying value of intangible assets.

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 year ended 30 June 2024, 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 accordingly 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.

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TO THE MEMBERS OF SENSEN NETWORKS LTD

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 ability of the group 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report for the year ended 30 June 2024 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.

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

DREW TOWNSEND
Partner
Dated: 29 August 2024

ASX Additional Information (Unaudited)

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at 7 August 2024.

(a) Distribution of equity securities

There are 777,908,742 fully paid ordinary shares held by 2,020 individual shareholders.

All issued ordinary shares carry one vote per share and carry the rights to dividends.

The numbers of shareholders, by size of holding, in each class are:

Holdings Ranges	Holders	Total Units	%
1-1,000	149	61,902	0.01
1,001-5,000	465	1,372,739	0.18
5,001-10,000	259	2,046,978	0.26
10,001-100,000	657	25,696,526	3.30
100,001 over	490	748,730,597	96.25
Totals	**2,020**	**777,908,742**	**100.00**
Holding less than a marketable parcel	1,023	5,535,177	0.71

(b) Substantial shareholders

Name	Number	Percentage
EQUITY PLAN SERVICES PTY LTD	157,420,655	22.6%
MIZIKOVSKY GROUP	146,894,458	18.9%
MR SUBHASH CHALLA	100,314,414	12.9%
ZENON PASIECZNY/SAPHET CAPITAL MANAGEMENT PTY LTD	50,751,357	6.5%

(c) Twenty largest holders of quoted equity securities

	Ordinary shareholders	Fully Paid Number	Fully Paid Percentage
1.	EQUITY PLAN SERVICES PTY LTD	157,420,655	20.24
2.	ANKLA PTY LTD	71,628,766	9.21
3.	RAINROSE PTY LTD	65,688,316	8.44
4.	ADAPTALIFT INVESTMENTS PTY LTD	34,819,722	4.48
5.	MR SUBHASH CHALLA	33,728,828	4.34
6.	CITICORP NOMINEES PTY LIMITED	28,719,673	3.69
7.	SAPHET CAPITAL MANAGEMENT PTY LTD	23,974,887	3.08
8.	SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	18,240,352	2.34
9.	NEERA GUPTA	12,711,016	1.63
10.	MR WILLIAM MORAN	9,232,976	1.19
11.	SUNSTAR AUSTRALIA PTY LTD	9,024,959	1.16
12.	BNP PARIBAS NOMINEES PTY LTD	8,556,548	1.10
13.	MR SATISH GUPTA	6,874,701	0.88
14.	MR DAVID EDWARD SMITH	6,789,221	0.87
15.	MNA INVESTMENTS PTY LTD	5,923,777	0.76
16.	MR SARATHCHANDRA REDDY GUNUPATI	5,632,915	0.72
17.	GASMERE PTY LTD	5,566,000	0.72
18.	MR VENKATESWARA PRASAD GUNUPATI	4,822,335	0.62
19.	MRS LAXMI CHALLA	4,343,672	0.56
20.	K R KHATRI (DENTAL) PTY LTD	4,000,000	0.51
	Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)	**517,699,319**	**66.54**
	Total Remaining Holders Balance	**260,209,423**	**33.46**

UNQUOTED SECURITIES

There are 18 unquoted securities (Performance Rights) on issue at 30 June 2024, issued to Subhash Challa (9) and David Smith (9).