

Sensera Limited AGM Meeting

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Sensera MEMS (Micro Electro Mechanical Systems) Structures to Full Sensors

Primary Market: Medtech



\$1B MEMS TAM 9% AGR

- ▶ FY20 added \$2B in TAM in optical applications

What Sensera Delivers

- ▶ Custom semiconductor-based products designed, developed and manufactured
- ▶ Microfluidics and light sensing expertise

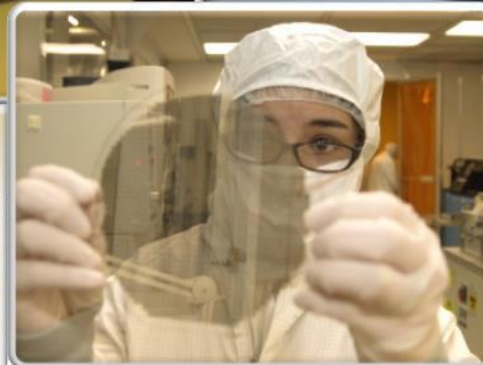
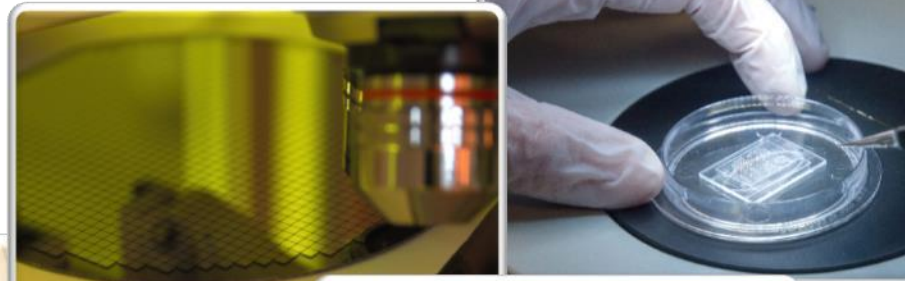
Our Customer's Products

Point of Care

- ▶ Blood Monitor
- ▶ Heart Pump
- ▶ Nebulizer



Lab-on-a-Chip / Organ-on-a-Chip



Over 25 custom designs in fluidics and light sensors, shipped in tens of thousands

About Sensera

- ▶ A developer and manufacturer of Micro Electro Mechanical Systems (MEMS) based IOT sensors
- ▶ One core business unit in Boston, MA USA addressing this capability
 - ▶ MicroDevices = MEMS based structures and sensors
 - ▶ Fab = Semiconductor based MEMS cleanroom-based manufacturing
 - ▶ Micro-assembly = Manual assembly of MEMS microstructures in sensor packaging
- ▶ Proven technology in various high-volume applications
 - ▶ Over 25 custom designs in fluidics and light sensors, shipped in tens of thousands

Sensera: Recent Events and Current Situation

- ▶ Sensera sold its IOT Solutions Business to Inpixon in October for US\$8.7m
 - ▶ Core debt and Notes retired with proceeds of cash from sale
 - ▶ Company cash position improved to US\$1.4m in October
- ▶ New opportunity pipeline full at MicroDevices (i.e. MEMS) division
 - ▶ Team has been fully operational on-site through the pandemic
 - ▶ More significant opportunities progressed then stalled due to COVID ramifications
- ▶ MicroDevices division operating profitably for the last 2 quarters
 - ▶ Breakeven lowered to US\$1.35m and was further lowered temporarily due to pay reductions
 - ▶ Will dip back negatively in FQ2 due to production transitions; expect revenue growth for the year
- ▶ Board reduction finalized in October
- ▶ Further corporate cost reductions to be delivered through the balance of FY21

Our Strategy and Progress

- ▶ Build a profitable component level business based on unique MEMS based sensors
- ▶ Fill the niche of high value MEMS foundry solutions for mid-tier customers
 - ▶ Customer funds most of the development with contracted engineering and in-house manufacturing
 - ▶ FY20: Moved from mostly R&D solutions to product-based engagements
 - ▶ Leverage IP developed to our own sensors by FY22
 - ▶ FY20: Slowed development of Infrared Gas Sensors to be done as a Joint Venture

P&L Overview

US\$M	FY 20	FY 19	FY 18
Revenues	11.8	10.2	6.4
Cost of Sales	(6.1)	(6.0)	(3.1)
Gross Profit	5.7	4.2	3.3
GM%	48%	41%	52%
Operational Overheads & Admin			
Employee Costs	(4.1)	(6.5)	(4.5)
Fab Equip, Occupancy	(1.0)	(1.9)	(1.0)
Ops Consultants	(0.3)	(0.8)	(0.8)
Other Expenses	(2.3)	(1.7)	(2.1)
Subtotal Operational Overheads	(7.7)	(10.9)	(8.4)
Sales & Marketing	(1.6)	(1.4)	(0.4)
R&D	(0.2)	(1.3)	(1.2)
Total Operating Expenses	(9.5)	(13.6)	(10.0)
Underlying Loss	(3.7)	(9.4)	(6.7)
Restructure Expenses	(1.2)	-	-
Impairment of Goodwill	(1.9)	-	-
Finance Expenses (interest, fees)	(0.9)	(0.1)	-
Finance cost of debt (warrants, net)	(0.8)	-	-
Tax Benefit	0.1		
Net Loss	(8.3)	(9.5)	(6.7)

- ▶ Slowdown in revenue in 2H FY20 as 58% recorded in 1H
- ▶ 7% YoY GM improvement due to manufacturing cost improvements
 - ▶ Excessive supply chain costs due to capital constraints and early ramps
 - ▶ Lower Margin contract expired mid FY20
- ▶ Operating expenses lowered over 30% in second half of FY 20
- ▶ FY20 underlying operating losses improved by \$5.6m
- ▶ Net loss driven by restructuring, goodwill impairment of IOTS and debt expenses

Cash Flow

	FY 20 US\$M	FY 19 US\$M	FY 18 US\$M
Cash Flows from operating activities			
Receipts from customers	12.4	9.2	5.5
Payments to suppliers and employees	(16.1)	(17.4)	(11.7)
Government grants - Covid-19	0.7		
Net cash (outflow) from operating activities	<u>(3.1)</u>	<u>(8.2)</u>	<u>(6.2)</u>
Cash flows from investing activities			
Payments for Nanotron acquisition	-	(2.2)	(4.2)
Payments for fixed assets	(0.1)	(0.4)	(1.3)
Proceeds from sale of fixed assets	-	-	1.1
Payments for software development	(0.1)	(0.6)	-
Net cash (outflow) from investing activities	<u>(0.2)</u>	<u>(3.2)</u>	<u>(4.4)</u>
Cash flows from financing activities			
Proceeds from issues of shares (net of cost)	2.0	8.0	8.4
Proceeds from borrowings	4.8	2.5	-
Interest paid	(0.4)	(0.1)	-
Repayment of borrowings	(2.0)		
Lease repayments	(0.6)		
Net cash inflow from financing activities	<u>3.8</u>	<u>10.4</u>	<u>8.4</u>

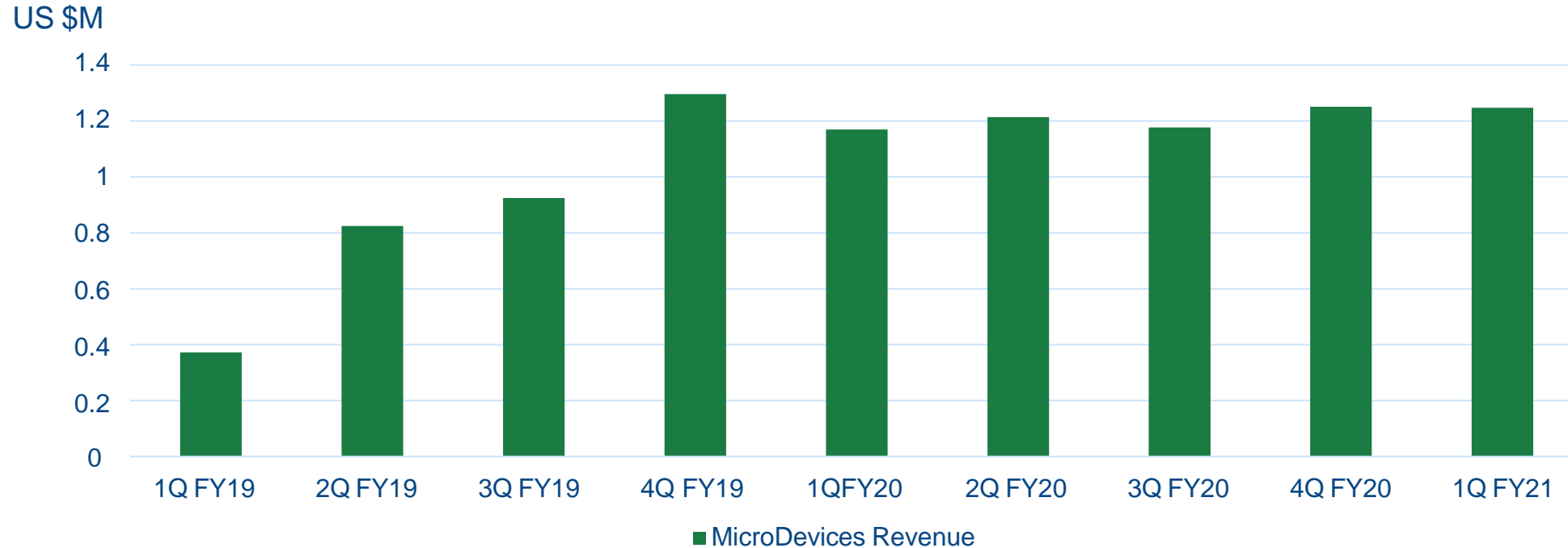
- ▶ Cash Collections grew 35%
- ▶ PPP and KUG Grants to offset payroll and lowered outflow of cash
- ▶ Closed debt financing in FY20 and paid off in Q1 FY21
- ▶ Fab equipment lease repayment started in Q4 FY20

Balance Sheet

	FY 20 US\$M	FY 19 US\$M	FY 18 US\$M
Cash	1.4	0.8	2.0
Trade Receivables	0.9	2.0	1.0
Inventory and Other	<u>1.3</u>	<u>1.5</u>	<u>1.2</u>
Current Assets	3.6	4.3	4.2
Fixed Assets	<u>10.3</u>	<u>10.4</u>	<u>9.8</u>
Total Assets	13.9	14.7	14.0
Accounts Payable	1.6	3.0	3.6
Borrowings	5.1	2.5	-
Other Liabilities	<u>5.6</u>	<u>2.2</u>	<u>2.1</u>
Total Liabilities	12.3	7.7	5.7
Net Assets	<u>1.6</u>	<u>7.0</u>	<u>8.3</u>
Share Capital & Reserve	31.2	28.5	20.4
Accumulated Losses	<u>(29.6)</u>	<u>(21.5)</u>	<u>(12.1)</u>
Total Equity	<u>1.6</u>	<u>7.0</u>	<u>8.3</u>

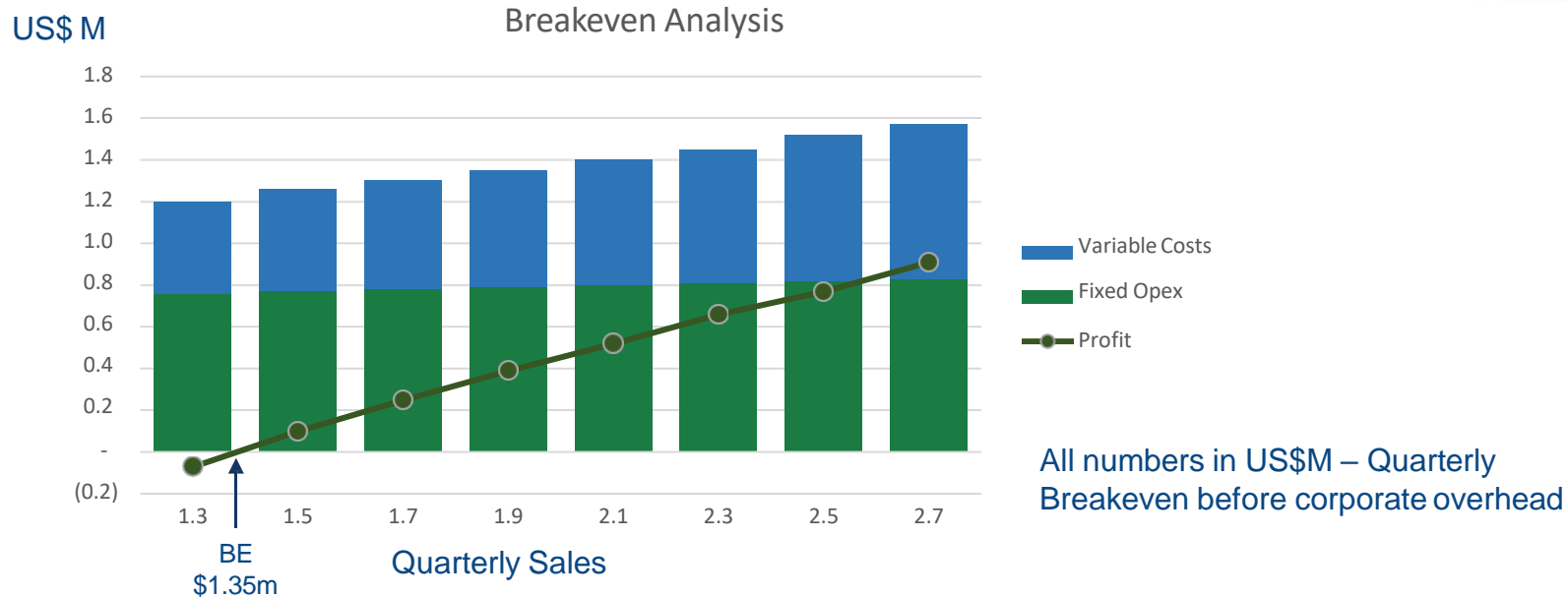
- ▶ Inventory tightened as the market demand reduced in 2nd half of FY20
- ▶ Leasing of equipment minimized fixed asset investment
- ▶ Other Liabilities
 - ▶ Lease liabilities of US\$1.9m (accounting change)
 - ▶ PPP loan of US\$620k
 - ▶ Warrant liabilities of US\$1.2m

MicroDevices Revenue



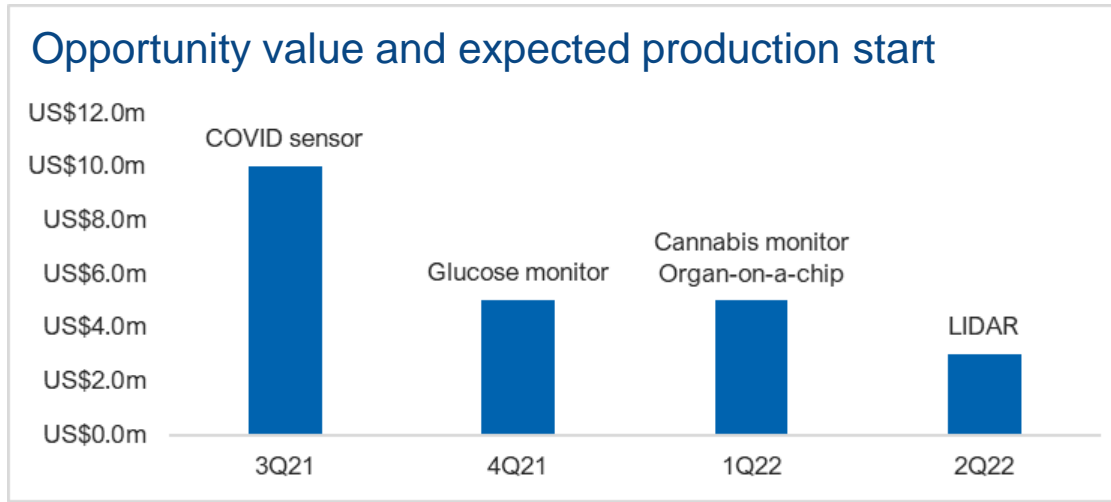
- ▶ 41% Revenue growth in FY20 through new customer engagements – filled 2nd half reduction
 - ▶ Abiomed business down 15% in 2nd half FY20 due to bench production reduction – Sensors and new projects grew
 - ▶ Mostly replaced with COVID sensor development charges and multiple other customer development related revenue

MicroDevices - Breakeven and Operational Leverage



- ▶ Manufacturing is performed in our MEMS fabrication facility and sensor micro assembly facility
 - ▶ High level of fixed fab cost currently underutilized at 30%
- ▶ Fabrication facility is shared with another company = keeps capex low as some equipment is procured and shared with partner
- ▶ MicroDevices break even before corporate overhead improved further in FY20 from US\$1.75m to US\$1.35m per quarter
- ▶ Product cost improvements realized by bringing all processes in-house during FY20

Pipeline growth due to movement to end product-based designs



Committed pipeline is not contracted but customer guidance of total demand. Any revenue will be booked over several periods or years from the expected start date.

- ▶ Movement away from Non-Recurring Engineering (NRE) based engagements to actual end product-based designs. Now possible due to the maturity of the fab facility and employing ISO based processes for volume manufacturing.
- ▶ Two multimillion \$ customers expected to start production ramp in FY21 – one currently in qualification phase
- ▶ Some delays due to COVID related customer team availability and priorities – most back on-board as of October
- ▶ Total pipeline of late-stage customer work is US\$24.0m
- ▶ Nine current customers in development through pre-production
 - ▶ COVID Sensor
 - ▶ Glucose Monitoring
 - ▶ Organ-on-a-chip / Lab-on-a-chip
 - ▶ Cannabis Gas Monitoring
 - ▶ LIDAR Vision System
- ▶ Four other customers in early pipeline

Sensera Outlook

- ▶ Expect FY21 revenue to grow due to the movement of customers from development to production
- ▶ Improved yearly operational performance due to higher level of fab related manufacturing output
- ▶ Expect FQ2 to see programs transition and year end customer inventory adjustments resulting in revenue likely to be under US\$1M
- ▶ COVID sensor not yet submitted for Emergency Use Authorization (EUA) through the US Food and Drug Association (FDA). Company still expects to ramp this product throughout the balance of FY21.
- ▶ Continued evaluation and execution of cost reductions primarily in corporate costs and structure
- ▶ Driving increased scale through strategic partnerships

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