

ASX RELEASE

27 April 2023

Q3 FY23 Quarterly Activities Report & Appendix 4C

Highlights

- Q3 cash receipts of \$13.4 million and net operating cashflow of \$2.6 million
- Unaudited revenue for the quarter of \$10.9 million, up 12.5% on the prior corresponding period (pcp), year to date (nine months to 31 March) revenue of \$30.7 million, up 54% on \$20 million in pcp
- FY23 upgraded revenue forecast of at least \$40 million reaffirmed (up from IPO Prospectus forecast of \$37 million), a 39% increase on FY22
- Award of a five-year Queensland trailer-based transportable speed camera contract (\$11.7 million including GST)
- Forecast FY23 EBITDA of at least \$3.2 million reaffirmed
- Strong business development progress in the United States of America (USA), the United Kingdom (UK) and other geographies. In particular, in a leading indicator to future demand, four states in the USA have submitted to the federal government for funding for Acusensus enforcement and data collection programs
- Company successfully completed an IPO in January 2023, raising \$20 million to fund global growth and product expansion
- Strong cash balance of \$24.6 million as at 31 March 2023
- Investor webinar to be held Thursday, 4 May 2023 at 11:30am (AEST). Register [here](https://us02web.zoom.us/webinar/register/WN_-ilExa_IROGldorgwnofhw) or via the link: https://us02web.zoom.us/webinar/register/WN_-ilExa_IROGldorgwnofhw

Acusensus Limited (ASX:ACE) (**Acusensus** or the **Company**), a technology company designing and developing artificial intelligence enabled road safety solutions, is pleased to provide a summary of its activities for the quarter ended 31 March 2023 (Q3 FY23).

Acusensus Founder and Managing Director, Alexander Jannink, said:

"I am very pleased that we have delivered such a positive first quarter as a listed company. The Company has outperformed its IPO Prospectus revenue forecast and has secured important new business opportunities. Importantly, we have continued to support our customers with exceptional delivery performance and customer service to ensure they are able to enact their life-saving initiatives.

"As detailed in this quarterly update, we are seeing green shoots from our efforts in the USA and the UK, we have advanced exciting developments in our product set across several fronts and have successfully expanded Acusensus as the partner of choice through Australia.

"I'd like to thank the Acusensus team for delivering on customer expectations throughout another high tempo quarter. The Company has enjoyed a period of rapid growth from no

revenue to annualised revenue of \$40m in just four years, and through the dedication and commitment of our team we have continued to ensure we delight our customers.”

International progress in the USA, UK and other geographies

Acusensus has subsidiaries in the USA and the UK, and distribution partners in other geographies. There has been positive progress in all areas throughout the quarter.

In the USA, Acusensus moved to its new office and manufacturing facility in Nevada to support an increased operational pace. Over the past years Acusensus has demonstrated its technology in 18 American states, and through the financial year to date, the Company has started securing revenue generating opportunities. In this quarter, the Company delivered the first paid live enforcement activity using the Heads-Up Realtime technology to deter phone use and encourage seatbelt compliance in a multi-week engagement with authorities in Nebraska.

Customers of Acusensus in the USA can fund enforcement and data collection activities through a number of mechanisms, one of which is the federal ‘High Priority Grant’ cycle. During the quarter, four states submitted grant applications to the federal government for funding assistance for Acusensus enforcement and data collection programs. These grants are typically awarded during the second half of the calendar year. Importantly, states have been successful in having high priority grants approved in the past, with one issued late last year.

In the UK, in partnership with AECOM, there has been increasing demand for the Acusensus Heads-Up enforcement technology across multiple police forces. The technology has been used across ten police force areas in live enforcement activities to date. Acusensus UK General Manager, Geoff Collins, has been successful in developing further demand for enforcement services across the UK and the Company has invested in the immediate delivery of three new Heads-Up enforcement camera trailers for that market.

The Company has progressed other opportunities in Europe and North America, including the submission of a major tender response for at least six years of mobile phone enforcement camera services in Western Europe.

Queensland contract award

During the quarter, Acusensus Australia Pty Ltd (**ACE Australia**), a wholly owned subsidiary of Acusensus, entered into a Standing Offer Arrangement and contract with the Queensland Department of Transport and Main Roads (**DTMR**) for the provision of trailer-based road safety speed camera services using the Acusensus Harmony solution (**Agreement**).

Under the Agreement, Acusensus will supply and operate trailer-based transportable speed camera solutions, commencing in May 2023, subject to the technology successfully passing a testing and approval process. The solutions will be deployed and maintained by ACE Australia from regional bases located throughout the state. The Standing Offer Arrangement permits DTMR to order additional services from ACE Australia in the future, should it wish to do so.

The Agreement has an initial term of five years from the date of execution, with an option for DTMR to renew the Agreement for two further periods of up to 12 months each. The

estimated total contract value over the initial five-year term of the Agreement is approximately \$11.7m (including GST).

The award of the Agreement builds upon Acusensus' existing operations in Queensland for portable and fixed mobile phone and seatbelt safety technology solutions.

Contract updates

The existing New South Wales (**NSW**) Mobile Speed Camera contract was varied at the end of 2022 to provide for signage to be positioned before and after the vehicles for all mobile speed camera deployments. Revenue commenced in January 2023.

Meanwhile, the Company's Australian Capital Territory Mobile Device Detection Cameras Services Agreement commenced in the quarter. The agreement is for a minimum three-year term, with options for up to two further years. The total contract value over the maximum five-year term is \$9.1m (including GST). Revenue commenced in February 2023.

Product development

Acusensus continues to invest in the research & development (**R&D**) of solution enhancements and new products to meet the needs of customers and to solve relevant societal challenges.

In the core product line, Acusensus has continued to improve image quality and artificial intelligence recognition accuracy. The Company has further expanded the capabilities of the Heads-Up solution to capture helmet compliance and heavy vehicle compliance in addition to its existing distraction + seatbelt + speed + average speed capabilities. Improvements to the trailer platform have also been made, further increasing reliability, reducing maintenance and improving manufacturing processes.

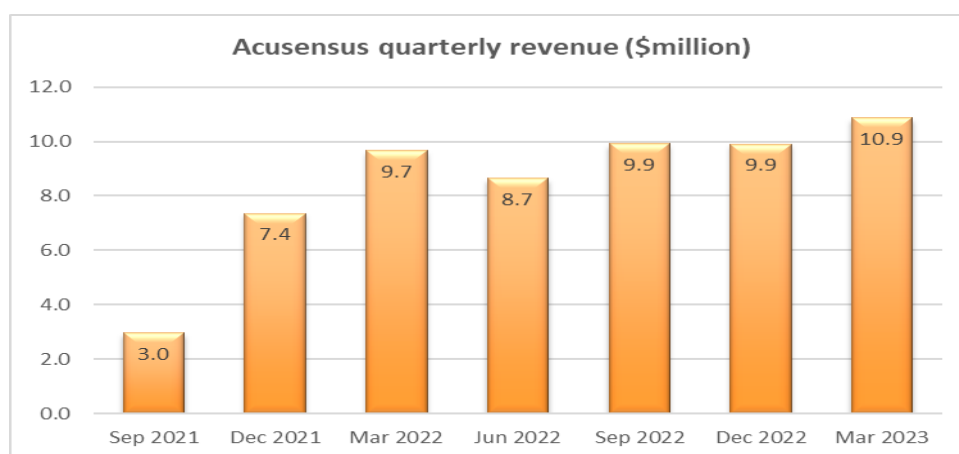
Some of the activities the R&D team is engaged in to leverage core intellectual property into adjacent areas and opportunities include:

- a railway crossing monitoring solution, which tracks whether cars fail to stop at stop sign controlled or signalised rail intersections;
- researching how to use heads-up style technology to detect when drivers are impaired by drugs or alcohol in real time, with involvement from Griffith University and with funding support from the Federal Government; and
- developing the Guardian project, aimed at detecting and preventing dangerous situations for first responders and road workers, which is being developed in partnership with Swinburne University.

The Company has been engaged in several locations in NSW and Victoria for its railway crossing monitoring solution. The impaired driving solution received strong press coverage during the quarter as the Company announced its progress with simulator trials and discussions with police forces for real world testing, expected later in the year, have progressed favourably. The Guardian project has also progressed well, with the first real world trials expected later in the year. The Company's application for a utility patent in the USA over this technology has also been allowed after passing the examination stage and will progress through administrative stages to be fully granted.

Financial update

Cash receipts from customers for Q3 FY23 were \$13.4 million (including unearned income of \$2.1million). Unaudited revenue for the quarter totalled \$10.9 million, representing a 12.5% increase on revenue of \$9.7 million in the prior corresponding period, due largely to the continued expansion of the NSW Mobile Phone Enforcement Camera Contract, commencement of the ACT Mobile Phone Enforcement Camera Contract, variations to the NSW Mobile Speed Camera Contract and the extension of the Western Australia enforcement camera pilot. Revenue for the quarter was 19.1% above the IPO Prospectus forecast, consistent with the aforementioned reasons. Revenue of \$30.7 million in the nine months to 31 March 2023 was recorded, which is 54% higher than the \$20 million recorded in the pcp.



Pursuant to Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the attached Appendix 4C, \$141,000 was paid in respect of directors' fees.

Use of funds statement		
	\$ million	\$ million
Use of funds	Total	Used to 31/03/2023
R&D - Product development	3.5	0.4
International expansion:		
- North America	3.0	-
- Europe	2.5	0.1
- Other Markets	1.5	-
Capital expenditure	4.0	1.2
Working Capital	3.6	-
Costs of the offer	1.9	2.1
Total IPO proceeds	20.0	3.8

Acusensus listed on the ASX on 12 January 2023. The use of funds utilised for the quarter are in line with the use of funds business objectives for the period.

Cash and cash equivalents at the end of the quarter of \$24.6 million provides ample cash reserves to fund global growth prospects and product development initiatives.

Financial Outlook

Acusensus reaffirms that it expects to deliver revenue of at least \$40 million in FY23, up 39.4% from pro forma FY22 revenue of \$28.7 million and above the \$37.0 million forecast in the IPO Prospectus. The increase to revenue guidance came on the back of the new contracts announced during Q3 FY23. The new contracts will contribute additional revenue in subsequent years under the applicable agreements.

The Company reiterates that EBITDA for the full year is expected to be at least the \$3.2 million forecast in the IPO Prospectus.

Investor webinar

An investor webinar will be held to discuss the Q3 FY23 Quarterly Activities Report & Appendix 4C. Please find the details below:

- Presenting: Managing Director, Alexander Jannink and Chief Financial Officer, Mark Lawrence
- Time: 11:30am AEST on Thursday, 4 May 2023
- To register for the session and for more information on the conference click here: https://us02web.zoom.us/webinar/register/WN_-iExa_IROGIldorgwnofhw
- Investors can submit questions prior to the webinar to simon@nwrcommunications.com.au or do so via the Q&A function on Zoom.

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This announcement is authorised by the Board of Acusensus Limited.

About Acusensus

Acusensus is a technology company that was founded in 2018 with a mission to design and develop artificial intelligence enabled road safety solutions. Collaborating with governments and commercial stakeholders to tackle distracted driving globally is Acusensus' first priority.

Acusensus has pioneered intelligent solutions that provide anywhere, anytime digital evidence that can be used in conjunction with law enforcement to drive behavioural change and improve road safety. Acusensus technology is used to detect and provide prosecutable

evidence of distracted driving (mobile phone use), seatbelt compliance, speeding, railway crossing compliance and the monitoring of vehicles of interest.

Acusensus listed on the Australian Securities Exchange in January 2023. Acusensus is headquartered in Melbourne, Australia, with offices also in Sydney, Brisbane, London (UK) and Las Vegas (United States).

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Acusensus Limited

ABN

17 625 231 941

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	13,447	31,363
1.2 Payments for		
(a) research and development	(383)	(1,151)
(b) product manufacturing and operating costs	(8,044)	(20,665)
(c) advertising and marketing	(33)	(171)
(d) leased assets	-	-
(e) staff costs	(1,396)	(4,359)
(f) administration and corporate costs	(959)	(2,909)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	2
1.5 Interest and other costs of finance paid	(20)	(61)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	37
1.8 Other (provide details if material)	-	
Insurance proceeds		208
IPO costs		(679)
1.9 Net cash from / (used in) operating activities	2,612	1,615
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,215)	(2,329)
(d) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(e) intellectual property	(446)	(969)
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(1,661)	(3,298)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	20,000	18,622
3.2 Proceeds from issue of convertible debt securities	-	
3.3 Proceeds from exercise of options	2	2
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – lease payments	(376)	(953)
3.10 Net cash from / (used in) financing activities	19,626	17,671

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,994	8,607
4.2 Net cash from / (used in) operating activities (item 1.9 above)	2,612	1,615

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,661)	(3,298)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19,626	17,671
4.5	Effect of movement in exchange rates on cash held	35	11
4.6	Cash and cash equivalents at end of period	24,606	24,606

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,203	2,741
5.2	Call deposits	18,000	-
5.3	Bank overdrafts	-	-
5.4	Other – bank guarantees	1,403	1,253
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	24,606	3,994

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	141
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	1,484	1,484
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	1,484	1,484
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
Motor vehicle lease funding – Lender: Leaseplan, 4.7% interest rate, maturity dates range 18/07/2024-25/11/2024, leases are secured by a fixed charge over the vehicles.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	2,612
8.2 Cash and cash equivalents at quarter end (item 4.6)	24,606
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	24,606
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: ..27 April 2023.....

Authorised by: ...By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.