

# ASX RELEASE

26 October 2023

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## Q1 FY24 Quarterly Activities Report & Appendix 4C

### Highlights

- Q1 cash receipts of \$12.3 million and net operating cashflow of \$2.9 million
- Q1 unaudited revenue of \$12.1 million, up 22% on the prior corresponding period (pcp)
- Commencement of contract negotiation with four new potential US customers, expected to total over US\$1 million of revenue over their initial one-year term
- The three new enforcement trailers delivered to the UK in July are booked until the end of FY24, and Acusensus is deploying additional trailers to the UK market
- Fully funded with cash reserves (cash and term deposits) totalling \$25.3 million as at 30 September 2023

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 30 September 2023 (**Q1 FY24**).

### Acusensus Founder and Managing Director, Alexander Jannink, said:

“We have had a very positive start to FY24 as Acusensus continues to grow opportunities across all three of our international target markets, including successful expansion of our revenue base in the US and the UK. In Australia, we are finalising the mobilisation of the previously announced Queensland mobile phone and seatbelt contract expansion and have advanced the Queensland phone awareness monitoring and tailgating monitoring pilot.

“In addition to our consistent revenue growth, the Company continues to make progress with new product development initiatives. The Acusensus Guardian roadworker protection product recently commenced real-world testing, while the Company’s impaired driving project is expected to commence real-world testing in the coming months.

“Over the past quarter, we successfully enacted a re-organisation to best position ourselves for scale and growth. With the new structure in place, we have the right foundations from which to increase sales activity and to grow our services sustainably across multiple contracts and time zones. The Company is investing in people and processes ahead of contract wins anticipated to contribute revenue in FY25.

“I am proud and appreciative of the achievements of the Acusensus team in simultaneously advancing both our geographic strategy and our product strategy, placing the Company in an excellent position to have a broad impact globally over the coming years.”

## US, UK and other geographies

Acusensus continued to make strong progress in the US and UK markets during Q1 FY24.

In the US, the Company has been notified of the award of grant money to several potential clients who submitted for funding for services with a view to use Acusensus technology. Acusensus is commencing contract discussions with four potential clients on contracts anticipated to be worth over US\$1m of revenue over the initial one-year term.

These discussions follow from the successful first full quarter of operations from the North Carolina commercial vehicle enforcement program. As presented to the International Association of Chiefs of Police conference in August, the North Carolina State Highway Patrol has increased the monthly issuance to commercial vehicle drivers of seatbelt violations sixfold and mobile phone violations ninefold since it commenced utilising the Acusensus technology.

With the multi-function capabilities of the Acusensus solution, the Company is in the final stages of negotiation with one of its prospective US customers for six months of real-time speed enforcement for work zones. It is expected that this contract will provide a broader opportunity for Acusensus to provide real time speed enforcement services in addition to mobile phone and seatbelt services throughout the US.

Meanwhile, momentum has been strong in the UK with the three new enforcement trailer systems delivered in July committed for enforcement through to the end of FY24. Demand for further enforcement trailers is anticipated, and Acusensus is directing further trailers to the UK to support the opportunities in the market.

In Western Europe, Acusensus is in the tender process for a minimum six-year mobile phone enforcement camera services program. This tender is expected to be awarded in the second half of FY24, with services to commence in FY25.

## Australia

During the quarter, the Company announced an expansion of its existing Mobile Phone & Seatbelt Safety Technology Enforcement contract in Queensland. The additional solutions are expected to commence in December 2023, contributing additional revenue of approximately \$10.2m over five years, representing an uplift of approximately 50% on the original contract value.

The Queensland phone awareness monitoring and tailgating monitoring pilots are due to commence in the second half of FY24. In an Australian first, and with the aim of improving driver behaviour, Acusensus technology will be deployed in pilots to monitor and detect drivers who are using a mobile phone whilst driving, before providing an immediate signage prompt to alert those drivers of this unsafe behaviour. Monitoring and similar signage prompts will also be given to drivers who are tailgating other motorists.

The Acusensus Guardian roadworker protection product, which will provide alerts to protect roadside construction workers and first responders to roadside incidents from injury and harm, has now commenced real-world testing ahead of expected paid pilot activity in the second half of FY24 and an anticipated product release in FY25.

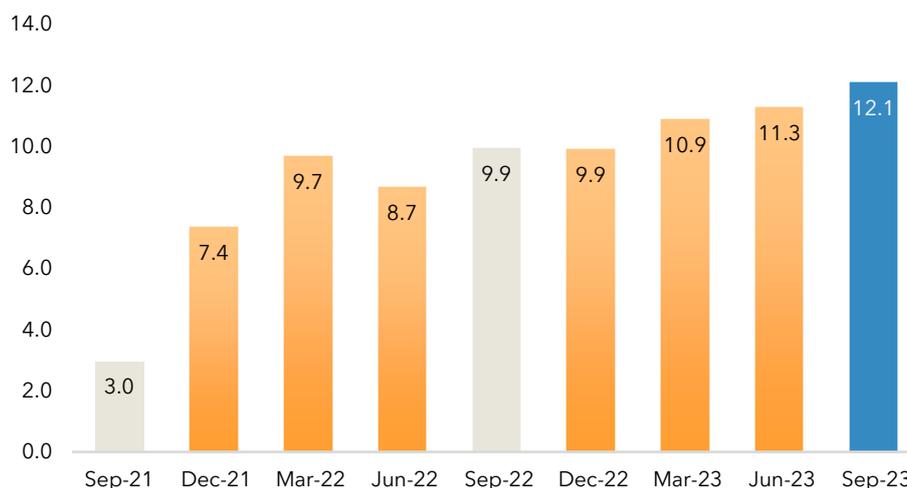
The Company’s impaired driving project, which is currently in a research phase and aims to detect fatigue and drug/drunken driving, is likely to commence real world testing in conjunction with police in the coming months.

## Financial update

Acusensus received \$12.3 million of cash receipts from customers and delivered a net operating cashflow of \$2.9 million in Q1 FY24. Net operating cashflow was higher than anticipated due to late receipt of creditor invoices/payments totalling \$2.3m in Q1. On a normalised basis, a positive net operating cashflow result of \$0.6 million was derived for Q1, net of accrued FY23 performance bonus payments made.

Unaudited revenue for the quarter totalled \$12.1 million, representing a 22% increase on revenue of \$9.9 million in the pcp. The increase was attributed to 17% growth in existing contract revenue (pcp), the addition of the ACT mobile device detection camera services contract and the commencement of the Queensland trailer-based transportable speed camera contract. Revenue was higher on a quarter-on-quarter basis, as highlighted below.

**Acusensus quarterly revenue (\$million)**



Pursuant to Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the attached Appendix 4C, \$36,000 was paid in respect of directors’ fees.

| Use of funds statement    |             |                       |
|---------------------------|-------------|-----------------------|
|                           | \$ million  | \$ million            |
| Use of funds              | Total       | Used to<br>30/09/2023 |
| R&D - Product development | 3.5         | 1.4                   |
| International expansion:  |             | -                     |
| - North America           | 3.0         | 0.9                   |
| - Europe                  | 2.5         | 0.9                   |
| - Other Markets           | 1.5         | -                     |
| Capital expenditure       | 4.0         | 3.4                   |
| Working Capital           | 3.6         | -                     |
| Costs of the offer        | 1.9         | 2.1                   |
| <b>Total IPO proceeds</b> | <b>20.0</b> | <b>8.6</b>            |

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.

Available cash and cash equivalents (including \$12.0 million term deposit) at the end of the quarter provide adequate cash reserves of \$25.3 million to fund global growth prospects and product development initiatives.

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#### Enquiries

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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")**

30 September 2023

| <b>Consolidated statement of cash flows</b>                    | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (12<br/>months)<br/>\$A'000</b> |
|--|------------------------------------|---|
| <b>1. Cash flows from operating activities</b>                 |                                    |   |
| 1.1 Receipts from customers                                    | 12,264                             | 12,264  |
| 1.2 Payments for   |                                    |   |
| (a) research and development                                   | (781)                              | (781)   |
| (b) product manufacturing and operating costs                  | (4,732)                            | (4,732)   |
| (c) advertising and marketing                                  | (58)                               | (58)  |
| (d) leased assets  | -                                  | -   |
| (e) staff costs  | (2,454)                            | (2,454)   |
| (f) administration and corporate costs                         | (1,625)                            | (1,625)   |
| 1.3 Dividends received (see note 3)                            | -                                  | -   |
| 1.4 Interest received  | 343                                | 343   |
| 1.5 Interest and other costs of finance paid                   | (19)                               | (19)  |
| 1.6 Income taxes paid  | -                                  | -   |
| 1.7 Government grants and tax incentives                       | -                                  | -   |
| 1.8 Other (provide details if material):<br>Insurance proceeds | 6                                  | 6   |
| <b>1.9 Net cash from / (used in) operating activities</b>      | <b>2,944</b>                       | <b>2,944</b>                                    |

| <b>Consolidated statement of cash flows</b>               | <b>Current quarter<br/>\$A'000</b> | <b>Year to date (12<br/>months)<br/>\$A'000</b> |
|---|------------------------------------|---|
| <b>2. Cash flows from investing activities</b>            |                                    |   |
| 2.1 Payments to acquire or for:                           |                                    |   |
| (a) entities  | -                                  | -   |
| (b) businesses  | -                                  | -   |
| (c) property, plant and equipment                         | (1,616)                            | (1,616)   |
| (d) investments   | -                                  | -   |
| (e) intellectual property                                 | (478)                              | (478)   |
| (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)                   | -                                  | -   |
| <b>2.6 Net cash from / (used in) investing activities</b> | <b>(2,094)</b>                     | <b>(2,094)</b>                                  |

|   |   |   |
|---|---|---|
| <b>3. Cash flows from financing activities</b>  |   |   |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities)       | - | - |
| 3.2 Proceeds from issue of convertible debt securities                                      | - | - |
| 3.3 Proceeds from exercise of options   | - | - |
| 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  | - | - |

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

| Consolidated statement of cash flows |  | Current quarter<br>\$A'000 | Year to date (12<br>months)<br>\$A'000 |
|--------------------------------------|--|----------------------------|--|
| 3.9                                  | Other (provide details if material):<br>Lease payments | (366)                      | (366)                                  |
| <b>3.10</b>                          | <b>Net cash from / (used in) financing activities</b>  | <b>(366)</b>               | <b>(366)</b>                           |

|            |  |               |               |
|------------|--|---------------|---------------|
| <b>4.</b>  | <b>Net increase / (decrease) in cash and cash equivalents for the period</b> |               |               |
| 4.1        | Cash and cash equivalents at beginning of period*                            | 12,799        | 12,799        |
| 4.2        | Net cash from / (used in) operating activities (item 1.9 above)              | 2,944         | 2,944         |
| 4.3        | Net cash from / (used in) investing activities (item 2.6 above)              | (2,094)       | (2,094)       |
| 4.4        | Net cash from / (used in) financing activities (item 3.10 above)             | (366)         | (366)         |
| 4.5        | Effect of movement in exchange rates on cash held                            | 46            | 46            |
| <b>4.6</b> | <b>Cash and cash equivalents at end of period</b>                            | <b>13,329</b> | <b>13,329</b> |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|------------|---|----------------------------|-----------------------------|
| 5.1        | Bank balances   | 7,776                      | 5,322                       |
| 5.2        | Call deposits*  | 4,138                      | 18,064                      |
| 5.3        | Bank overdrafts   | -                          | -                           |
| 5.4        | Other – bank guarantees   | 1,415                      | 1,413                       |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>13,329</b>              | <b>24,799</b>               |

\*Cash and cash equivalents in the previous quarter included a \$12.0 million term deposit which has been reclassified in the current quarter as other current assets. Cash and cash equivalents as at 30 September 2023 of \$13.3 million plus \$12.0 million of term deposits classified as other current assets, totalling \$25.3 million, provides ample cash reserves.

| <b>6. Payments to related parties of the entity and their associates</b>                    | <b>Current quarter<br/>\$A'000</b> |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | 36                                 |
| 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.*

| <b>7. Financing facilities</b><br><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i><br><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   | <b>Total facility<br/>amount at quarter<br/>end<br/>\$A'000</b> | <b>Amount drawn at<br/>quarter end<br/>\$A'000</b> |
|---|---|--|
| 7.1 Loan facilities   | 1,001   | 1,001  |
| 7.2 Credit standby arrangements   | -   | -  |
| 7.3 Other (please specify):   | -   | -  |
| <b>7.4 Total financing facilities</b>   | <b>1,001</b>  | <b>1,001</b>                                       |
| <b>7.5 Unused financing facilities available at quarter end</b>   |   | -  |
| 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, circa 3.5% interest rate, maturity dates range 18/06/2024-24/08/2026, leases are secured by a fixed charge over the vehicles.  |   |  |

| <b>8. Estimated cash available for future operating activities</b>   | <b>\$A'000</b> |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9)  | 2,944          |
| 8.2 Cash and cash equivalents at quarter end (item 4.6)  | 13,329         |
| 8.3 Unused finance facilities available at quarter end (item 7.5)  | -              |
| 8.4 Total available funding (item 8.2 + item 8.3)  | 13,329         |
| <b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>  | 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

*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.*

## 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: 26 October 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.