ASX RELEASE

1 May 2024

Q3 FY24 Quarterly Activities Report & Appendix 4C

Highlights

- NSW Mobile Speed Camera contract with Transport for NSW has been extended for another year.
- Matt Higgins joins from Tesla, Inc. as Chief Operating Officer to focus on scale objectives associated with Acusensus' growth.
- Q3 FY24 cash receipts of $11.7 million and net operating cash inflows of $1.2 million.
- Q3 FY24 unaudited revenue of $12.1 million, up 11% compared to Q3 FY23.
- Fully funded with cash reserves (cash and term deposits) totalling $19.8 million as at 31 March 2024.

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 third quarter ended 31 March 2024 (**Q3 FY24**).

Acusensus Founder and Managing Director, Alexander Jannink, said:

"There have been a number of achievements for Acusensus over the past quarter, with significant tender activity in the sectors Acusensus serves. These tailwinds will continue to bode well for the future of Acusensus as more governments recognise the lifesaving potential of the types of solutions that Acusensus has pioneered.

"Applicable speed and/or mobile phone tenders have recently been released domestically and internationally. In responding to tenders, Acusensus bids with world leading technology, excellent service and maximum flexibility. Our clients can be confident that if they do select us, we will deliver well with a response bid on commercially viable terms.

"It's been pleasing to see the first phone enforcement cameras activated in South Australia, conversion of opportunities previously announced in the United States (**US**), and the continued demand in the United Kingdom (**UK**). We have grown our team steadily in both the US and the UK over the quarter, and we have now appointed a Chief Operating Officer to further enhance our attention to scaling the business effectively and efficiently.

"Seeing our road worker safety product deployed for the first time this quarter at real work sites has been very rewarding and I'm excited by our ambitions to make a difference in work health and safety on a global stage over time."

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Operations

Matt Higgins has been appointed in the role of Chief Operating Officer to focus on scale priorities as the Company executes its growth objectives. Matt brings a wealth of experience as an engineering leader, having spearheaded multinational manufacturing and engineering teams during his tenure at Tesla, Inc. His extensive background includes nurturing teams and overseeing manufacturing operations in prominent locations such as California, Shanghai and Berlin. Beyond his tenure at Tesla, Matt has also demonstrated proficiency in implementing world-class practices, notably during his time at Toyota. He has further enriched his expertise through roles at management consultancy KBR and General Motors.

Progress was made on the development of advisory signage solutions (Behaviour Awareness Monitoring), including off-road acceptance testing with Acusensus' Queensland customer. The Company also achieved significant progress in the development of its road worker protection product (previously known as "Guardian") with the product being deployed at real work sites. The product is a wearable device that provides road worker safety in real-time and the Company has received useful feedback from a client, which will inform further enhancements to the hardware. The Company also continues to broaden its multi-function enforcement solution toward covering all five of the fatal five driver behaviours (which together are responsible for up to 94% of road fatalities according to statistics from National Highway Traffic Safety Administration (**NHTSA**)).

As announced on 18 April 2024, Acusensus IP Pty Ltd (**Acusensus IP**), a fully owned subsidiary of Acusensus Limited, has commenced proceedings in the Federal Court of Australia against One Task Pty Ltd (**One Task**) alleging that One Task infringes Acusensus IP's certified innovation patent relating to a system for detecting and providing prosecutable evidence of drivers illegally using mobile phones whilst driving, as well as seatbelt offences. Acusensus has commenced these proceedings to protect its intellectual property rights, having deployed the world's first ongoing enforcement camera program to detect drivers illegally using phones whilst driving in New South Wales in 2019.

Business Development

Acusensus programs change driver behaviours and reduce road trauma. Since deploying Acusensus speed enforcement cameras in regional Queensland last year, the number of excessive speeders[1] detected by the cameras has decreased by 92%.

Transport for NSW has provided notice that it has elected to extend the Mobile Speed Camera contract for an additional year once the initial contract period ends on 30 June 2024. The Company continues to have discussions with existing customers in relation to increasing units and/or expanding scope and has a strong pipeline of projects it is working on responses to.

In the UK, Acusensus continues the move from one-off pilots to medium-term engagements for distracted driving and seat belt enforcement. Following a successful pilot using Acusensus' technology in 2021, National Highways has commenced a 12-month trial with 10 regional forces, covering ~25% of England's strategic roads. This will allow forces to carry out a detailed evaluation of the 'Heads-Up' technology.

[1] An excessive speeder refers to a vehicle detected exceeding the speed limit by more than 40km/h.

In the US, the Company is progressing opportunities with state governments to deploy real-time distracted driving and speed enforcement solutions. The Company also pursues data collection opportunities including having recently secured a two-year contract with a state university with a value of US$0.5 million. The Company also bid its technology for state-wide work zones automated speed enforcement services in Washington State, however this tender was closed with no award made to any party to allow Washington State Department of Transport to revise the program's scope and conditions.

The Company exhibited at the biennial Intertraffic Conference in April, launching and presenting its road worker safety solution for the first time and presenting on its push into multi-function transportable enforcement.

Financial update

Acusensus received $11.7 million of cash from customers and had net operating cash inflows of $1.2 million for Q3 FY24. Operating cash flow for Q3 FY24 benefitted from $0.3 million insurance proceeds but was not impacted by working capital distortions experienced in the previous quarters. For the year to date to 31 March 2024, Acusensus had $34.2 million of cash receipts and $1.7 million of net operating cash inflows.

Unaudited revenue for the quarter totalled $12.1 million. This represents 11% growth compared with the prior year, driven by Queensland Department of Transport for Main Roads speed enforcement services commencing in May 2023 and revenue growth in the US. Revenue declined 5% compared to the last quarter as a result of short-term contracts in the US and UK ceasing and a temporary delay in the commencement dates of some new contracts.

Financial outlook

The Company reiterates that it expects to deliver FY24 revenue in the range of $49 million - $51 million and EBITDA in the range of $4 million - $5 million.

Use of funds

Acusensus listed on the ASX on 12 January 2023. The use of funds utilised during the quarter are in line with the use of funds set out in the prospectus.

Use of funds ($m)	Total Raised	Used to 31/3/2024
R&D - Product development	3.5	2.4
International expansion:		
- North America	3.0	1.7
- Europe	2.5	1.2
- Other Markets	1.5	0.0
Capital expenditure	4.0	5.7
Working capital	3.6	0.0
Costs of the offer	1.9	2.1
Total IPO proceeds	**20.0**	**13.1**

Available cash and term deposits (including $12.0 million term deposit) at the end of the quarter provide adequate cash reserves of $19.8 million to fund growth prospects domestically and internationally as well as product development initiatives.

Payments to Related Parties

Pursuant to Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the attached Appendix 4C, $53,869 was paid in respect of directors' fees.

END

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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	**Quarter ended ("current quarter")**
17 625 231 941	31 March 2024

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	11,733	34,179
1.2	Payments for		
	(a) research and development	(514)	(1,818)
	(b) product manufacturing and operating costs	(7,677)	(20,610)
	(c) advertising and marketing	(114)	(178)
	(d) leased assets	-	-
	(e) staff costs	(1,576)	(6,779)
	(f) administration and corporate costs	(1,284)	(4,149)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	379	779
1.5	Interest and other costs of finance paid	(15)	(53)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material):		
	Insurance proceeds	273	279
	Other	6	11
1.9	**Net cash from / (used in) operating activities**	**1,211**	**1,661**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1,579)	(3,939)
	(d) investments	-	-
	(e) intellectual property	(534)	(1,497)
	(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**	**(2,113)**	**(5,436)**

3.	**Cash flows from financing activities**		
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	-	115
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	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
3.9	Other (provide details if material):		
	Lease payments	(385)	(1,183)
3.10	**Net cash from / (used in) financing activities**	**(385)**	**(1,068)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period*	9,149	12,799
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,211	1,661
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,113)	(5,436)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(385)	(1,068)
4.5	Effect of movement in exchange rates on cash held	(72)	(166)
4.6	**Cash and cash equivalents at end of period**	**7,790**	**7,790**

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	3,369	3,596
5.2	Call deposits*	3,000	4,138
5.3	Bank overdrafts	-	-
5.4	Other – bank guarantees	1,421	1,415
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**7,790**	**9,149**

** Call deposits included in this table only include term deposits with less than 3 months maturity in accordance with the definition of cash and cash equivalents per AASB 107: Statement of Cash Flows. In addition to these call deposits, Acusensus has a $12.0 million term deposit classified as other current assets. Cash and cash equivalents as at 31 March 2024 of $7.8 million plus $12.0 million of term deposits classified as other current assets, totalled $19.8 million ($21.1 million at the end of the previous quarter).*

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	54
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.

7.	Financing facilities *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.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	514	514
7.2	Credit standby arrangements	-	-
7.3	Other (please specify):	-	-
7.4	**Total financing facilities**	514	514
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, circa 4.2% interest rate, maturity dates range 18/06/2024-01/02/2027, 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)	1,211
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,790
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	7,790
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	N/A

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.

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: 1 May 2024

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.