

ASX RELEASE

27 July 2023

Q4 FY23 Quarterly Activities Report & Appendix 4C

Highlights

- Q4 cash receipts of \$11.6 million and net operating cashflow of \$2.6 million
- Q4 unaudited revenue of \$11.3 million, up 30% on the prior corresponding period (pcp)
- Unaudited FY23 full-year revenue of \$42.0 million, up 46.3% on \$28.7 million pcp. Revenue in line with the higher end of upgraded guidance of between \$41.0 million and \$42.0 million previously provided and represents an overall increase of 13.5% above the Company's IPO Prospectus guidance of \$37.0 million
- Award of first mobile phone and seatbelt enforcement contract for commercial vehicles in the United States of America
- New contract entered into with the Queensland Government for phone awareness monitoring and tailgating monitoring pilots to support public awareness road safety initiatives
- Commencement of the five-year trailer-based transportable speed camera contract in Queensland, with all trailers delivered and operational
- Delivery of three new Acusensus 'Heads-Up' enforcement trailers to the United Kingdom
- Strong cash balance of \$24.8 million as at 30 June 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 June 2023 (**Q4 FY23**).

Acusensus Founder and Managing Director, Alexander Jannink, said:

"This quarter we were able to demonstrate key developments across international markets, including the first ongoing contract for mobile phone and seatbelt enforcement for commercial vehicles in the US. This was further complemented by strong demand from the UK market, requiring the accelerated provision of new enforcement trailer systems to that jurisdiction for several planned trials and demonstrations.

"The sales pillar of our growth strategy was further by ongoing progress in our product development. Core enforcement product technology benefitted once again from enhanced imaging and AI. The first real world testing of the Company's impaired driving project is expected in the second half of the year. The Acusensus Guardian roadworker protection product has progressed, with real-world pilots expected at the end of the year or in early 2024.

"It has been incredible to see the Company deliver on upgraded revenue guidance as we were once again able to mobilise new contracts on time."

US, UK and other geographies

Important milestones have been achieved by the Acusensus subsidiaries in the US and the UK, as well as in other geographies where Acusensus has distribution partners.

In the US, Acusensus is pleased to announce the appointment of David Kelly as its Vice President of Government Solutions. David has worked with the Company in the US in a consultancy capacity in the past and brings government relations and sales strategy experience to Acusensus as it focuses on one of its core expansion markets. David is a former Acting Administrator and Chief of Staff of the National Highway Traffic Safety Administration (NHTSA) and has held leadership positions in the US Department of Transport and the National Safety Council, amongst other roles.

This month in the UK, off the back of strong interest for trials and demonstrations, three new enforcement trailer systems have been supplied to allow these opportunities to progress.

Last quarter, the Company mentioned the submission of a major tender response for mobile phone enforcement camera services in Western Europe. The Company's response was strongly placed, however the client decided to close the previous tender process and re-issue a new tender. While this decision will result in some delay in the rollout of technology, it is expected to lead to a larger and more significant program over time.

Australia

On 26 July 2023, it was announced that the Company had entered into a contract with the Queensland Department of Transport and Main Roads (DTMR) for the provision of phone awareness monitoring and tailgating monitoring services to support public awareness road safety initiatives. 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. Similar signage prompts will also be given to drivers who are tailgating other motorists.

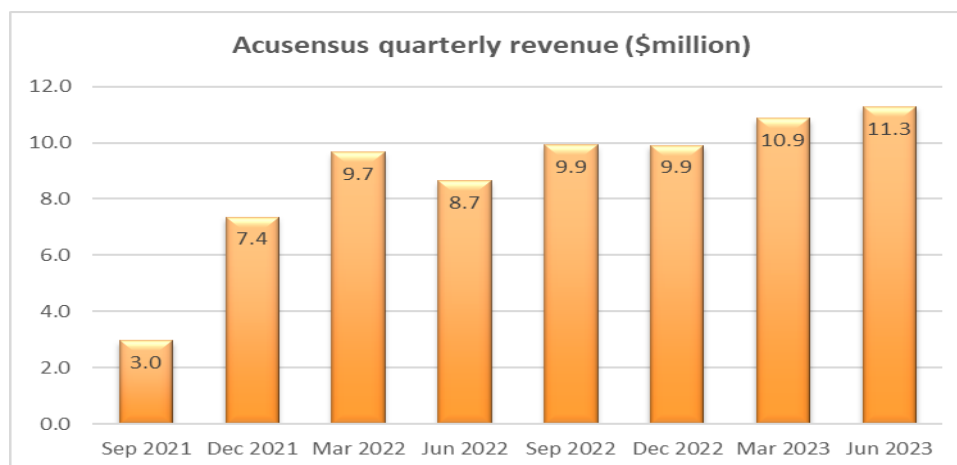
Following on from the signing of a separate contract with DTMR in February this year for trailer-based road safety speed camera services over a minimum five-year period, it was confirmed this month that the Acusensus Harmony solution used to provide these services had successfully passed the testing and approvals process. The Acusensus Harmony solutions are now deployed for enforcement action in Queensland.

Financial update

Cash receipts from customers for Q4 FY23 were \$11.6 million (including unearned income of \$0.3 million). Unaudited revenue for the quarter totalled \$11.3 million, representing a 30% increase on revenue of \$8.7 million in the pcp, due largely to a 24% growth in existing (pcp) contracts and the addition of the ACT mobile device detection camera services contract and Queensland trailer-based transportable speed camera contract.

Unaudited FY23 full-year revenue of \$42.0 million is up 46.3% on \$28.7 million in the pcp. Revenue is in line with the higher end of upgraded guidance previously provided and represents an overall increase of 13.5% above the Company's IPO Prospectus guidance of \$37.0 million.

The Company will be releasing fully audited results for FY23 in August 2023.



Pursuant to Listing Rule 4.7C.3 and as disclosed in Item 6.1 of the attached Appendix 4C, \$58,000 was paid in respect of directors' fees.

Use of funds statement		
	\$ million	\$ million
Use of funds	Total	Used to 30/06/2023
R&D - Product development	3.5	0.9
International expansion:		
- North America	3.0	0.2
- Europe	2.5	0.3
- Other Markets	1.5	-
Capital expenditure	4.0	2.7
Working Capital	3.6	-
Costs of the offer	1.9	2.1
Total IPO proceeds	20.0	6.1

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 \$24.8 million provide ample cash reserves to fund global growth prospects and product development initiatives.

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Enquiries

Alexander Jannink
Managing Director, Acusensus Limited
1300 214 697
Email: investor-relations@acusensus.com

Simon Hinsley
Investor and Media Relations
+61 401 809 653
Email: simon@nwrcommunications.com.au

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 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	11,647	43,010
1.2 Payments for		
(a) research and development	(473)	(1,624)
(b) product manufacturing and operating costs	(6,090)	(26,755)
(c) advertising and marketing	(38)	(209)
(d) leased assets	-	-
(e) staff costs	(1,433)	(5,792)
(f) administration and corporate costs	(1,081)	(3,990)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	91	93
1.5 Interest and other costs of finance paid	(22)	(83)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	36	73
1.8 Other (provide details if material):		
Insurance proceeds	-	208
IPO cost	(5)	(684)
Other	9	9
1.9 Net cash from / (used in) operating activities	2,641	4,256

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	(1,646)	(3,975)
(d) investments	-	-
(e) intellectual property	(431)	(1,400)
(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	(2,077)	(5,375)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	18,622
3.2 Proceeds from issue of convertible debt securities	-	
3.3 Proceeds from exercise of options	-	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	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
3.9	Other (provide details if material): Lease payments	(335)	(1,288)
3.10	Net cash from / (used in) financing activities	(335)	17,336

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	24,606	8,607
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,641	4,256
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,077)	(5,375)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(335)	17,336
4.5	Effect of movement in exchange rates on cash held	(36)	(25)
4.6	Cash and cash equivalents at end of period	24,799	24,799

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	5,322	5,203
5.2	Call deposits	18,064	18,000
5.3	Bank overdrafts	-	-
5.4	Other – bank guarantees	1,413	1,403
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	24,799	24,606

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	58
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	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	1,182	1,182
7.2 Credit standby arrangements	-	-
7.3 Other (please specify):	-	-
7.4 Total financing facilities	1,182	1,182
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 3.5% interest rate, maturity dates range 18/06/2024-17/07/2026, 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)	2,641
8.2 Cash and cash equivalents at quarter end (item 4.6)	24,799
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	24,799
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 July 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.