



acusensus

intelligent eyes



First Half FY24 Results Presentation

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Financial data

All dollar values are in Australian dollars (\$AUD) unless noted otherwise.

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AGENDA

Acusensus Introduction & First Half FY24 Highlights

Update on Business Operations

Financial Performance

Outlook

Q&A



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Managing Director



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Chief Financial Officer

ACUSENSUS INTRODUCTION & FIRST HALF FY24 HIGHLIGHTS

ROAD SAFETY NEEDS IMPROVEMENT

Acusensus was founded to empower authorities globally to tackle their road safety issues with artificial intelligence enabled compliance enforcement solutions



1.2 million people die and up to **50 million** each year are injured from road traffic crashes



Road traffic injuries **leading cause of death** for ages 5-29



Excluding crashes in transit, **13% of workers killed** in Australia each year are struck by a vehicle



Road crashes typically reduce GDP by **3%**



Authorities are focusing on the 'fatal five': speeding, seatbelts, fatigue, drugs/alcohol and distraction to try to reduce **preventable road deaths**

Sources: World Health Organisation, Safe Work Australia

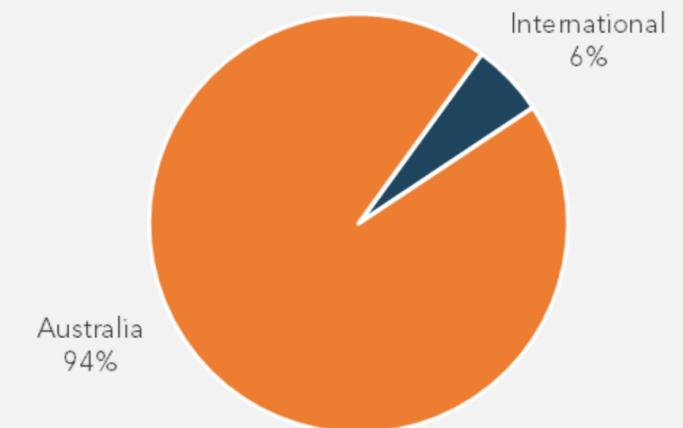
ACUSENSUS - PROVIDING INNOVATIVE TECHNOLOGY

Successfully developed, manufactured, deployed and operated multi-function technology solutions with the ability to combat multiple road safety issues with a single installation

Introduction

- Technology company founded in 2018 to improve road safety with offices in Australia, United States and United Kingdom
- Empowers and partners with road authorities globally to tackle road safety issues with artificial intelligence-enabled enforcement solutions
- Primarily focused on deterring distracted driving. Enforcement solution can also be extended to capture multiple other offences, of which speed is the most requested
- Versatile solutions which can be deployed across the road network from a transportable platform (i.e. cars or trailers) or fixed infrastructure

Revenue Contribution by Geography¹



Heads-Up Multi-Function Enforcement Solution



Distraction

+



Seatbelt

+



Average Speed

+



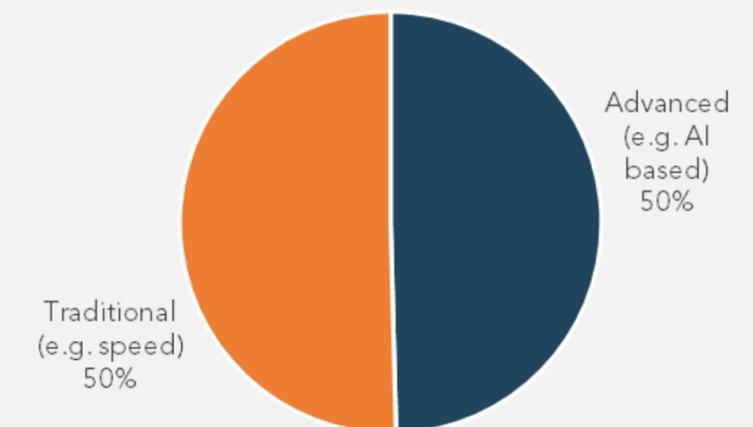
Point Speed

+



Unregistered

Gross Profit Contribution by Capability¹



¹ Revenue and Gross Profit contribution based on 1H FY24 financials. Artificial Intelligence (AI) based enforcement includes mobile phone and seatbelt detection

1H FY24 FINANCIAL HIGHLIGHTS

Continued revenue momentum with improving profitability



Total Contract Value¹ of
\$165m

7 multi-year service contracts



Revenue of
\$24.7m

Up 25% compared to PCP⁴



Gross Profit of
\$11.1m

Gross Margin of 45.0% (up 250 bps)



EBITDA of
\$2.5m

Up 35% compared to PCP



Capital expenditure² of
\$3.3m

Up \$1.7m compared to PCP



Strong Cash Position³
\$21.1m

at 31 December 2023

1. Total Contract Value represents the known value of signed contracts since inception of the Company
2. Capital expenditure refers to payments for property, plant and equipment and payments for intangible assets
3. Cash includes term deposits
4. PCP represents prior comparable period

UPDATE ON BUSINESS OPERATIONS

AUSTRALIAN BUSINESS PERFORMING WELL

Signing of South Australia contract will result in half of Australia's state and territories using our technology to address distracted driving

- New five-plus year contract signed with South Australian Government in January 2024 for provision of multiple fixed mobile phone detection camera installations using 'Heads-Up' solution. Estimated initial contract value of \$5 million (excluding GST)
- Expansion of the number of trailers in operation for mobile phone and seatbelt enforcement with Queensland Department of Transport & Main Roads. Contract variation adds approximately \$9 million (excluding GST) in incremental revenue over the five-year period
- Commencement of operations for Queensland Department of Transport & Main Roads in relation to speed enforcement across the state using trailer-based Harmony solutions
- Extension of existing mobile phone detection camera agreement with Transport for New South Wales until 30 November 2024



INTERNATIONAL BUSINESSES GAINING TRACTION

International growth has been focused on educating the market about our innovative Heads-Up solution to address road safety concerns

United States

- Opening the market for real-time multi-function enforcement and data collection services, accessing federal funding
- North Carolina State Highway Patrol issued 6x more seatbelt and 9x more mobile phone citations to commercial vehicle drivers¹
- Assessing other market opportunities, such as work zone speed safety programs



'Heads Up' Real Time Enforcement

United Kingdom

- Moving from one-off pilots to medium term engagements for distracted driving and seatbelt enforcement
- Support from media, public and government on the benefits of the technology and solution
- Growing the in-country operations team, supported by a network of experienced delivery partners



'Heads-Up' Enforcement (Devon & Cornwall)

Rest of World

- Awaiting results of tender submitted for Europe's first large scale program to address phone distracted driving
- Exploring pilot opportunities in new markets in Western Europe and the Middle East
- Showcasing our innovative solutions to global clients at Intertraffic Amsterdam Trade Show in April 2024



2022 Intertraffic Amsterdam Trade Show

ENSURING OPERATIONS ARE STRUCTURED TO PROVIDE SCALE

Adjusted operating structure and investments in additional headcount and assets to support growth and internationalisation of the business

- Enacted change to operations structure to best position the company for scale and growth
 - Implemented project management office to ensure consistent delivery of new projects - high quality, on budget and on-time
 - Setting up global 24/7 L1/L2 tiered helpdesk/support system
 - Moved from a geographical organisational model to a functional one
- Focus on internationalisation of the business
 - Increasing “on the ground” sales presence in the UK and US
 - Investing in technically competent local resourcing i.e. engineers, technicians
 - Ensuring 24x7 help desk support
- Investing in people and processes as the company matures
 - Pursuing certifications such as ISO9001 (quality management), ISO14001 (environmental management), ISO45001 (OH&S) and ISO 27001 (information security) to drive efficiencies and improve our competitiveness
 - Enhancing back-office support, reduce reliance on ‘shared pool’ of people that have shared responsibilities
- Enhancing and hardening our existing enforcement camera fleet to further protect against vandalism

FOCUS ON PRODUCT DEVELOPMENT

Continued improvement of product offering, addressing adjacent applications and pursuing complementary technology to meet needs of similar customers

- Continued product improvement through extensive data collection and training of artificial intelligence for phone and seatbelt offences
- Enhanced image capture system to be able to capture make, model, number plate and offender behaviour simultaneously
- Phone awareness and tailgating monitoring - detect drivers demonstrating unsafe behaviour and provide signage to alert and educate with paid demonstration expected to occur during 2H FY24
- Impaired driving detection - partnering with Australian Federal Office of Road Safety, Griffith University and Queensland Police Service to collect real world data to gain further insights and determine feasibility
- Guardian roadworker protection product - aim to protect roadside workers and first responders to roadside incidents from injury and harm. Commencing real world testing with paid pilot expected to be held during 2H FY24



Impaired Driving Simulator

EXTERNAL AWARDS A TESTAMENT TO OUR ACHIEVEMENT

Acusensus recognised by a number of third parties for our technology, service and successful execution to date



Acusensus Guardian Innovation

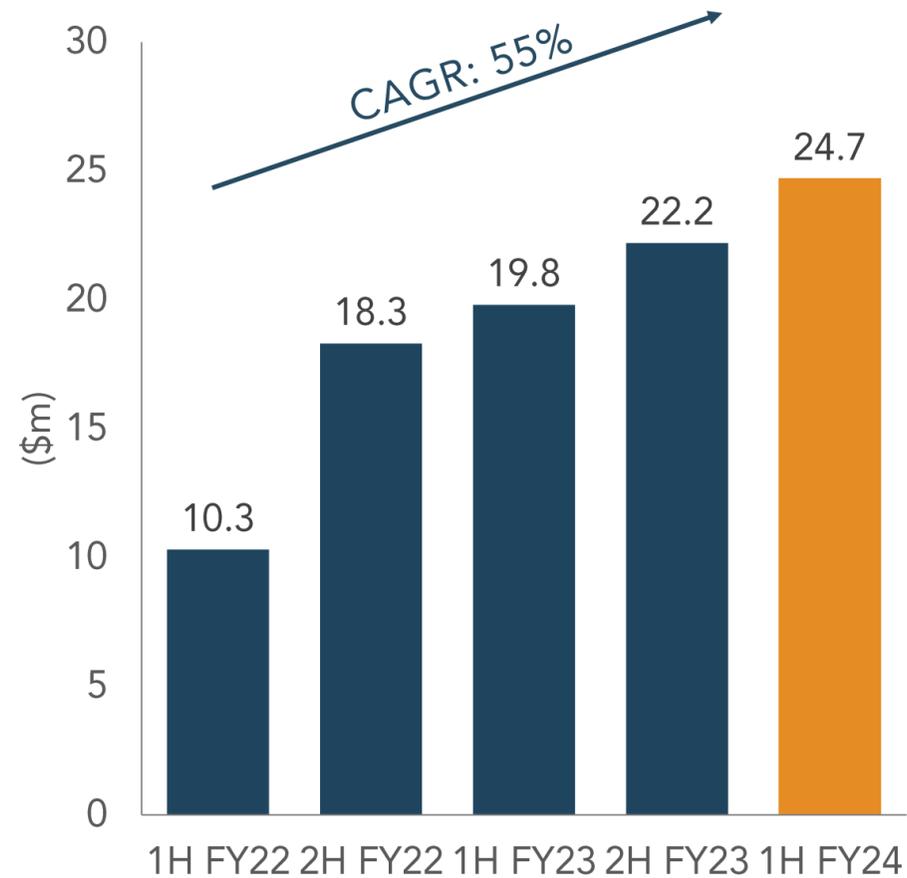


FINANCIAL PERFORMANCE

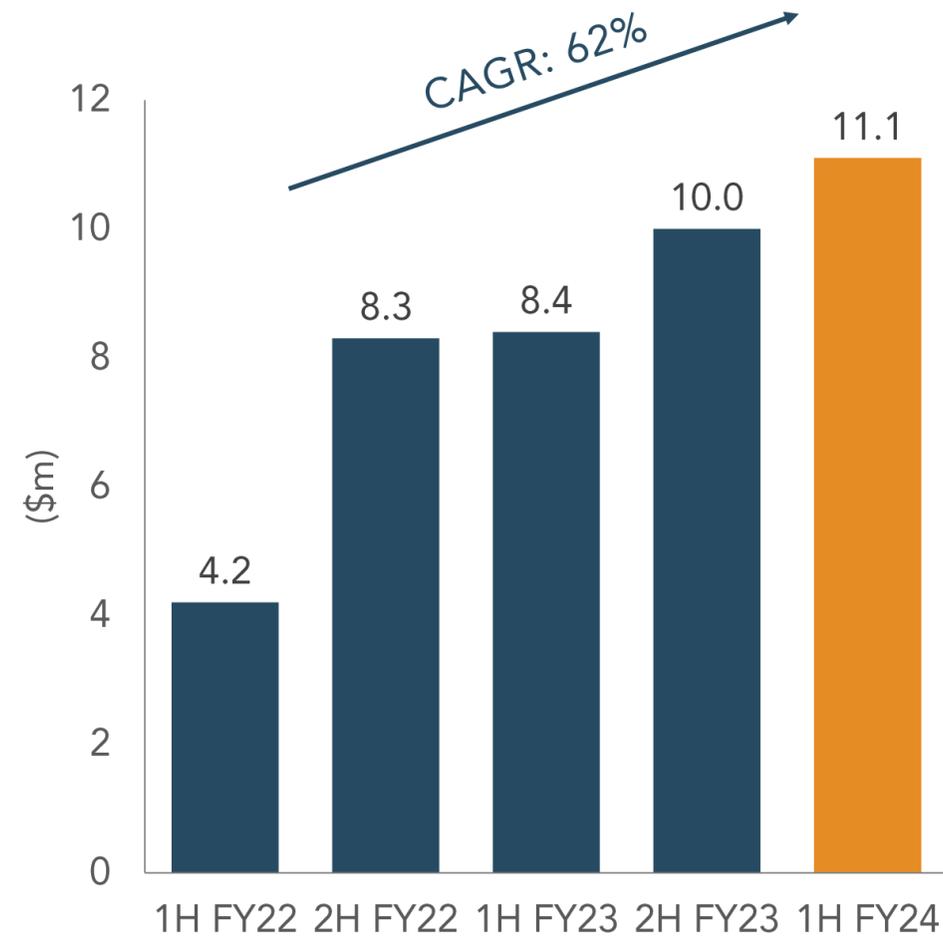
DEMONSTRATING CONTINUED GROWTH

Track record of consistent growth with demand for our innovative products and services

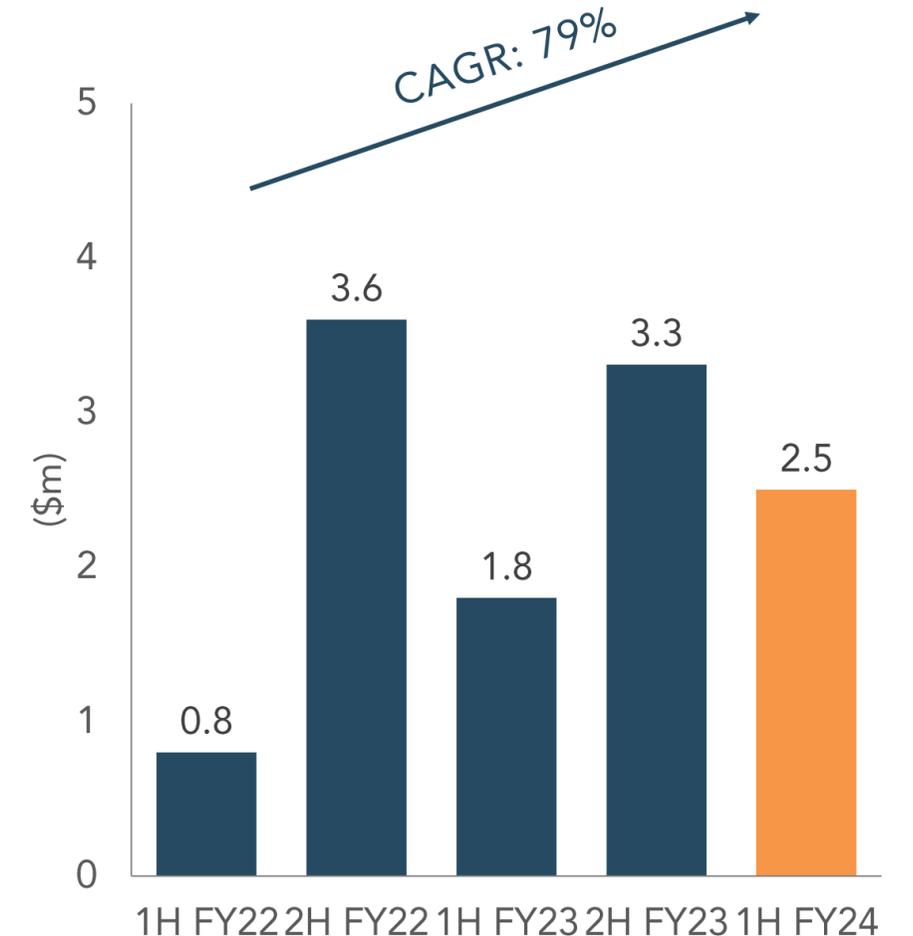
Revenue



Gross profit



EBITDA



1. CAGR represents compound annual growth rate

PROFIT & LOSS

Strong top-line and gross profit performance driven by new and existing customers with additional investment in operating expenses to support business growth and maturity

(\$m)			Variance	
	1H FY23	1H FY24	\$	%
Revenue	19.8	24.7	4.9	25%
Cost of services	(11.4)	(13.6)	(2.2)	(19%)
Gross profit	8.4	11.1	2.7	32%
Other income	0.2	0.4	0.2	76%
Operating expenses ¹	(6.0)	(8.4)	(2.4)	(41%)
Share based payments expense	(0.2)	(0.7)	(0.5)	(244%)
IPO costs	(0.7)	0.0	0.7	n/m
EBITDA	1.8	2.5	0.6	35%
D&A	(2.0)	(3.0)	(0.9)	(46%)
EBIT	(0.2)	(0.5)	(0.3)	(133%)
Net interest income/(expense)	(0.0)	0.4	0.4	n/m
Tax expense	0.0	(0.1)	(0.1)	n/m
Net profit/(loss) after tax	(0.3)	(0.2)	0.0	8%
<i>Gross margin</i>	<i>42.5%</i>	<i>45.0%</i>	<i>250bps</i>	
<i>EBITDA margin</i>	<i>9.2%</i>	<i>10.0%</i>	<i>80bps</i>	

- Revenue increased 25% due to new contracts for ACT distracted driving and Queensland speed, variations to existing contracts and international growth
- Gross margins expanded from 42.5% to 45.0% as a result of changes to product and customer mix
- Operating expenses increased 41%, driven by investment in headcount and processes, expansion into the UK and US and increased costs from being a public company
- Higher share-based payments expense due to increased headcount and change in instrument for long-term incentives
- IPO costs expenses from prior period was a once-off which did not repeat
- Higher depreciation and amortisation (D&A) driven by increased investment in fixed assets and intangibles

1. Operating expenses exclude share based payments expense and IPO costs

2. Financials are calculated based on dollar amounts which align with the financial statements in the half-year accounts

CASH FLOW

Improvement in cash flow from operating activities, with continued investment to position the business well for future growth

(\$m)	1H FY23	1H FY24
EBITDA	1.8	2.5
Change in working capital	(3.3)	(3.7)
Other non-cash items	0.5	1.3
Net interest received / (paid)	0.0	0.4
Cash flow from operating activities	(1.0)	0.5
Payments for property, plant and equipment	(1.1)	(2.4)
Payments for intangibles	(0.5)	(1.0)
Cash flow from investing activities	(1.6)	(3.3)
Repayment of lease liabilities	(0.6)	(0.8)
Capitalised IPO transaction costs	(1.4)	0.0
Proceeds from issue of shares	0.0	0.1
Cash flow from financing activities	(2.0)	(0.7)
Net change in cash and cash equivalents	(4.6)	(3.6)

- Positive cash flow from operating activities of \$0.5m driven by higher EBITDA contribution and interest income. This was partly offset by negative working capital movement to support growth of the business
- Property, plant and equipment takes into account investment in additional transportable and fixed site camera equipment to support new contracts and contract expansion
- Increased intangibles expenditure is the result of continued investment in product development

1. Financials are calculated based on dollar amounts which align with the financial statements in the half-year accounts

BALANCE SHEET

Robust balance sheet with adequate cash on hand to fund future growth

(\$m)	30-Jun-23	31-Dec-23
Trade and other receivables	8.6	10.4
Inventories	1.4	1.8
Contract assets	0.8	0.5
Trade and other payables	(5.8)	(5.6)
Contract liabilities	(3.1)	(1.6)
Trade working capital	1.8	5.5
Property, plant and equipment	9.2	9.3
Intangibles	1.5	2.1
Other assets	2.2	1.7
Other liabilities	(3.6)	(3.4)
Cash (including term deposit)	24.8	21.1
Net assets	35.9	36.4

- Well capitalised with cash balance of \$21.1 million (including \$12.0 million term deposit). This amount is sufficient to fund the business and its growth plans
- Working capital increased due to higher trade and other receivables as a result of increased revenue and certain customers changing their invoice payment process, extending payment terms to the full 30 day term. Contract liabilities reduced due to delivery of certain services that were paid upfront
- Property, plant and equipment investment offset by depreciation and impairment
- Increase in intangibles is the result of continued R&D investment

1. Financials are calculated based on dollar amounts which align with the financial statements in the half-year accounts



OUTLOOK

GROWTH STRATEGY – TWO KEY PILLARS

Acusensus is focused on reaching the global market with its distracted driving enforcement solution and benefitting from its first mover advantage

Market strategy

Focus on reaching the global market with Acusensus' distracted driving enforcement solution

-  Capitalising on a 'first mover advantage' to secure further market share in Australia
-  Expansion of the North American business
-  Expansion of the UK business
-  Expanding geographically into other international markets (e.g. Europe) through strategic relationships

Product strategy

Focus on continually improving Acusensus' product offering, addressing adjacent applications and pursuing complementary technology to meet the needs of similar customers

-  Providing ancillary services to allow upselling and cross-selling opportunities
-  Exploiting new opportunities by enhancing existing products and developing new products
-  Enhancing and expanding patent portfolio

OUTLOOK

Consistent top-line performance, increase in growth investment

- Acusensus remains well positioned to deliver revenue growth in FY24, driven by demand for its innovative road safety enforcement services. The Company has secured a number of contracts that will drive incremental revenue in FY24 and beyond and is continuing discussions with potential customers
- Acusensus expects FY24 revenue of between \$49m and \$51m. For 2H FY24, Acusensus expects:
 - Full six-month impact from expansion of Queensland distracted driving contract
 - Commencement of rollout of the South Australia distracted driving contract
 - Continued impact from international expansion
 - No reduction in revenue from existing contracts
- EBITDA for FY24 anticipated to be between \$4m and \$5m. The second half will see the continued impact of increased investment to pursue future growth objectives. Acusensus is investing in areas such as business development, service & delivery and equipment

1. The forecasts exclude any impact from Washington State Department of Transportation (WSDOT) contract on the basis the contract has not been finalised yet

Q&A

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