

Addendum to Notice of Annual General Meeting & Explanatory Statement

Spectur Limited (ACN 140 151 579)

1. Introduction

Spectur Limited (ACN 140 151 579) (**Company**) refers to its Notice of Annual General Meeting and Explanatory Statement dated 20 October 2022 (**Meeting Materials**), released to ASX on 24 October 2022, for the 2022 annual general meeting of the Company, scheduled to be held at 10:00am (WST) on 25 November 2022 at the offices of HLB Mann Judd, 130 Stirling Street, Perth, Western Australia 6000, and virtually through an online facility at <https://spectur.investorportal.com.au/investor-briefing/> (**Meeting**).

This addendum to the Meeting Materials (**Addendum**) is supplemental to and forms part of the Meeting Materials. It should be read in conjunction with the Meeting Materials.

Words or phrases that are defined in the Glossary to the Explanatory Statements have, when used in this Addendum, the same meanings as given to them in the Glossary.

2. Additional Information on Resolution 5(a): Approval to issue Performance Rights to related party under the Employee Incentive Plan – Dr Gerard Dyson

2.1 Background

In the Meeting Materials, Resolution 5(a) is an ordinary resolution seeking Shareholder approval under Listing Rule 10.14 to issue up to 8,763,522 FY23 MD Performance Rights to the Company's Managing Director, Gerard Dyson (or his nominee), under the Employee Incentive Plan.

The Board now wishes to provide additional information for Shareholders in relation to how the performance hurdles for the FY23 MD Performance Rights will be assessed.

2.2 Vesting structure

The FY23 MD Performance Rights are considered a long-term incentive with a "three-tier" vesting structure.

The FY23 MD Performance Rights are weighted evenly (i.e. 1/3 each) in relation to the following (each a **Performance Metric**):

- the Company's combined revenue for the financial years ending 30 June 2023 and 2024;
- the Company's combined earnings before interest, taxes, depreciation, and amortisation (**EBITDA**) for the financial years ending 30 June 2023 and 2024; and
- the Company's combined annual recurring revenue (**ARR**) for the financial years ending 30 June 2023 and 2024).

For each Performance Metric, actual performance will be assessed against target performance. The portion of the FY23 MD Performance Rights allocated to each Performance Metric will vest on the following basis:

- a base "trigger" level below which the rights will not vest;
- a target level at which 70% of the rights will vest;
- a stretch level at which 100% of the rights will vest;
- if an actual Performance Metric is between the target level and the stretch level, vesting will occur on a pro rata or "straight line" basis; and
- rights will vest upon achievement of greater than "trigger" target.

2.3 Combined revenue

The combined revenue Performance Metric is based on the Company's actual revenue for the financial year ended 30 June 2022 (**FY22**), as follows:

- base "trigger" level = +18.65% above FY22 actual revenue, multiplied by two (as measured over two financial years);

- target level = +38.02% above FY22 actual revenue, multiplied by two; and
- stretch level = +58.80% above FY22 actual revenue, multiplied by two.

By way of example, to achieve 50% vesting of the combined revenue Performance Metric, the combined revenue over the 2023 and 2024 financial years would need to be at a level 32.49% higher than twice the amount achieved in FY22.

2.4 Combined ARR

The combined ARR is based on the Company's actual ARR for FY22, as follows:

- base "trigger" level = +22.97% above FY22 actual ARR, multiplied by two (as measured over two financial years);
- target level = +24.93% above FY22 actual ARR, multiplied by two; and
- stretch level = +33.10% above FY22 actual ARR, multiplied by two.

By way of example, to achieve 50% vesting of the combined ARR Performance Metric, the combined ARR over the 2023 and 2024 financial years would need to be at a level 24.37% higher than twice the amount achieved in FY22.

2.5 Combined EBITDA

The Board considers EBITDA targets to be commercially sensitive information and accordingly, it does not consider it appropriate to include such information in the Meeting Materials.

However, the combined EBITDA Performance Metric follows a similar "banding" approach (base, target and stretch) and is derived from the above combined revenue and combined ARR inputs. Further, it assumes maintenance of margins and prudent cost control in relation to the Company's business.

2.6 Cautionary statement

In relation to the above Performance Metrics, the Company emphasises that:

- the metrics are merely aspirational targets intended to incentivise Dr Dyson in a manner which aligns his interests with the financial success of the Company;
- the metrics **are not**, and should not be interpreted as, a forecast, estimate or prediction of the future financial performance of the Company or return on a Shareholder's investment; and
- Shareholders should not place any reliance on these metrics in this regard.

There cannot be any assurance that the target Performance Metrics (or any of them) will be satisfied within the relevant timeframes or at all.

3. Resolution 5(b): Approval to issue Service Rights to related party under the Employee Incentive Plan – Dr Gerard Dyson

The Company wishes to clarify that the reference to "FY23" in relation to the FY23 Service Rights the subject of Resolution 5(b) has purely been used for naming purposes to denote the financial year in which the rights are to be issued.

This reference does not imply a further issue of Service Rights to Dr Dyson is contemplated for the next financial year. The Board does not propose to issue any further Service Rights to Dr Dyson at the 2023 annual general meeting.

By order of the Company's Board of Directors.

Suzie Foreman
Company Secretary

15 November 2022