

Spectur Business Update – Presentation

ASX Announcement | 27 May 2024

Outdoor sensing, thinking and acting solutions and platforms company Spectur Limited (ASX: SP3) \ present the attached deck today (Monday 27th May 2024), available at the Spectur InvestorHub portal: <https://investorhub.spectur.com.au/link/drLnQy>

Managing Director of Spectur, Gerard Dyson, provides a business, sales and strategy update, market guidance and articulates the Entitlement Offer proposition. To find out more about the Entitlement Offer, visit our investor hub at <https://investorhub.spectur.com.au/investment-offer/20>

The attached presentation forms the basis of the market update.

Ends.

This ASX release is authorised by the Board of Directors of Spectur Limited.

To stay up to date on news and announcements, register your details on the [Spectur investor portal](#).

For further information, please contact:

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About Spectur Limited

Spectur Limited (ASX:SP3) is an Australian-based developer of security, surveillance and warning solutions powered by solar, IoT [Internet of Things], camera and cloud-based technology. The Company owns the rights to its innovative hardware and disruptive cloud-based systems which are deployed to provide solutions to industries including government and utilities, and the building, construction, and civil sector.

Spectur's core products are solar powered warning, deterrence and surveillance systems and associated cloud-based platforms. These systems incorporate cameras, lighting, audible warnings, and a hardware IoT platform, remotely accessed and connected via 3G/4G technology to a cloud-based platform. The offering is complemented by a longer distance, 24-hour thermal camera deterrence solution, suitable for customers with long perimeters.

Spectur is used and trusted by small business to multinationals and the Company is currently implementing a strategic growth plan to build market dominance in the Australian government and utilities sector to meet demand for innovative, remote camera and IoT solutions.

To learn more, please visit: www.spectur.com.au



Spectur Limited (ASX:SP3)

Entitlement offer and market update, 27 May 2024

Presented on InvestorHub at <https://investorhub.spectur.com.au/announcements>



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Certain statements made in this presentation are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Spectur Limited's current expectations, estimates and projections about the industry in which Spectur Limited operates, and its beliefs and assumptions. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" and similar expressions are intended to identify forward-looking statements.

Although the Company believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. These statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Spectur Limited, are difficult to predict and could cause actual results to differ materially from those expressed or forecast in the forward-looking statements. Spectur Limited cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Spectur Limited only as of the date of this presentation.

The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. Spectur Limited will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.





Growing addressable market

We live in a world with increasing safety concerns and sustainability issues, compounded by difficulties in finding the right people for critical roles. Spectur recognizes these trends and offers digital solutions to address the intersection of these challenges, making communities safer and more sustainable.

At Spectur, we provide hardware and software technology solutions that can operate without wired power and internet, complementing people in remote, temporary or unwired locations. The market for such technology is large, growing, and currently underserved. Today it includes complements for security guards, rangers, lifeguards, surveyors and more.



Profitable growth strategy

VISION: Empowering safer, smarter and more sustainable communities

MISSION: Provide simple, economic solutions for remote, temporary or wireless locations using autonomous sensing, thinking and acting platforms.

UVP: Reliable, simple and cost-effective platforms and solutions for end customers and resellers. Enabled by a modular hardware and software sensing, thinking and acting platform

CUSTOMERS: Government, utilities, construction, not-for-profits and the resellers that service these sectors. Testing the energy and resources space.

WHERE: Major capitals in Australia and New Zealand (for full Service Spectur). Resellers with an increasingly global remit.

Offerings

Solutions

- Security
- Warning
- Sustainability
- Safety
- Smart City
- Environmental

Hardware platforms

- Sensing
- AI
- Battery power
- Vision
- Solar

Software platforms

- Camera and sensor management
- Workflow
- Data ingestion
- Integrations and reporting systems
- Apps



FY24 Performance

Revenue and margin

- Total FY24 revenue forecast to be circa \$7.9m at 55% GM%¹
- \$5.3m of annualized recurring revenue at 65% GM%¹

Operating cash and balance sheet

- The Company has reduced operating cash use to \$638k p.a. (in the last 12 months from Q4 FY23 to Q3 FY24).
- Greater than \$650k p.a. has been removed from operating costs in recent (Q3/Q4) restructuring activities
- Essentially debt free (after payment of EGP debt later in Q4)
- Costs are expensed (not capitalized) and acquired intangibles written off

Sales Growth

- YTD Sales growth is 54% greater than prior corresponding period (as at 30 April 2024)

Note:

1. Based on H1 FY24 GM% data

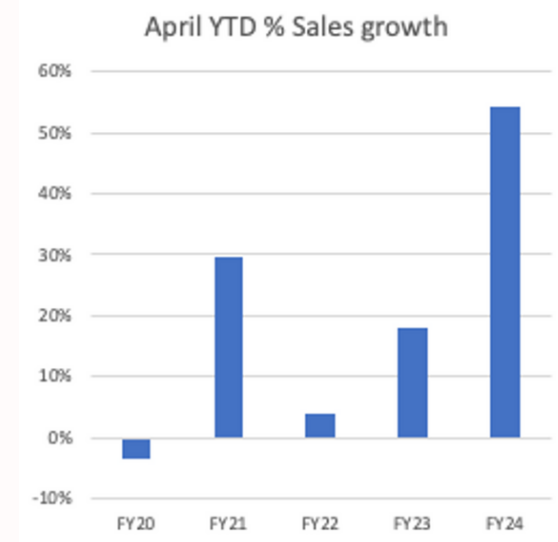
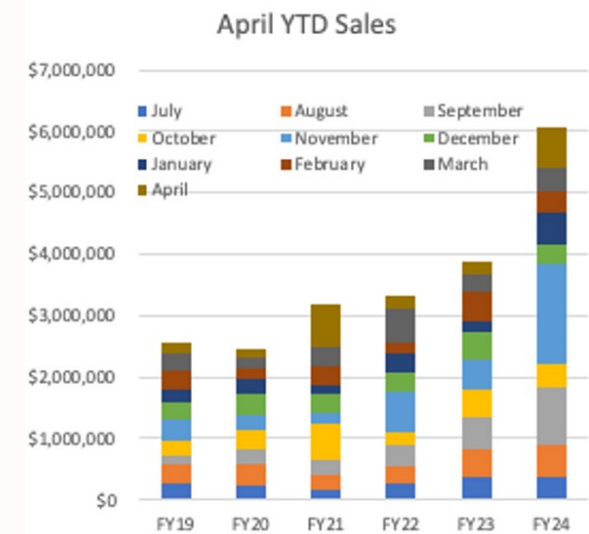


Strong sales and pipeline

“As at March 2024 Spectur had more than \$12m of unweighted opportunities recorded in the Company CRM, each with a potential contract value greater than \$500k, that were expected to be won, lost, closed or otherwise resolved within the next 12 months”¹

Note:

1. Excerpt from Spectur Quarterly Activities Report published 26 April 2024.



Strategic shifts and emphasis for FY25

Sales and Marketing:

- Selling and marketing integrated Spectur solutions to segments where we can lead. (margin/market dominance)
- For commoditized solutions to core customers, we have Solarcam. (scale)

Technology:

- Double down on simplicity, reliability and performance (AI, UI) (customer satisfaction and retention)
- Modular and efficient hardware and software solutions (expanding to support OEM hybrids) (scale)

Operational:

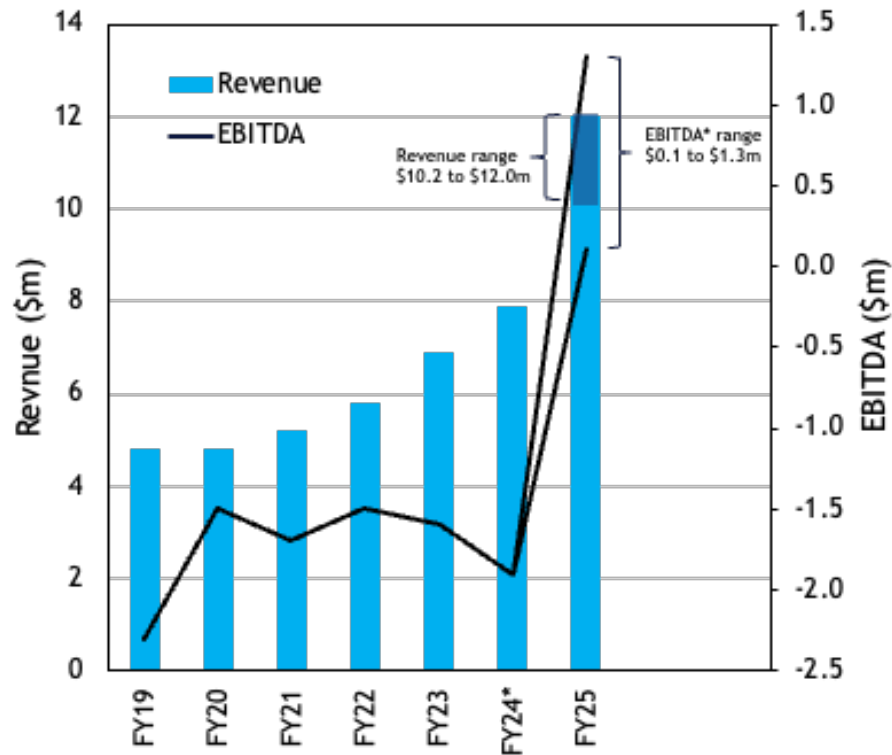
- The #1 service experience. (customer satisfaction, retention and advocacy)
- Installation and reseller network built out (scale)
- Highly productive teams (ERP and systems)

M&A:

- Ready for the next one(s)
- Accelerate penetration of Spectur into target markets (scale, margin, market dominance)



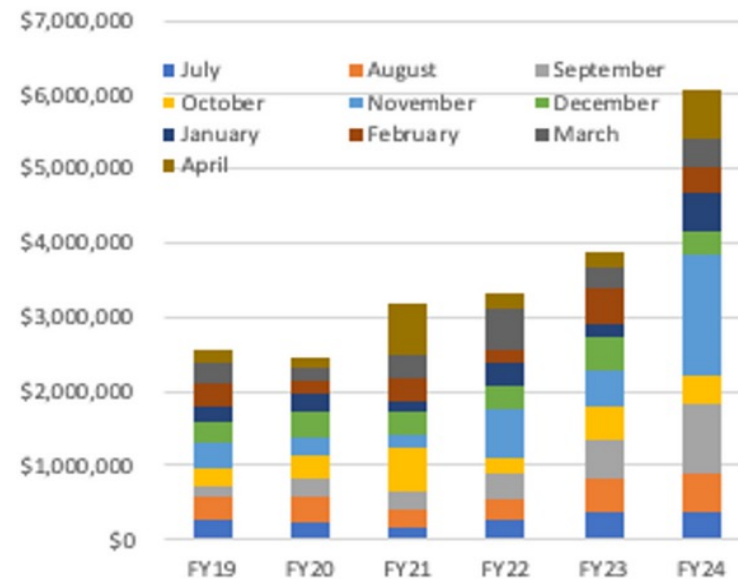
Market Guidance for FY25



Observations

- Growth in revenues consistent with sales trajectory
- Upside could be higher pending conversion rate and timing of sales pipeline

April YTD Sales



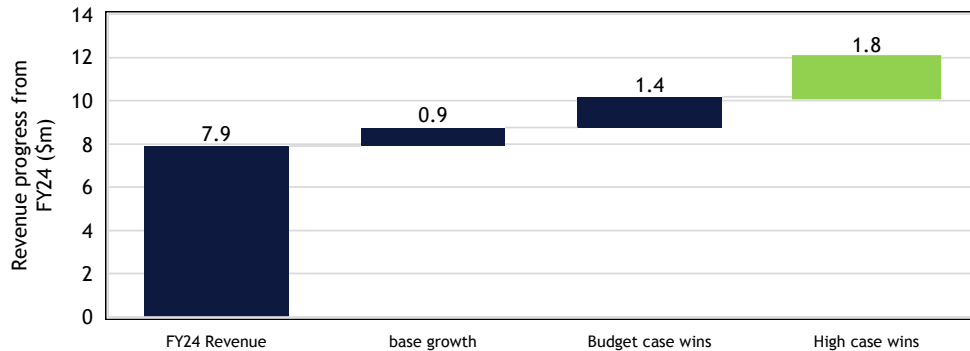
Note:

1. Revenue and EBITDA are consolidated
2. EBITDA is "adjusted EBITDA", defined as earnings before interest, tax, depreciation, amortisation, and share-based payments
3. FY24 and FY25 EBITDA forecasts exclude pending full year adjustments



Progression from FY24 to FY25

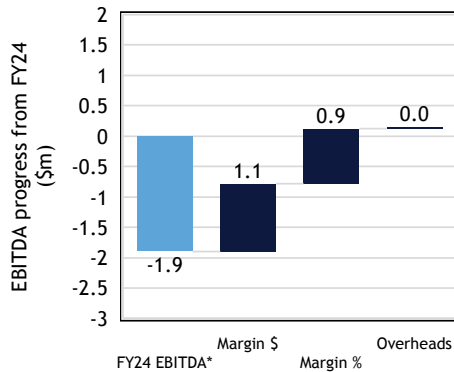
Revenue progression



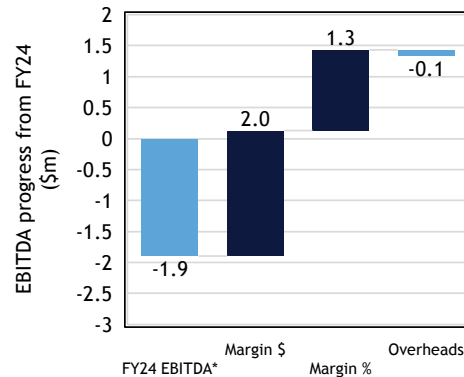
Revenue progression

- Base growth of 11% in Revenue
- Budget case adds 50% of project revenue from conversion of 3 known potential projects in the current sales pipeline.
- High case adds to mid case, with 50% of project revenue from conversion of a further 4 known projects - all of which are also in the current sales pipeline.

Budget EBITDA progression



High EBITDA progression



EBITDA progression

- Margin \$ refers to gross margin increases related directly to revenue increases, assuming the GM% remains stable
- Margin % refers to gross margin increases related to the difference in forecast gross margin. This is from:
 - Reduced headcount and productivity improvements;
 - Improved material costs and pricing;
 - Improved reliability / reduced warranty costs
- Net overheads are largely flat.

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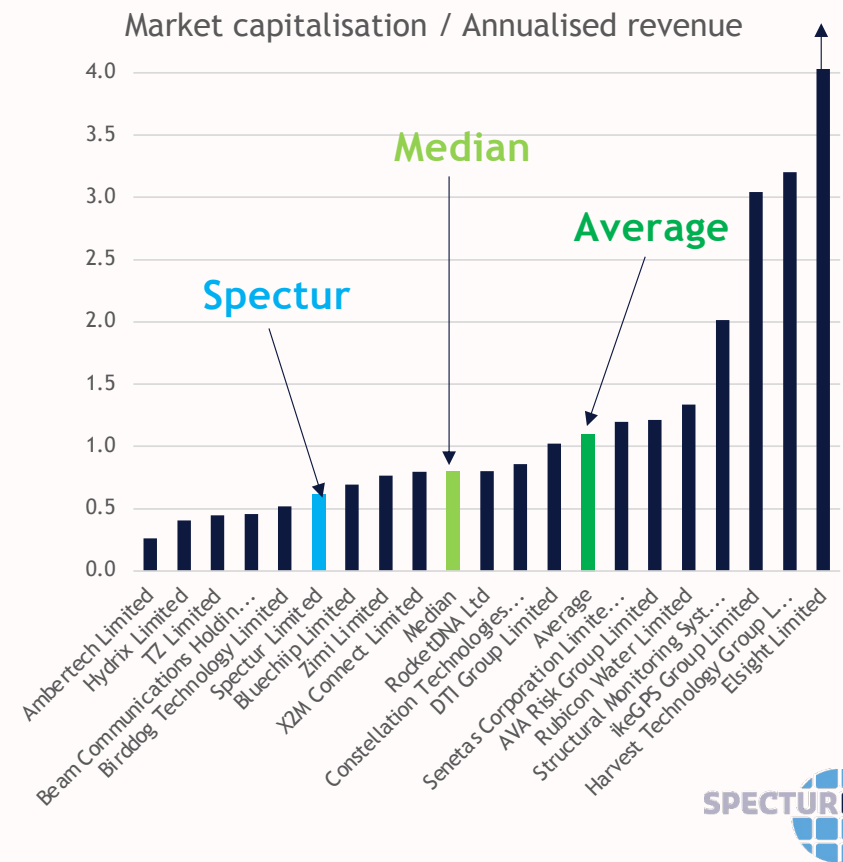


Valued below peers

“We look to other surveillance technology companies of similar market capitalisation for Spectur’s peers. These include Elsiht, Harvest Technology Group, RocketDNA and X2M Connect, which are collectively trading at a premium to SP3 on an EV/Sales basis (5.4x). SP3 is also trading at a discount to the S&P/ASX All Tech Index which on an EV/Sales historical basis is trading on 5.7x, compared with SP3’s 0.4x currently and 0.5x at the end of FY23.”¹

Notes:
 1. Based on independent RaaS report dated 2 May 2024
 2. Based on 19 companies ASX published data as at 10 April 2024 utilizing annualized H1 FY24 total revenue

Valuation is below the database for “tech hardware and equipment” companies under a \$100m market cap.²



The entitlements offer

Follows a placement with existing shareholders of \$250k to eliminate EGP Capital debt

1 share for every 5 shares owned at the record date, at a price of 2c per share

Free attaching option priced at 2.9c for every share taken up in the offer, expiring on 30 May 2025.

No brokerage fees

Allows existing shareholders to participate.

Closes 31st May 2024.

Go to Spectur InvestorHub for more details: <https://investorhub.spectur.com.au/investment-offer/20>



Rationale for raising

Fund committed restructuring costs largely related to acquisition integration.

Working capital for pending larger orders.

Reduce interest cost and remove the EGP debt from the balance sheet (placed).

Potential small parcel share buyback.

Costs of the offer.



Summary

We will be a debt free, growing and nearly profitable technology stock, with an appropriately de-risked balance sheet, leaner operations and solid sales backlog and pipeline.

Compelling and proven value proposition

Undervalued relative to ASX peers

Accelerating performance and sales growth underpinning future revenue and profitability.

Attractive option upside preferentially offered to existing shareholders.

We encourage you to take up your right to participate in this offer.

For more details visit: <https://investorhub.spectur.com.au/investment-offer/20>

Questions asked at the InvestorHub link or sent to investors@spectur.com.au by COB Tuesday 28th May 2024 will be answered in a published video on Wednesday 29th May 2024.





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Sense Think Act

