



Spectur Limited (ASX:SP3)

Investor Presentation

May 2019

Australia's #1 Solar Security Camera Solution

Spectur Limited (ASX:SP3)



Using solar, artificial intelligence & IoT to revolutionise security & surveillance

Investment highlights

- Ongoing sales and recurring revenue growth
- Large potential revenue upside
 - Geographic expansion in Australia and overseas
 - Creation of outbound sales channels
 - Expansion of current customer mix (New sectors, more sophisticated buyers)
 - Expansion of product mix into broader off-grid sensing and associated IoT
- Approaching cash self-generation and positive earnings
- Proven product - preferred security and warning product in the market, priced to sell and rent
- Proven history of delivering on revenue and strategic objectives
- Product is close to being distribution-channel-ready
- Leadership and organisation transition to support step change growth



The Global Problem



Security and safety risks are increasing around the world

The Problem

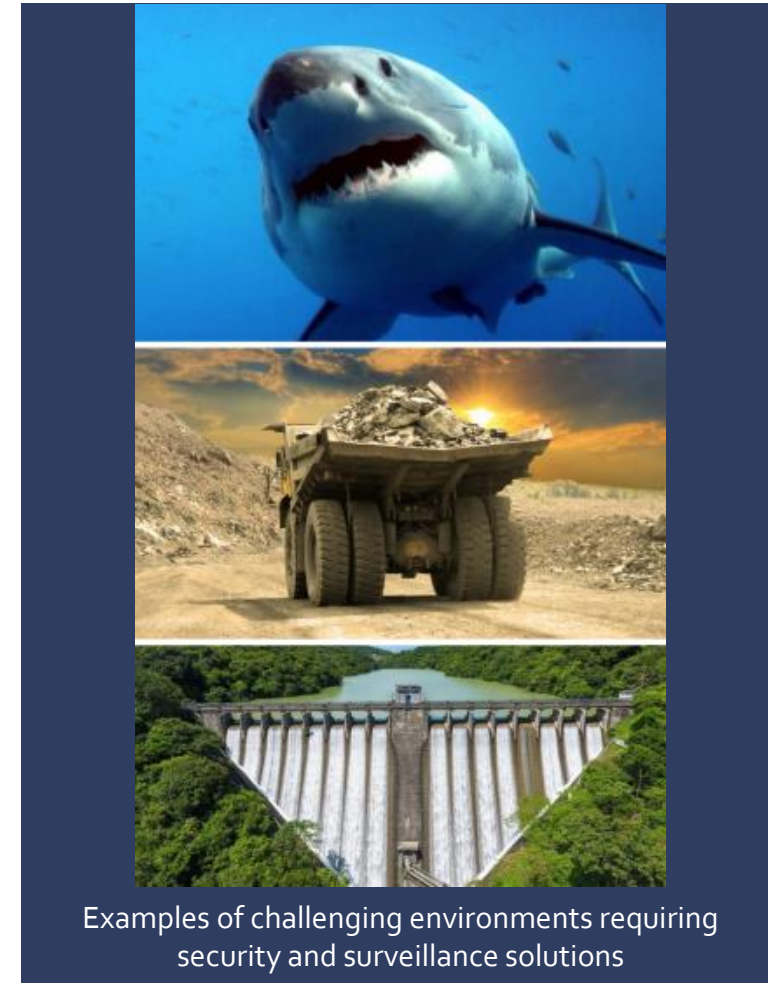
- The built environment continues to grow: Urban renewal, infrastructure or resource projects
- Insurance costs and requirements are increasingly onerous
- The internet of things (IoT) and computing power are providing the tools to sense, think and act in ways we have never done before
- Automation is displacing humans from increasingly complex tasks

The Challenge

- The cost of putting people or power in an exposed environment can be prohibitive so you may not have visibility of your assets or an ability to act on what you see.

The Devastation

- Theft and vandalism, delays and costs, illegal dumping, environmental damage
- People placed in high risk situations, guesswork and poor efficiency



Examples of challenging environments requiring security and surveillance solutions

Solving A Universal Problem



Spectur is making site monitoring a whole lot smarter

- Spectur provides security and surveillance systems linked to cloud-based technology solutions.
- Spectur designs, develops and manufactures systems that protect organisations and businesses in commercial, industrial and government sectors.
- Spectur's core products include the HD5 wireless solar security camera system, a time-lapse camera, a thermal security camera and a shark warning system.

Spectur's platform and infrastructure

- Give customers sight and more on site - anytime, anywhere
- Connect these tools to the internet, users and decision-making tools reliably, and in a user-friendly way
- Take actions either manually or through supporting decision rules or artificial intelligence

Spectur has deployed more than 1,600 of these systems to date



The HD5 wireless solar security camera system

Industry Landscape: Market Participants



Spectur has a unique position in security & surveillance

Vertically integrated security companies

- Re-badgers of equipment
 - High false alarm rate
 - Higher cost
 - Not core business

Domestic / consumer products

- Unable to perform in harsh environments
- Poor reliability, longevity
- Limited functionality / optionality

Alternatives

Security or dog patrols / rangers / people in the field

- Very expensive to maintain 24/7 coverage

Hard wired / powered solutions

- High cost and disruption for connections
- Time to permit and run power cabling

“Battery-only” solutions

- Costly to change batteries

Electric fencing (security application only)



Examples of challenging environments requiring security and surveillance solutions

Spectur's Competitive Advantage



Spectur has a unique position in security & surveillance

- **Our technology:** Bespoke hardware and software system
 - Able to provide tailored solutions
 - Best in class “false alarm” performance due to advanced camera and server based Artificial Intelligence (AI)
 - Lower data costs
 - Lower monitoring and call out costs
 - Lower “inconvenience” costs
 - Full-colour high definition pictures (compared to black and white)
 - Highly robust / industry-leading levels of customer satisfaction and service (Spectur’s core business)



Installation of Spectur's solar security camera system

Spectur's Revenue Generation Model



Spectur has growing revenue streams, increasingly recurring

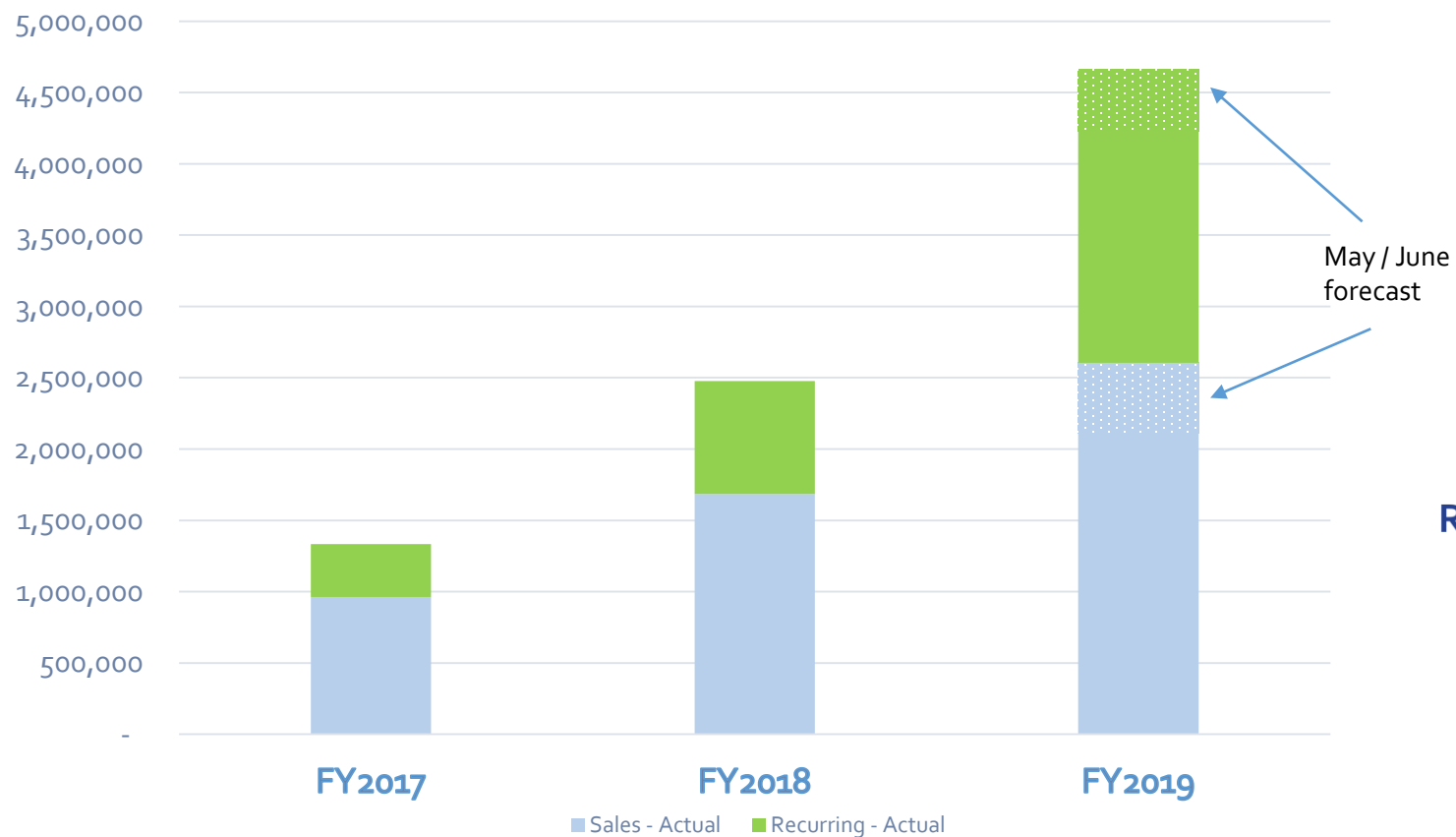
Revenue Sources	Spectur Products		Revenue Generated
Hardware sales (~40%)	HD5 Thermal Camera Trailer model	4K Time-lapse Camera Shark Warning / Beach Safety Systems Emergency Warning Systems	\$3,900 to \$12,000+ per unit
Recurring revenues from hardware sales (~18%)	Currently 1,600+ systems in operation		VSaaS charges \$40 per month Data charges \$40 per month (optional) Monitoring \$40 per month (optional)
Recurring revenue from rentals (~30%)	HD5 Thermal Camera Trailer model Shark Warning System		\$14 to \$20 per day, currently 250+ rented
Other revenue (~12%)	Installations, servicing & repairs		Various

Spectur's Improving Financial Performance



Increasing revenues & building recurring revenues

Financial Year Revenue



Revenue Composition - FY19



Revenue Composition - FY18



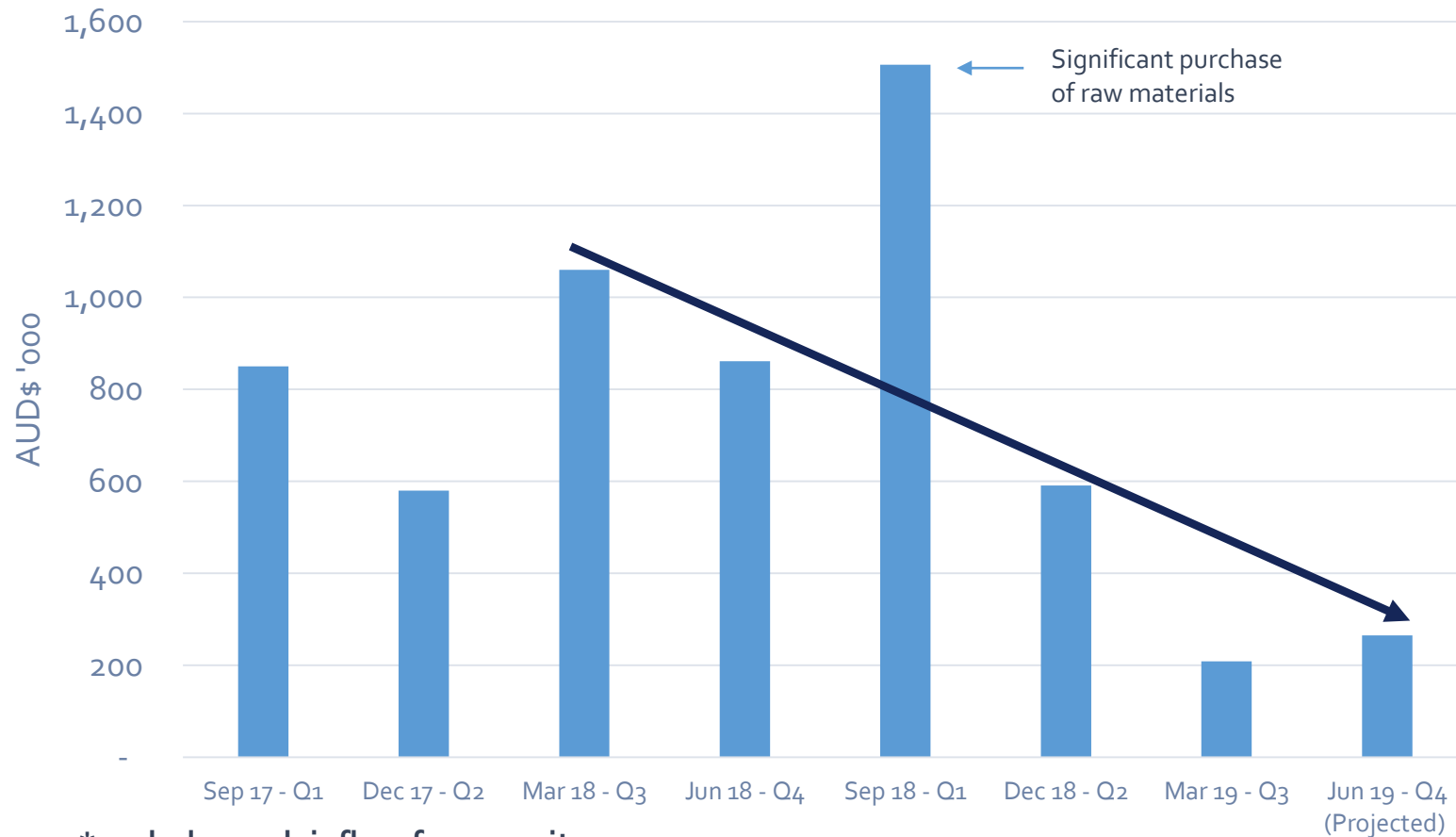
Spectur's Improving Financial Performance

Moving to cash self-generation

Currently negotiating with a major Australian bank for a working capital debt facility



Net Cash Outflow Per Quarter*



*excludes cash inflow from equity

Spectur's Capital Structure



Listed on ASX in August 2017 – market capitalisation now inconsistent with performance

Key Metrics as at 1 May 2019

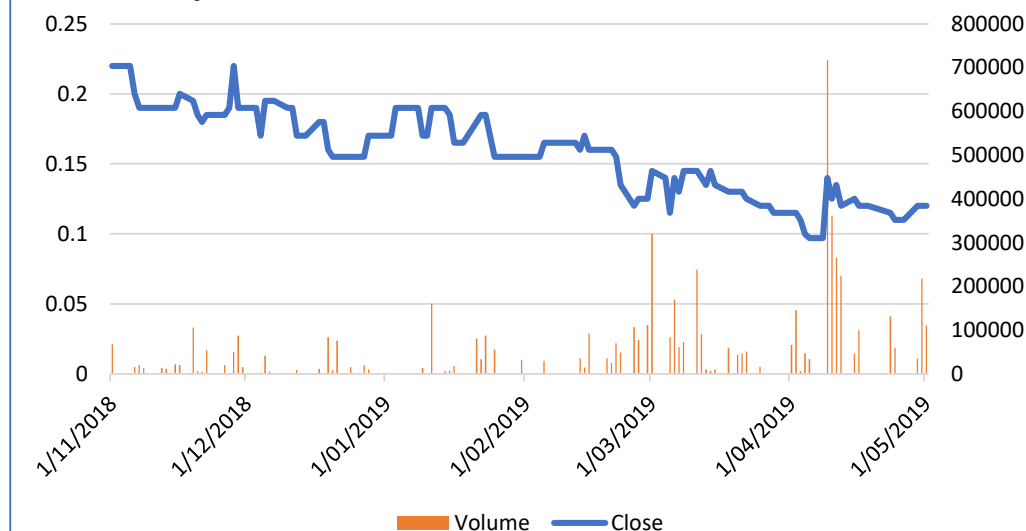
Share Trading Information

ASX code:	SP3
Listed on ASX:	01/08/2017
Current share price:	\$0.12
Market cap:	\$7.0m
52 week high:	\$0.39
52 week low:	\$0.096
Average daily volume:	20k
GICS classification:	Technology Hardware & Equipment

Capital Structure

Shares on issue:	56.2m
Fully paid ordinary shares escrowed	10.6m
Options (listed, exercisable at \$0.20, 31 December 2020)	6.9m
Options (unlisted, exercisable at \$0.20, 31 December 2020)	9.3m
Options (exercisable at \$0.37 on or before 31 December 2020)	150k
Options (exercisable at \$0.50, on or before 31 December 2020)	2m
Performance Rights on issue:	11.2m

Spectur Limited Share Price Volume Chart



Share Register

Top 20 shareholders	46.2%
Peter William Holton	9.0%
Charles Richard Wilkins	8.51%
% of register owned by Board & KMPs	9.91%

Successful Track Record & Corporate Milestones



Spectur poised for growth

Since Spectur listed on ASX in 2017 we have:

- Grown sales and recurring revenues
- Improved earnings performance and cash generation
- Developed a core of market proven products and services (HD4, HD5, Thermal, Warning, Spectur App)
- Investigated and chose to not pursue other products (LIDAR, gas detection)
- Stabilised our technology to enterprise level
- Expanded our customer base into larger customers and government entities
- Converted lasting relationships into repeat customers
- Established a presence in Queensland, Victoria and New South Wales
- Trialled a pilot distributor arrangement in New Zealand
- Commenced and continued investigating a USA entry



Examples of Spectur's solar security camera system monitoring

Spectur's Strategic Growth Opportunities



Spectur is pursuing growth across many avenues

- **Geographic expansion**
 - From Western Australia bias to full Australian presence and expansion into target countries
- **Outbound sales infrastructure**
 - From inbound sales focus to aggressive outbound sales + channel partner
- **Channel ready product**
 - From a product that requires Spectur expertise along the value chain to a product suitable for channel distribution
- **Customer expansion**
 - From current customer slate to adding industrials, resource sector and agriculture
 - From Tier 3 focus to adding Tier 1/ 2 customers
- **Product and service expansion**
 - From security, surveillance and warning systems to expanded hardware and IoT options + expanded VSaaS and other SaaS solutions for off-grid sites



The HD5 wireless solar security camera system

Spectur's Strategic Growth Opportunities



The potential prize is substantial

Scenario	Geographic presence	Offering	Sales channel	Customer sectors	Potential Revenue (AUD)
Today	50% WA, 50% Eastern states	Security and surveillance cameras, warning systems	Inbound, in house	Government, building / construction, Mining, security	>\$4m
Balanced Australia ¹	12% WA, 88% Eastern States	No change	No change	No change	>\$16.5m
Outbound channels ²	No change	No change	Inbound, in house outbound sales, distribution partners	No change	>\$33m
Expanded customer base ³	No change	No change	No change	Deepen and expand customer base	>\$66m
US expansion ⁴	Australia, Texas, California	No change	No change	No change	>\$280m
Product expansion ⁵	No change	Broader IoT offering Broader SaaS offering	No change	No change	>\$560m

Notes:

The above table is intended to provide a conservative indication of market size and opportunity. The math assumes each additional row is incremental growth and does not consider risks or adverse changes in the business environment. It is not a forecast of revenue for Spectur Ltd.

1. Population of WA is 2.5m, population of Qld (4.7m), Vic (5.9m) & NSW (7.5) is 18.1m in aggregate. Assume Eastern states has the same penetration as WA
2. Assume that the addition of an outbound sales function plus selling the product through third party distributors could conservatively double the national sales obtained through inbound only.
3. Move to active account management in larger customers. Expand customer base to include large industrials, utilities and farming sector. Conservatively estimate that sales would double.
4. Population of Texas (27.4m) + California (39.2m) is 66.6m. Assume two American states have the same penetration as Australia.
5. Product expansion via a broader IoT and SaaS offering conservatively assumes a doubling of potential revenue.

Spectur's Leadership Team

Experienced management with successful track record



Gerard Dyson

Incoming Managing Director

- Former Group Managing Director of WorleyParsons (ASX:WOR)
- International experience: Americas, Asia, Middle East, Europe
- Experience across key customer sectors: Government, construction, resources and energy
- Background and experience to build Spectur's growth prospects



Gary Pennefather

Chief Operating Officer

- Former Managing Director of Isetana
- Lengthy experience in the development and monetisation of technology based companies in Australia and USA
- Technical ability to effectively drive the new product development planned



Peter Holton

Co-Founder, Current Managing Director Ongoing Executive General Manager & Consultant

- Maintains corporate knowledge and lessons learned
- Major shareholder and supporter of the company
- Builds long term customer culture.



Nick Le Marshall PhD

Research & Development

- Long tenure with Spectur Limited developing core products and software
- Extensive tech startup and monetization background
- Deep technical expertise with Spectur core competencies

Spectur's Board



Experienced board with successful track record



Darren Cooper
Non-Executive Chairman

- Darren Cooper has spent more than 20 years with various companies in management and senior executive roles.
- Mr Cooper now holds a number of Board and Strategic Advisory roles across a range of industries including property, construction, labour hire, professional services and telecommunications.



Stephen Bodeker
Non-executive Director

- Stephen Bodeker is an accomplished senior executive with more than 20 years' experience in the corporate sector, working within several industries including professional services, logistics, manufacturing, health services and media.
- Mr Bodeker has held senior finance roles in organisations including KPMG and Nestor Healthcare.



Andrew Hagen
Non-executive Director

- Co-founder and Managing Director of Cycliq, an action camera hardware technology company which was subsequently listed on the ASX and expanded its distribution network to more than 50 countries.
- Mr Hagen is currently Executive General Manager of Track'em and delivering senior roles in property development firms such as Brookfield Ltd and Mirvac Ltd.



Suzie Foreman
Company Secretary

- Suzie Foreman is a Chartered Accountant with more than 20 years of experience within the UK and Australia, including 11 years combined experience with a Big 4, and a boutique advisory firm, specialising in the areas of audit and corporate services.
- Ms Foreman has extensive experience as a Chief Financial Officer and Company Secretary for ASX listed and start-up companies.

Spectur's Unique Investment Proposition



Using solar, artificial intelligence & IoT to revolutionise security & surveillance

- Spectur has made tremendous progress on its strategic initiatives and established a foundation for future growth:
 - Robust product with much expansion potential
 - Unique market position
 - Maturing clientele
- Spectur is moving towards self generation of cash and positive earnings
- Spectur has an aggressive strategic plan and an experienced team to implement
- Spectur's market capitalisation is inconsistent with its current and potential performance
- Additional access to capital will accelerate the rate at which growth initiatives can be implemented



Example of site with Spectur's solar security camera system installations



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Appendices

Spectur's Customers & Markets

Target Markets: Residential & Civil Construction



- Companies are under increasing pressure to prevent theft and financial losses with a tightening in residential construction
- Spectur taking a proactive approach with larger builders:
 - Aggressively targeting new opportunities
 - Flexible rental terms
- ✓ New customers by winning business from competitors
- ✓ Confident about accelerated growth in this sector



Stockland

BADGE

Spectur's Customers & Markets

Target Markets: Infrastructure Projects



- Critical infrastructure includes energy, water, roads, rail and other large infrastructure projects.
- Multiple thermal camera trials in progress, albeit anticipation of longer sales lead-times.
- Targeting large infrastructure projects:
 - John Holland and McConnell Dowell using Spectur systems on East Coast road and rail projects
 - Working with Kennards Hire Major Infrastructure Division to supply larger infrastructure projects



Spectur's Customers & Markets

Target Markets: Mining & Resources



The resurgent mining and resources industry has extensive assets including mining project sites, plant & equipment and staff quarters. These can be monitored remotely using Spectur technology.

Strong potential for Spectur:

- Mining resurgence in Western Australia and Queensland
- New sites being developed
- Mining and resource sector looking to adopt new technologies to improve safety and margins
- \$80,000 order received from Mt Gibson Iron for mine site security



Spectur's Customers & Markets

Target Markets: Local & State Governments



- Spectur's fastest-growing sector
- Deployment options:
 - Traditional pole-mounted systems;
 - Portable bases; and
 - Trailer-mounted systems
- Multiple successful trials completed with rollouts underway
- Thermal camera order from City of Armadale
- 16 systems sold to Department of Planning, Lands and Heritage WA
- Increasing number of councils around Australia using Spectur systems



Department of Planning,
Lands and Heritage



Spectur's Financial Details

AUD\$ Thousands	31-Dec-18	31-Dec-17	% Change	
Revenue	2,196	1,132	94%	• Reflects strong growth in all products including recurring revenues
Gross Profit	1,290	470	174%	• Improving margins with pricing reviews, new products and increased rentals
Other income	-	5	-	
Research and development expenses	(573)	(359)	(60%)	
Employee benefits	(1,159)	(590)	(96%)	• Includes costs for FY18 that won't be ongoing due to rationalisation of the workforce and includes costs to support the next stage of growth
General and administrative expenses	(564)	(457)	(23%)	
Marketing and advertising	(206)	(162)	(27%)	
Property expenses	(127)	(102)	(25%)	• Includes East Coast operations and production capacity for growth
Share-based payment expense	(159)	(563)	72%	• Reversal of non-vesting performance rights
EBITDA	(1,498)	(1,758)	15%	
Interest Income	14	28	(50%)	
Depreciation and amortisation	(120)	(29)	(314%)	• Amortisation of intangible assets
Interest expense	(7)	(3)	(133%)	
Loss before income tax benefit	(1,611)	(1,761)	9%	
Income tax benefit	37	8	363%	
Total comprehensive loss for the period	(1,574)	(1,753)	10%	
AUD\$ Thousands	31-Dec-18	30-Jun-18	% Change	
Cash and cash equivalents	1,405	3,487	(60%)	• Result of net loss for the period and increase in inventory
Trade and other receivables	785	1,028	(24%)	• Increase in trade receivables offset by R&D refund received
Inventories	1,420	908	56%	• Increase in inventory to secure raw materials and cater for growth
Non-Current Assets	1,446	1,436	1%	
Total Liabilities	1,340	1,744	(23%)	• Reduction in trade payables mostly due to timing
Net Assets	3,716	5,115	(27%)	• Result of net loss for the period

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