



SPECTUR

Australia's leading solar cloud-based security and IoT solutions company

Spectur Limited (ASX:SP3)
November 2019

We provide reliable solutions and platforms with cameras and IoT in unpowered locations.



Summary

1. Solutions and platform validated through nearly 500 active customers bringing FY19 revenue of \$4.81m (+95% YoY)
2. Strong financial performance to start FY20, with substantial improvements in cash flow, EBITDA and revenue.
3. Target markets remain under-developed and growth potential is high
4. Experienced leadership team has developed and is implementing a robust strategic plan to deliver growth, cash and earnings
5. Material scope to grow from current valuation of approximately 1.4 x FY19 revenue.



Spectur Limited

Reliable solutions and platforms using cameras and the Internet of Things in unpowered locations.

Reliable solutions to high value problems

- **Deterrence** of crime
- **Surveillance** to improve productivity
- **Warnings** to protect communities
- **Platforms to enable IoT** In unpowered locations

Focus on two major sectors in Australia

- Government, utilities & institutional
- Building & construction

Leveraging technology for enhanced results

- **Australian owned**, designed, coded and assembled
- **Solar powered in-field platforms** designed with cameras, IoT, computing, connectivity
- **Cloud-based** storage
- **Bespoke** software and user interfaces, leveraging AI
- **Integrated** field services
- **Sophisticated** sales, marketing and customer relations

See Appendices for how we deliver our solutions



Capital Structure

Listed on ASX in August 2017

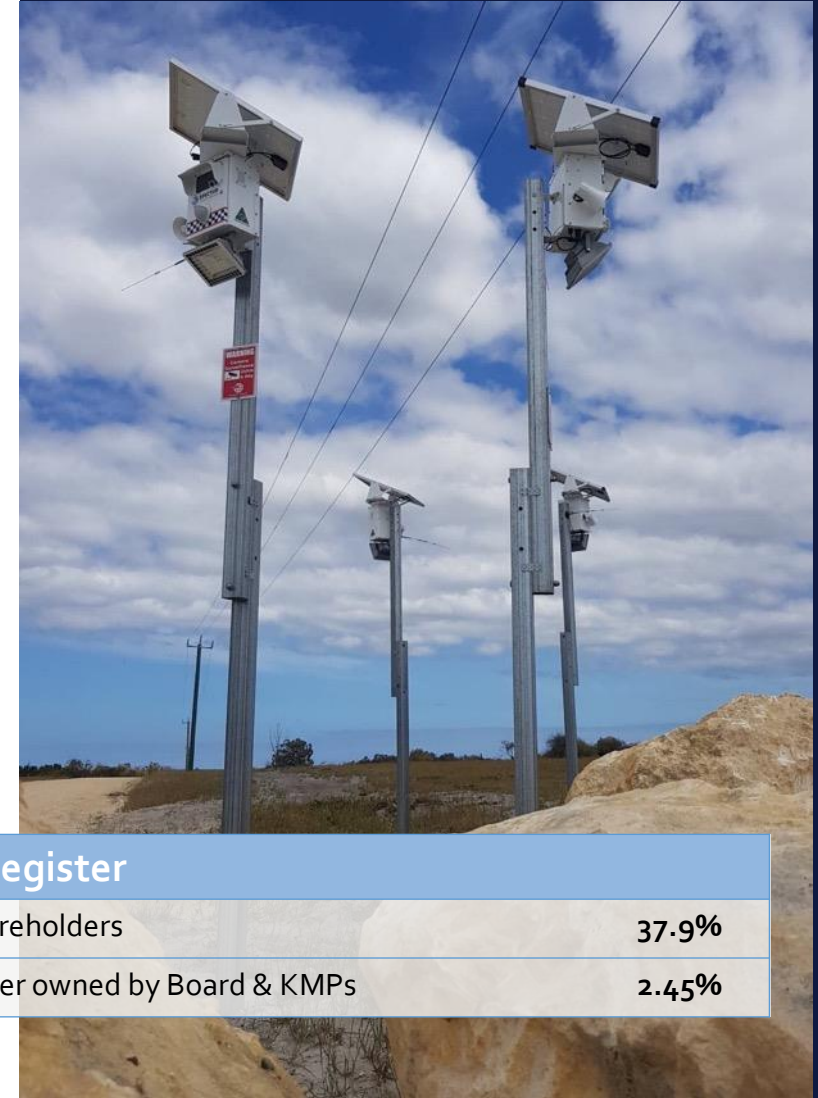
Key Metrics as at 20 November 2019

Share Trading Information

ASX code:	SP3
Listed on ASX:	01/08/2017
Current share price:	\$0.095
Market cap:	\$7.0m
52 week closing high:	\$0.22
52 week closing low:	\$0.086
Average daily volume:	120k
GICS classification:	Technology Hardware & Equipment

Capital Structure

Shares on issue:	72.0m
Options – Listed (exercisable at \$0.20, 31 December 2020)	11.1m
Options – Unlisted (exercisable at \$0.20, on or before 31 December 2020)	9.2m
Options (exercisable at \$0.37 on or before 31 December 2020)	150k
Options (exercisable at \$0.50, on or before 31 December 2020)	2.0m
Performance Rights on issue:	6.6m



Share Register

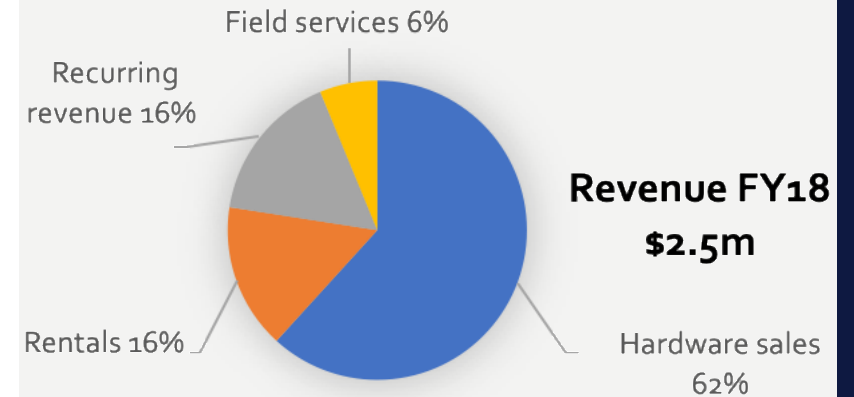
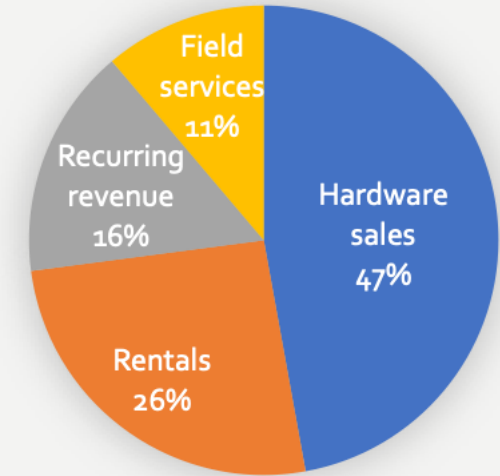
Top 20 shareholders	37.9%
% of register owned by Board & KMPs	2.45%

Revenue Model

Four complementary revenue streams

Revenue streams	Offerings		Revenue Generated
1. Hardware sales	Primary HD5 optical Thermal system Warning system	Ancillary Parts Install materials Mounting solutions	\$3,550 to \$12,000+ per unit
2. Rentals	Time-lapse Variants and custom solutions		\$9.75 to \$60 per day, 300+ rented
3. Recurring revenues (driven by sales)	Includes combinations of data, system access, cloud storage, cybersecurity, monitoring, support and advice Currently 1,800+ systems in operation		Specturcare \$99/month Basic and premium variants from \$39 to \$109/month Average \$61/month FY19
4. Field services	Installations, relocations, servicing & repairs		Various (fixed fee and hourly)

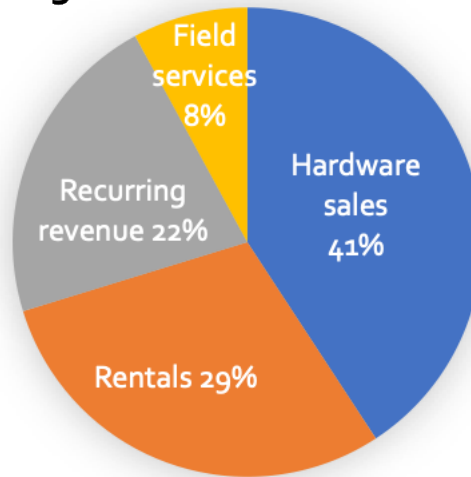
Revenue FY19
\$4.8m



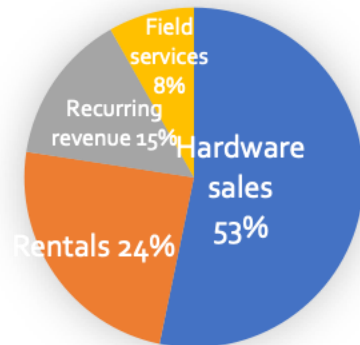
Growing Revenue

Portfolio evolving to higher margin streams

Revenue October YTD FY20
\$1.69m



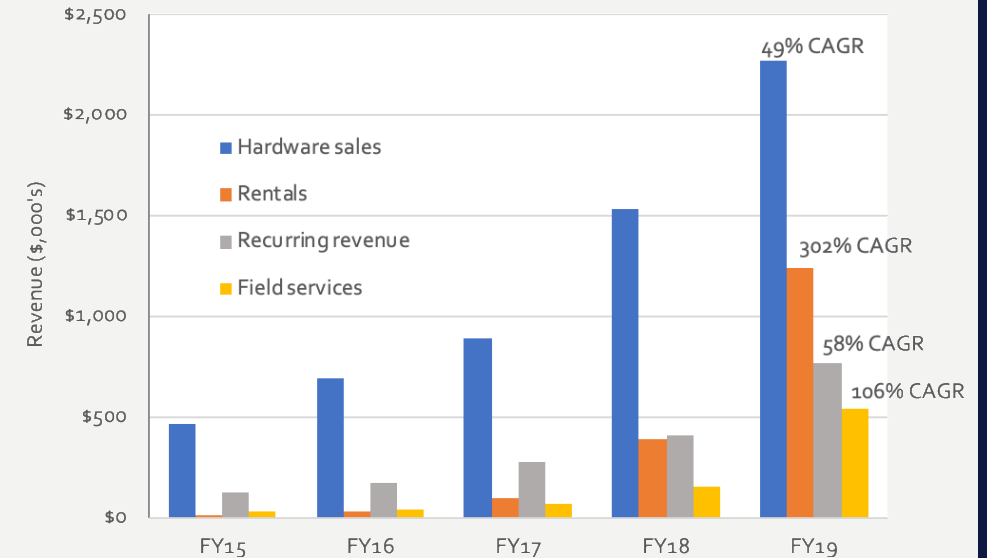
Underlying Revenue October YTD FY19
\$1.34m*



Recurring and rental revenue (high margin) growing fastest

Improving gross margin in field services

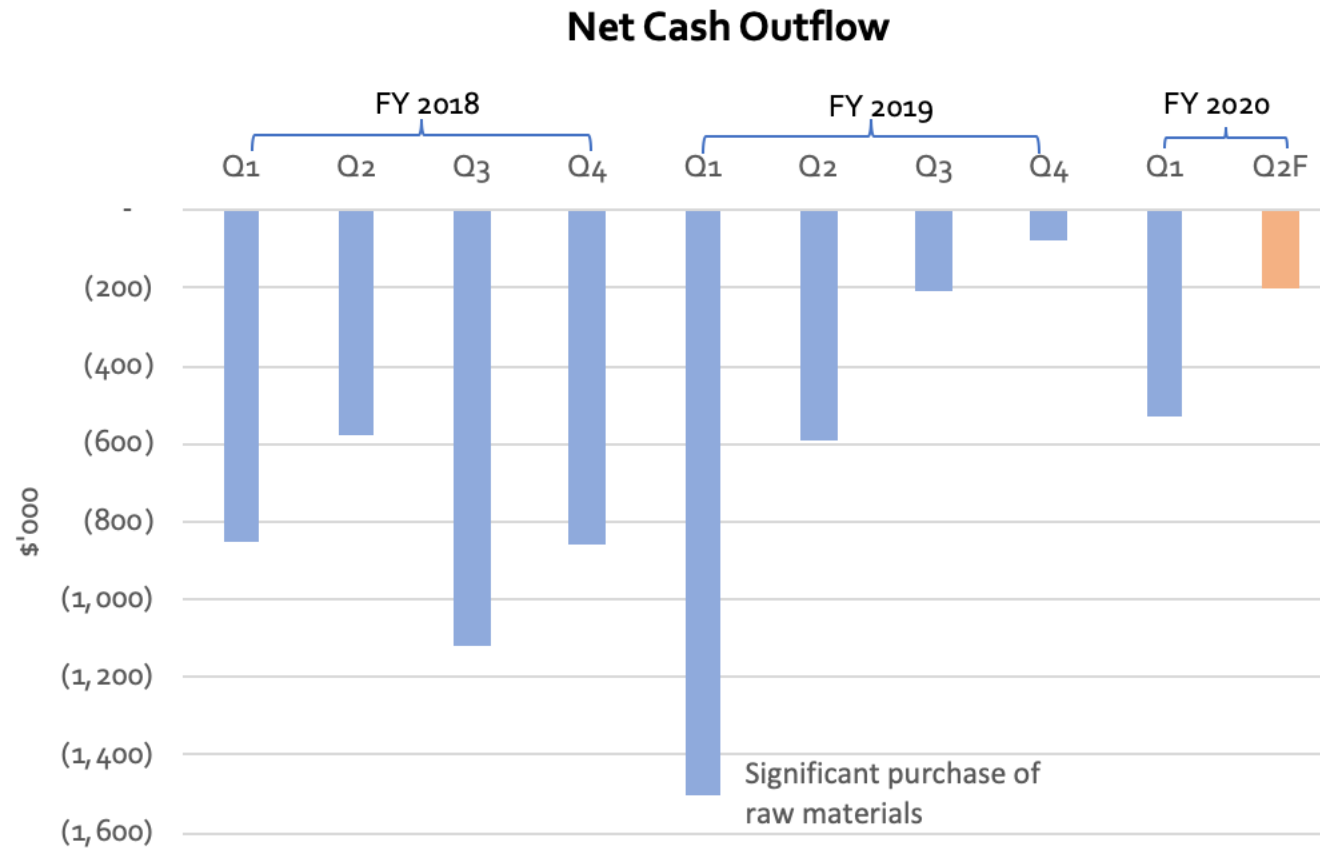
Four Material Revenue Streams



*FY19 Q1 revenues were inflated by \$99.9k because June 18 sales became revenue in July 18 due to delays in installation

Improving Cash Performance

Moving to cash self-generation



Latest Performance

Comparing October 2019 with October 2018

Metric	October 2019	October 2018	Difference
Revenue	\$436k	\$333k	\$103k (31% growth)
EBITDA	(\$133k)	(\$234k)	\$101k (43% reduction in negative EBITDA)
Cash consumption	(\$194k) ⁺	(\$330k)*	\$136k (41% reduction in cash outflow)

The performance improvement continues.

+ R&D tax return forecast to arrive in November 2019 (i.e. no R&D tax refund in October 2019. There was a R&D tax refund of cash in October 2018).

*For the comparative period last year (October 2018) there was a net cash outflow of \$793,885, which included \$460k of abnormal raw material componentry purchases offset by a R&D Tax refund of \$464,104 which resulted in a net change in cash position of \$329,781.

Market Potential

Unsaturated and large current and future growth markets

Geographic

- Currently revenue is split 37% WA, 29% Vic, 17% NSW, 12% Qld and the balance other states and NZ. Focus on building east coast and NZ markets
- Over 20% of all organic search traffic comes from the USA. Very large geographic expansion opportunity. Currently untapped.

Sector

- Current primary sectors are building / construction and government / utilities
- Strategic short-term focus to build in government / utilities whilst maintaining steady growth in building / construction
- Ongoing interest from mining, hydrocarbons, logistics, defense, agriculture.... Currently untapped

Solutions

- Currently dominant in deterrence, surveillance and warning solutions
- Ongoing focus on improving customer experience and solution performance in these sectors
- Next generation technology platform (in advanced development) allows expansion into productivity, safety, research, environmental management and many other solutions. Currently untapped

Spectur has **substantial** growth potential in **current** geographies, sectors and solutions

Spectur has **even greater** growth potential in **future** geographies, sectors and solutions

Strategy Implementation

Strategies turning into actions

Strategies

Driving sales productivity

- Enhance inbound sales tactics
- Build outbound sales infrastructure
- Optimise marketing investments

+

Build customer-centric organisation

- Proactive customer research and outreach
- Generate insights for sales & marketing, field services and research & development
- Improve the customer experience

+

Positioning as a premium solution

- Evolve and improve the current product and solution cases
- Research and preparation for the next generation technology platform to suit current and future usage cases

Driving sales productivity

- Internal training of current sales team
- Metrics, tools, dashboards for performance
- New digital marketing approach, optimized SEO / paid search, Online chat – easier for customers
- 4 current sales hires in progress, search firm engaged and advanced

+

Build customer-centric organisation

- Full time customer research, outreach and feedback generating insights now for sales & marketing, field services and research & development
- Net Promoter Score increased from 50 to 68 in last month.
- Churn remains below 2%

+

Positioning as a premium solution

- Ongoing firmware and hardware improvements to existing technology
- Basic design and R&D roadmap complete for next generation technology. Engineering commenced and prototype expected in Q1
- Usage and value testing in market well advanced

Actions

Strong Leadership

Spectur has deep management, technical, sales and marketing talent to realise the growth



Dr Gerard Dyson
Managing Director

- Former Group Managing Director of Worley (ASX:WOR)
- International experience: Americas, Asia, Middle East, Europe
- Extensive experience with current and future customer sectors: Government, construction, resources and energy
- Background and experience to realise Spectur's growth prospects



Mr 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 pedigree to effectively drive the new product development



Mrs Eleonora Shapiro
National Sales & Marketing Manager

- Extensive experience in digital marketing, inbound & outbound sales
- Long history in technology and security products and solutions
- Leverages Sydney base to build east coast business



Dr Nick Le Marshall
Research & Development

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

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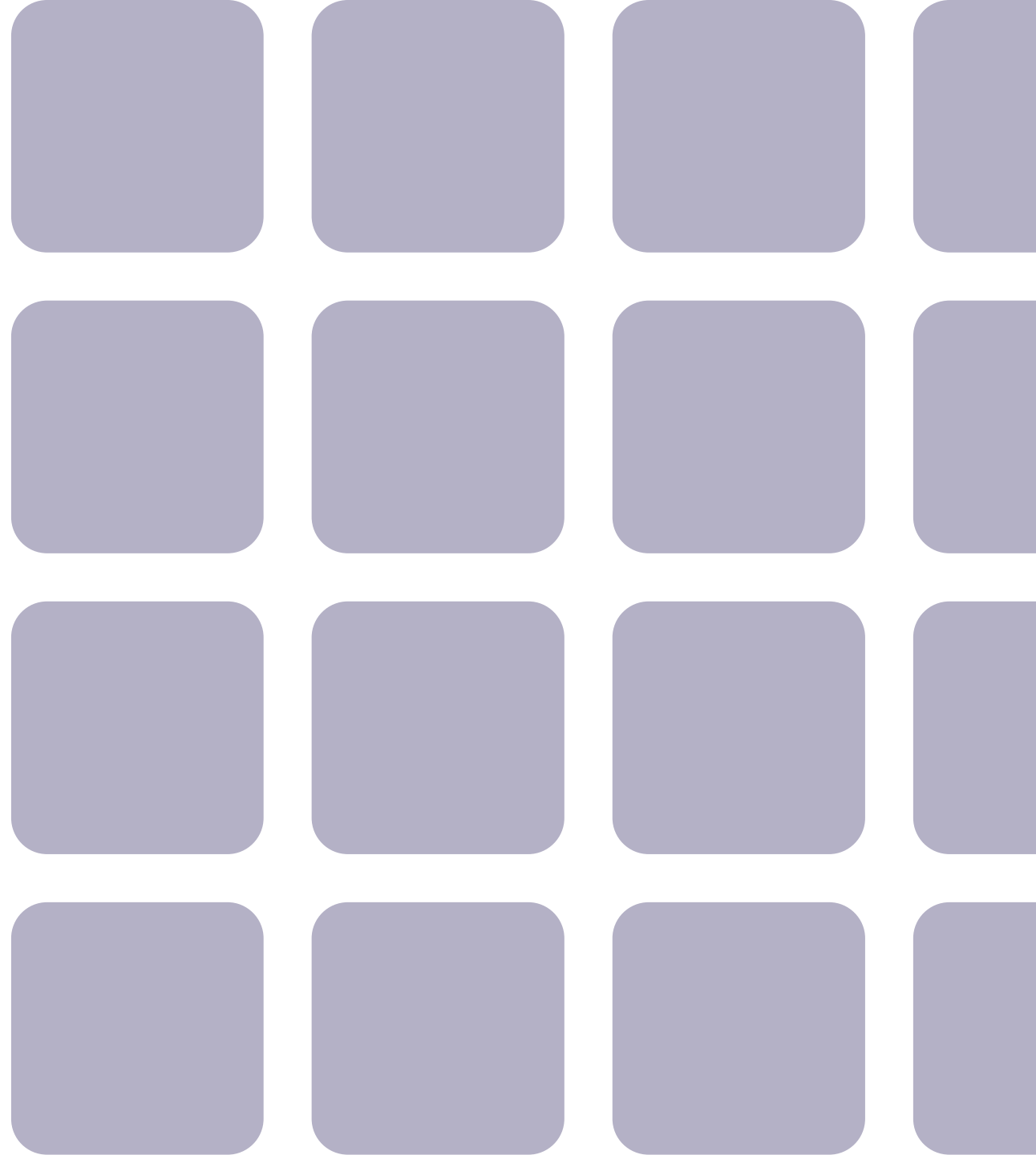
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Spectur Limited

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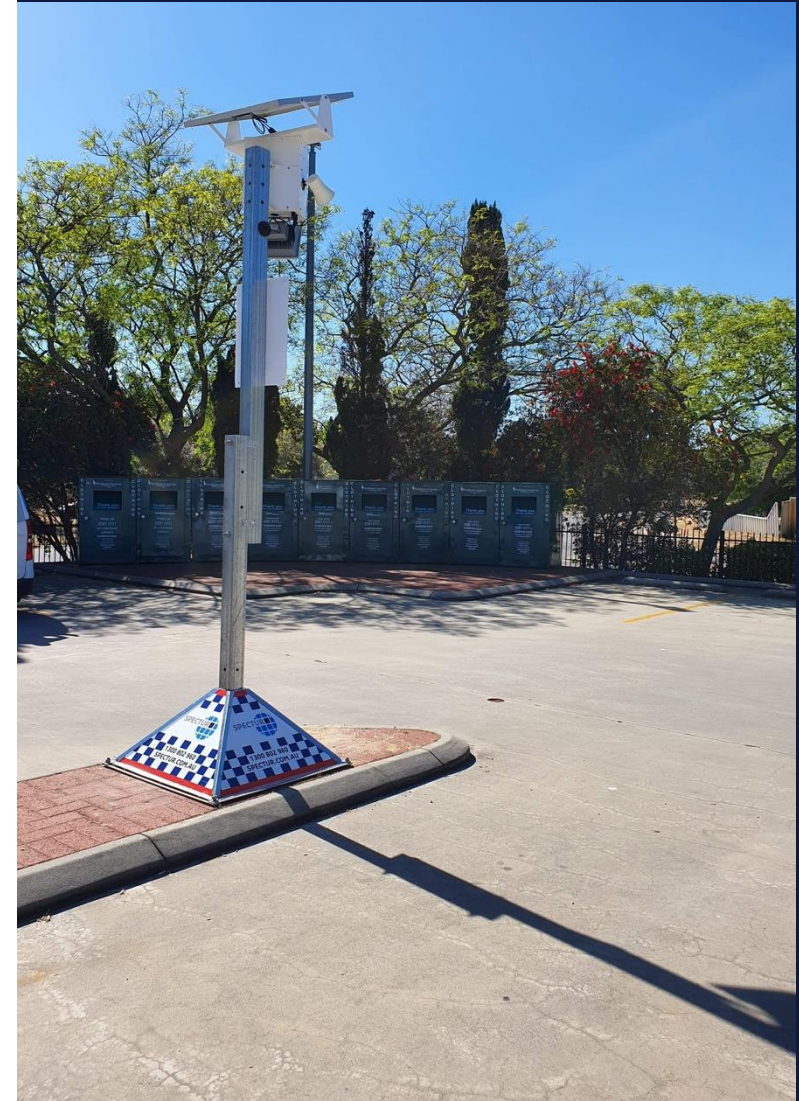
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Appendices

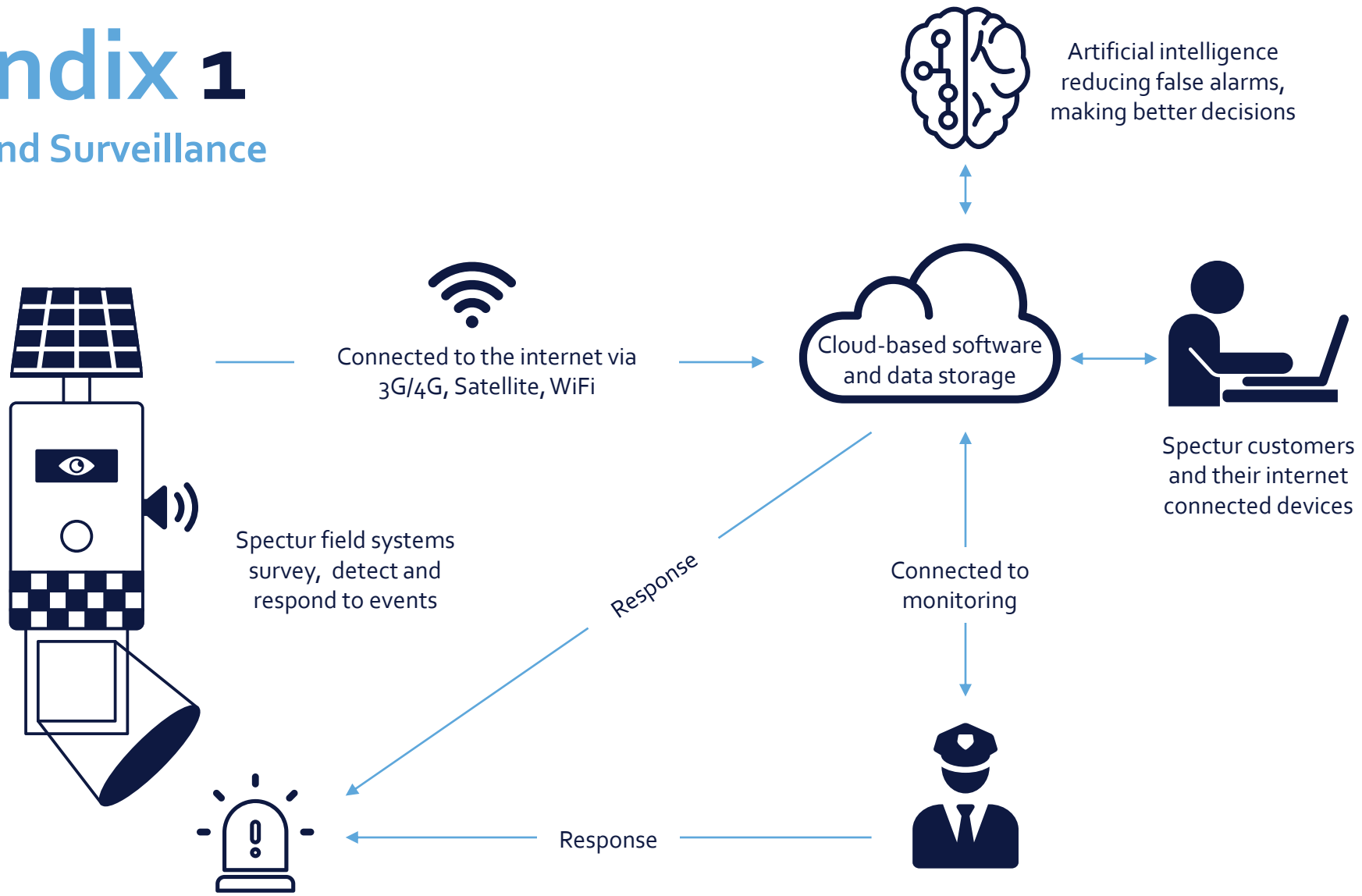
Our solutions

1. Deterrence and Surveillance
2. Warning
3. Edge based camera AI and remote IoT platforms (coming in 2020)



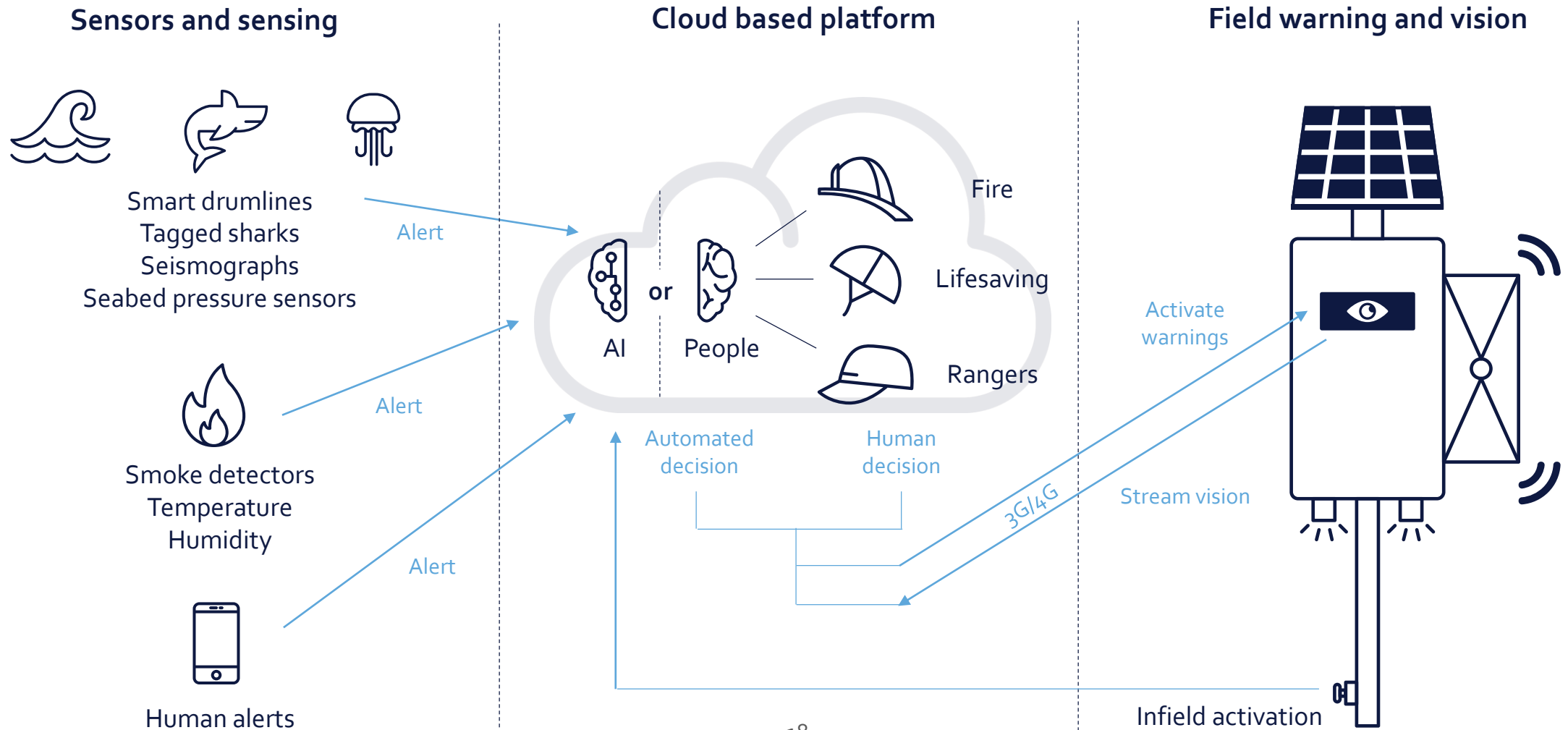
Appendix 1

Deterrence and Surveillance



Appendix 2

Warning



Appendix 3

Edge based camera AI and remote IoT platforms (coming in 2020)

