



SPECTUR

Solutions and platforms using solar power, visual AI and IoT.

Spectur Limited (ASX:SP3)
February 2020

Vision

The leader in solutions and platforms using solar power, visual AI and IoT



Agenda

Introduction to Spectur

Strategic growth progress

Recent financial performance

Strong growth outlook



Introduction to Spectur



Spectur Limited

The leader in solutions and platforms using solar power, visual AI and IoT

Reliable solutions to high value problems

- **Deterrence** of crime
- **Surveillance** to improve productivity
- **Warnings** to protect communities
- **Platforms to enable visual AI and IoT** In unpowered locations
- Range of solutions expanding

Focus on two major sectors in Australia and New Zealand

- Government, utilities & institutional
- Building & construction

Leveraging technology for enhanced results

- **Australian owned**, design, 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



Capital Structure

Growing presence of institutional investors

Key Metrics as at 21 February 2020

Share Trading Information

ASX code:	SP3
Listed on ASX:	01/08/2017
Current share price:	\$0.097
Market cap:	\$7.9m
52 week closing high:	\$0.195
52 week closing low:	\$0.084
Average daily volume:	142k
GICS classification:	Technology Hardware & Equipment

Capital Structure

Shares on issue:	75.6m
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:	2.6m

Share Register

Top 20 shareholders	41.9%
% of register owned by Board & KMPs	2.02%

Top 12 Shareholders (at 17 February 2020)

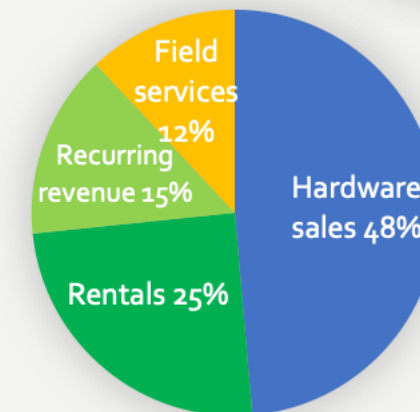
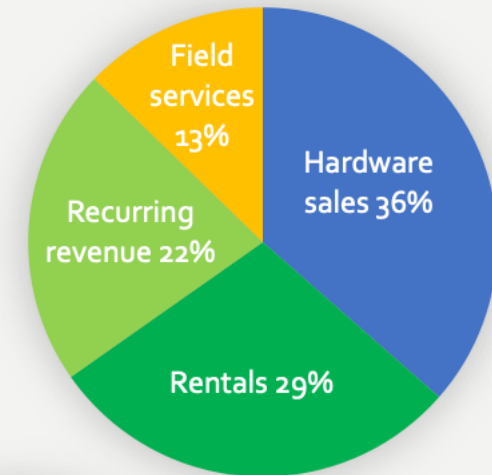
Richard Wilkins (Founder)	8.7%
Peter Holton (prior MD)	6.8%
JP Morgan Nominees	2.9%
DRP 2006 Super	2.7%
Pabasa Pty Ltd	2.6%
Basapa Pty Ltd	2.2%
Cyan C3G Fund	2.0%
Oldview Enterprises	1.6%
Rinaldi family	1.6%
Darren Cooper (Board Chair)	1.1%
Equitable Investors Dragonfly Fund	1.1%
DMX Capital Partners Limited	0.9%

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 solns	\$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 \$139/month Average \$64/month Dec 19
4. Field services	Installations, relocations, servicing & repairs		Various (fixed fee and hourly)

Revenue H1 FY20
\$2.62m



Revenue H1 FY19
\$2.20m

Strategic Growth Progress



Strategy Implementation

We said we would...

Drive 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



Position 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

What we did...

- Developed digital inbound sales systems with improved analytics and reduced response times
- Training, dashboards, KPIs for sales team
- Hired three additional senior outbound salespersons (WA, NSW, Victoria)
- Built outbound digital marketing platform, autonomously running sales campaigns
- Targeted conference campaigns for Q3 / Q4
- Optimised digital marketing partners and improved SEO and PPC performance
- Increased social media presence

With focus on

- **Australian and New Zealand customers; in**
- **Govt & Utilities + Building and Construction; with**
- **needs in deterrence, surveillance and warning.**

- Full time customer outreach engaged in Q1
- Monthly report generated and disseminated to sales, R&D and executive.
- Insights include: product feedback, future needs, NPS, competitor analysis, customer purchasing logic, leaver stories, statistics, testimonials, logos
- Net Promoter Score (NPS) increased to 71 (results for January 2020, from a low of 44).

- Multiple major firmware updates to improve current performance
- Reduced false alarms, improved detection rates
- Design of STA6 platform is well advanced, prototypes in testing
- High speed, low data cost, visual AI platform – in the field (edge).
- Modular platform for remote sensing
- More to be revealed into Q4 with marketing launch.

The next generation

STA6

...coming soon...



Sense Think Act

Solutions expansion

STA6 marks the transformation from “The Security Revolution” to “Sense, Think, Act”

Builds on the industry leading performance of the HD5

- extended night sensing
- can be upgraded to full 360 vision (zero blind spots)
- Edge based AI and more powerful processing means lower false alarms, faster response times and faster streaming of data
- Optimised design, suitable for low cost installation and easy relocation without trucks and cranes

Future solutions to high value problems

- **Research and analysis platform** – ongoing discussions with [Universities and Research institutions](#) about providing a robust edge-based AI platform (e.g. interpreting and predicting coastal processes, identify and count animals in their habitats, etc)
- **Consumer analysis platform** – ongoing discussions with [developers and builders](#) about mapping and interpreting behaviors of individuals within display villages for the purposes of optimizing design and configuration. Clear “smart cities” applications.
- **Environmental sensor hosting platform** – ongoing discussions with [partners / end users](#) about providing a hub for environmental sensing (e.g. smoke, water, etc)
- **Safety platform** – ongoing discussions with [partners / end users](#) around improving site safety (e.g. PPE worn, exclusion zones observed, effective mustering)

And much, much more...

The **STA6** opens up a world of opportunities

Recent financial performance



Financial Performance

The journey from start up to sustainable profitability

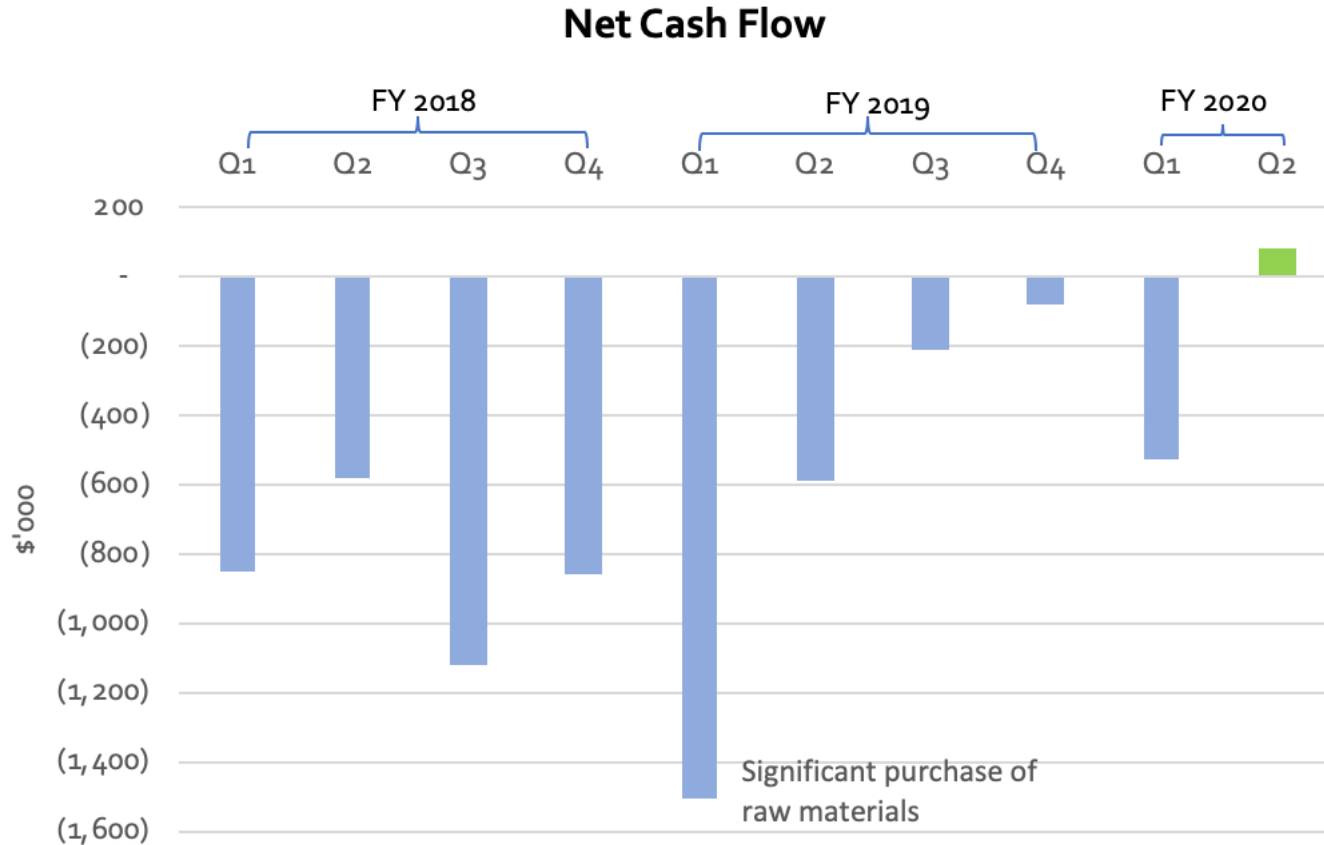
AUD\$	AUDITED RESULTS	31-Dec-19	31-Dec-18	% Change
	Revenue	2,619	2,196	19%
	Gross Profit %	63%	58%	9%
	EBITDA	(756)	(1,498)	50%
	Total comprehensive loss for the period	(830)	(1,574)	47%
	Cash and cash equivalents	2,088	1,405	49%
	Trade and other receivables	1,127	785	44%
	Inventories	687	1,420	-52%
	Non-Current Assets	1,551	1,446	7%
	Total Liabilities	2,116	1,340	58%
	Net Assets	3,337	3,716	-11%

Insights & Observations:

- Strong ongoing improvement in gross profit percentage.
- Transformational change in EBITDA / earnings performance, underpinned by improvements in operational effectiveness and efficiency.
- Strong balance sheet with healthy cash and appropriate, normalised inventory levels.
- Expect benefits of **increased** fiscal discipline to continue
- Expect accelerating **top line growth**

Improving Cash

Moving to cash self-generation



Insights & Observations

- Maiden cash flow positive quarter
- Continues general trend of improving cash performance
- Expect short term (H2) increased cash consumption rate from
 - Additions to sales team
 - Investment in marketing for STA6 technology
 - Ramp up componentry and manufacturing for additional product line
- Cash reserves sufficient to fund strategy

Revenue Model

Four complementary revenue streams

	H1 FY2020 Revenue / GM %	H1 FY2019 Revenue / GM %	Change
1. Hardware sales	\$955k 56%	\$1,068k 53%	-\$113k 3%
2. Rentals	\$754k 77%	\$543k 77%	\$210k 0%
3. Recurring revenues	\$576k 69%	\$322k 61%	\$253k 8%
4. Field services	\$334k 40%	\$263k 32%	\$71k 8%
Total	\$2.62m 63%	\$2.20m 58%	\$423k 5%

Insights & Observations:

- Some slowing in rate of hardware sales due to delays in recruitment of sales team. Expect to reverse this trend following additional outbound focused sales onboarding in Q3.
- Across the board improvements in GM%, with major improvements in recurring revenues and field services
- Recurring revenue run rate >\$1.2m/year (based on Q2 results)
- >60% revenue currently underpinned by regular rentals, recurring revenues and field services.
- Expect **accelerating top line growth** with:
 - 4 new outbound salespeople commencing in H2
 - STA6 platform bringing more usage cases and range of technology

Strong growth outlook



Our Outlook is Growth

Well positioned to capture current and future industry demand

- Spectur expects to deliver continued top line growth over 2020
- Additional spend in the short to medium term (H2) as strategic investments are made
- Growing outbound sales in government and utilities, whilst maintaining base inbound growth rates in buildings and construction
- Renewing and expanding the technology platform to embrace recent developments in technology and enable expanded use cases into the future
- A focus on the Australian (west and east coast) and New Zealand markets
- Larger order sizes, increased sales of higher margin products
- Medium term profitability and cash generation





Sense Think Act

Contact Details

Spectur Limited (ASX:SP3)

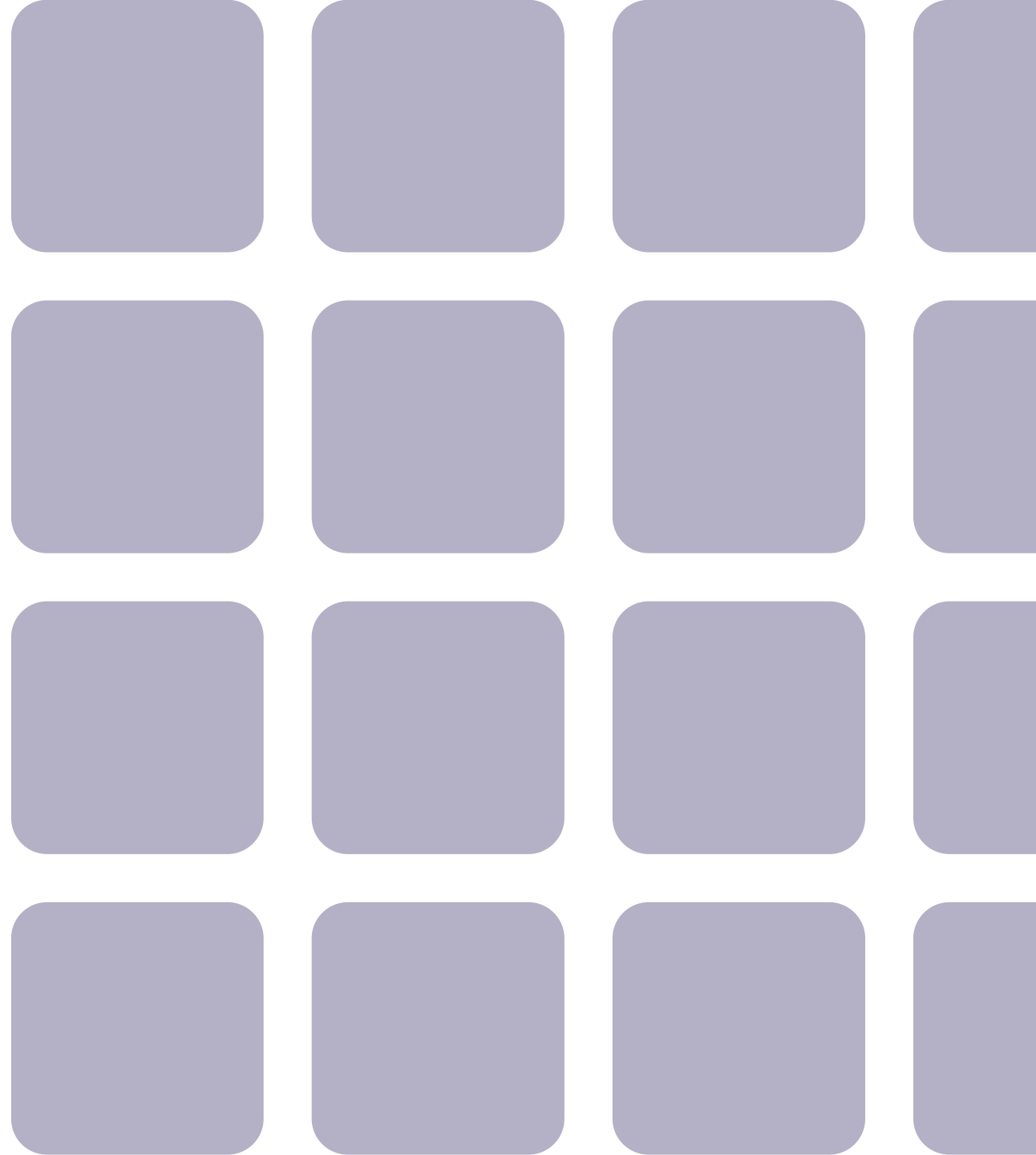
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Spectur Limited

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Appendices

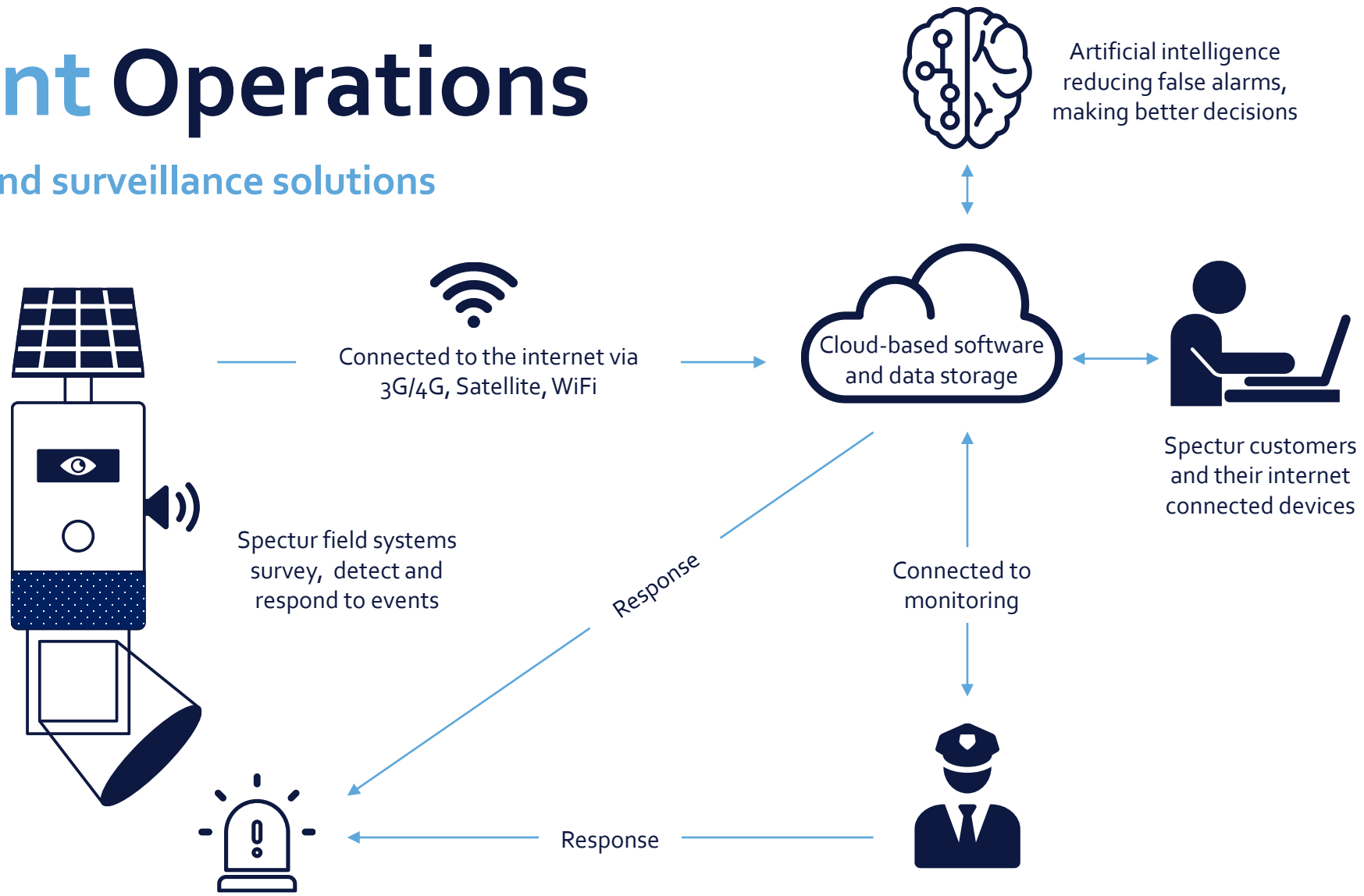
Our solutions

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



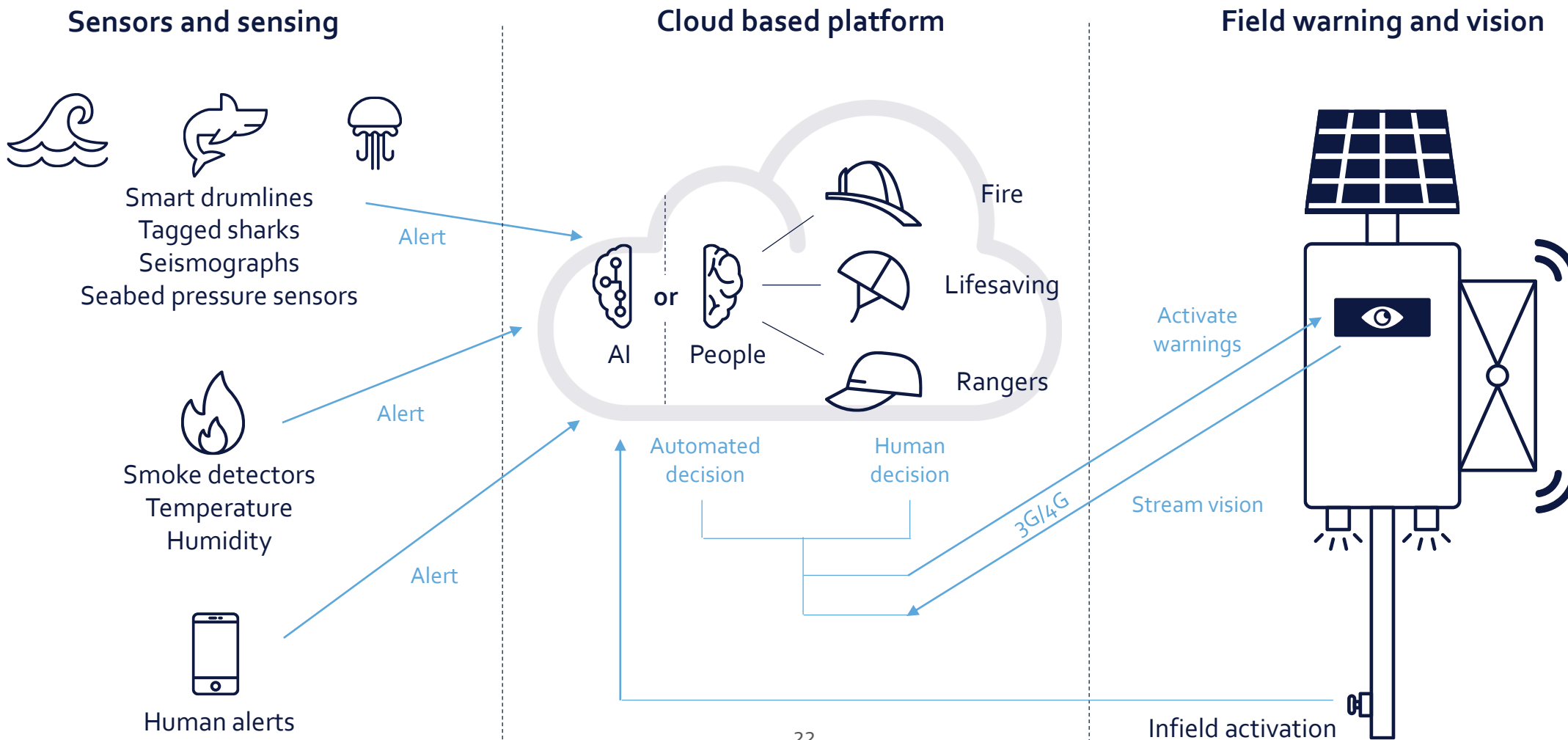
Current Operations

Deterrence and surveillance solutions



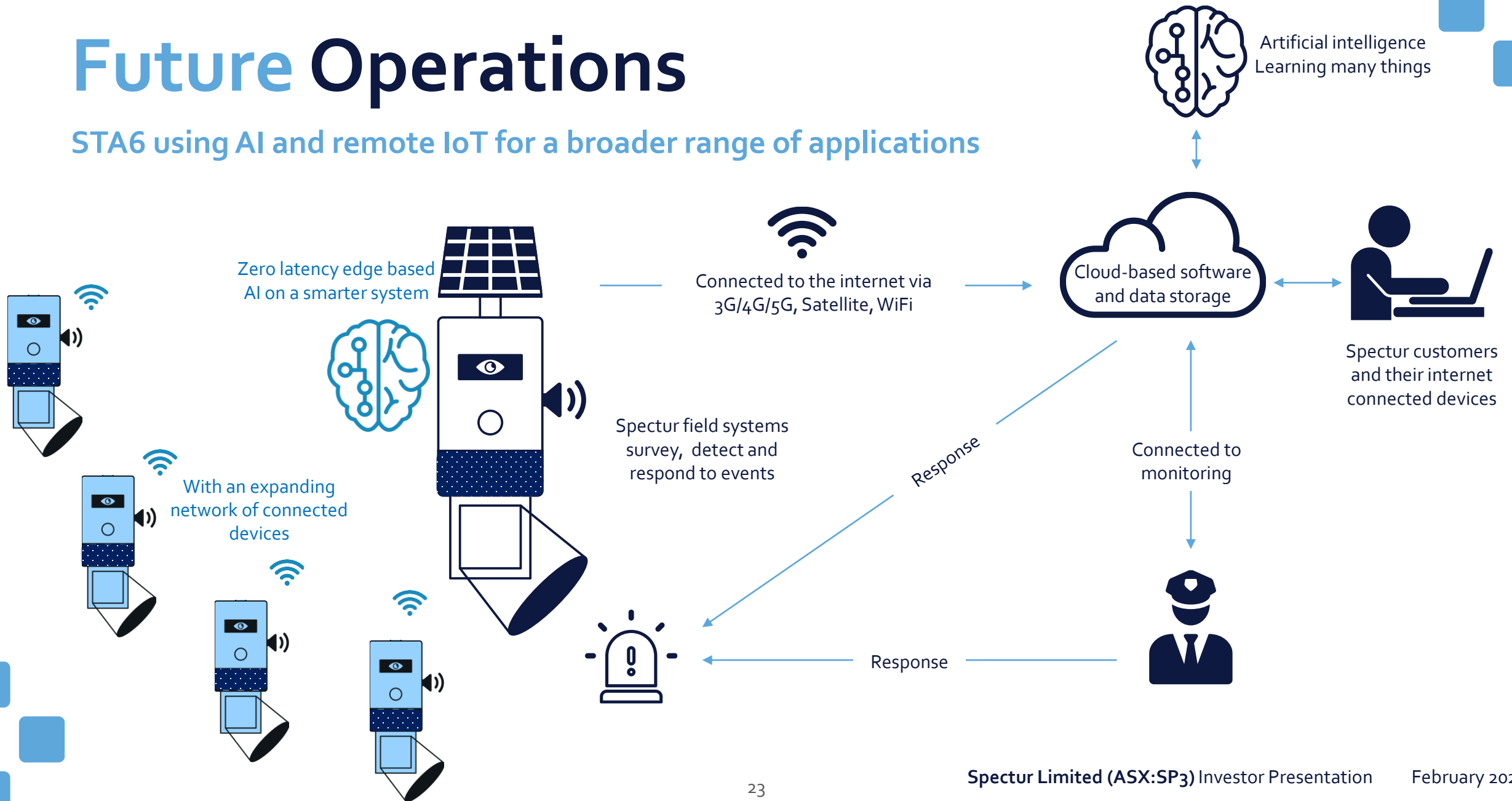
Current Operations

Warning solutions



Future Operations

STA6 using AI and remote IoT for a broader range of applications





Sense **Think Act**