

ASX Announcement | 11/06/2019

Spectur Limited (ASX:SP3)

Spectur Achieves Record Monthly Revenues

Highlights

- Achieved a record month of revenue of \$516,000 in May 2019
- Revenue growth driven by a record number of system sales and rentals
- Spectur expects to deliver full-year revenue of \$4.6m, consistent with earlier guidance
- Spectur remains well-funded, with over \$1m cash at bank as of June 1, 2019

Security systems and cloud-based technology solutions company Spectur Limited (ASX:SP3) ("Spectur" or "the Company") is pleased to announce that it has achieved a record month of revenue in May 2019.

Record month of revenue leads to revised guidance

The Company generated revenue of \$516,000 underpinned by record system sales (\$246,000) and record system rentals (\$133,000) with the remainder being recurring and services based revenue.

A combination of higher-value orders from larger customers and higher-margin product mix also produced continuing strong gross margin for the month of \$338,000 (65% of revenue).

May 2019 was also the second cashflow-positive month this calendar year, generating net cash of \$85,000.

As outlined in a recent announcement, FY19 revenue is forecast to be in the range of \$4.5m and \$4.7m [ASX Announcement: May 7, 2019]. It is expected that the current strong top-line performance will continue, leading to full-year revenues in the mid range of earlier guidance (\$4.6m). Spectur remains well-funded, with over \$1m cash at bank as of June 1, 2019.

Growth underpinned by strong demand and repeat customers

The increasing revenues are a reflection of the growing contribution of the higher margin recurring income (including Software as a Service (SaaS) stream), along with the similar higher margin rental business (relative to hardware sales).

Repeat customers are placing higher value orders and looking to expand their deployment of the Company's solutions. It is expected that the growth of repeat customers will underpin a substantial portion of sales and revenue in the next financial year.

Positive cash generation on a more frequent basis (the second time this year) indicates the increasing proximity of consistent self-generation of cash to fund future operations.

Spectur Executive General Manager and incoming Managing Director (effective July 1, 2019) Gerard Dyson said: "We are very pleased with our May financial results and current outlook. The Company's strong balance sheet combined with positive revenue and margin performance underpin solid future performance. Spectur's strategic focus on quality solutions for key customers, outbound sales acceleration, and targeted technical innovation positions us well to accelerate growth into the next financial year and beyond."

Performance Milestones

The Company revenues (unaudited) for 2019 are now reported as being in excess of \$3.5 million and, subject to audited figures, the Tranche 2 Performance Rights Milestone ("Milestone 2") will be met. Milestone 2 is disclosed in Spectur's 19 June 2017 Prospectus as the Company achieving a minimum of \$3.5 million in annual revenue as per the FY 2019 audited accounts. Upon achievement of Milestone 2, a total of 7 million performance rights will vest with the holders and entitle them (upon conversion) to receive one fully paid ordinary share ('Share') for each performance right held. The Milestone 2 achievement will be confirmed following the release of the audited 2019 financial statements. The Shares will however be subject to escrow until August 2019 (see ASX release dated 28 July 2017).

Tranche 3 Performance Rights of 6.6 million were cancelled with the holders (Richard Wilkins and Peter Holton) by mutual consent following their stepping down from their initial roles on listing during FY2019.

Ends

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ABOUT SPECTUR

Spectur Limited (ASX:SP3) is an Australian-based company which owns the rights to its innovative hardware and disruptive cloud based IOT and security systems which operate in Australia. The two largest industries that Spectur currently services are the government / utilities sector and the building/construction/civil industry. Spectur's core products are solar powered deterrence and surveillance systems and associated cloud based platform. These systems incorporate cameras, lighting, audible warnings and a hardware IoT platform. The systems are remotely accessed and connected via 3G/4G technology to a cloud based platform. Spectur has also added long distance, 24-hour thermal camera surveillance and off-grid warning systems to complement its existing product base. The Company is implementing a strategic growth plan to build market dominance in the Australian government and utilities sector whilst continuing to grow and service the building/construction/civil industry.

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