

## Spectur Limited (ASX:SP3) Quarterly Activities Report

ASX Announcement | 15/01/2020

### Highlights

- Spectur delivers its best-ever quarterly cash performance, generating \$79k in Q2 FY20 to achieve its first positive cashflow quarter
- Cash at bank of \$2.087 million as at 1 January 2020 (compared with \$2.008 million as at 1 October 2019)
- H1 FY20 revenue of \$2.619 million
- Spectur continues to expect future positive earnings and operating cash flow

**Wednesday 15 January 2020: Solar camera, AI and IoT platform and solution provider Spectur Limited (ASX:SP3) ("Spectur" or "the Company")** is pleased to report on its activities for the quarter ended 31 December 2019.

### Positive Cash from Operations, with Continuously Improving Financial Performance

Spectur has delivered the best quarterly cash performance in the Company's corporate history and its maiden positive cashflow quarter. This milestone follows a sustained period of financial improvement compared to 2018, which puts current cashflow performance well ahead of the Company's internal forecast.

Spectur had a net cash inflow of \$79k for Q2 FY20 on the back of operating cash flow receipts from customers of \$1.493 million and net operating cash inflow of \$140k. This represents a positive transformation in performance from the Company's net operating cash outflow of \$544k in Q2 FY19 (a \$684k improvement on the FY19 comparative quarter), and material improvement from the Q1 FY20 net operating cash outflow of \$530k (a \$670k quarterly improvement).

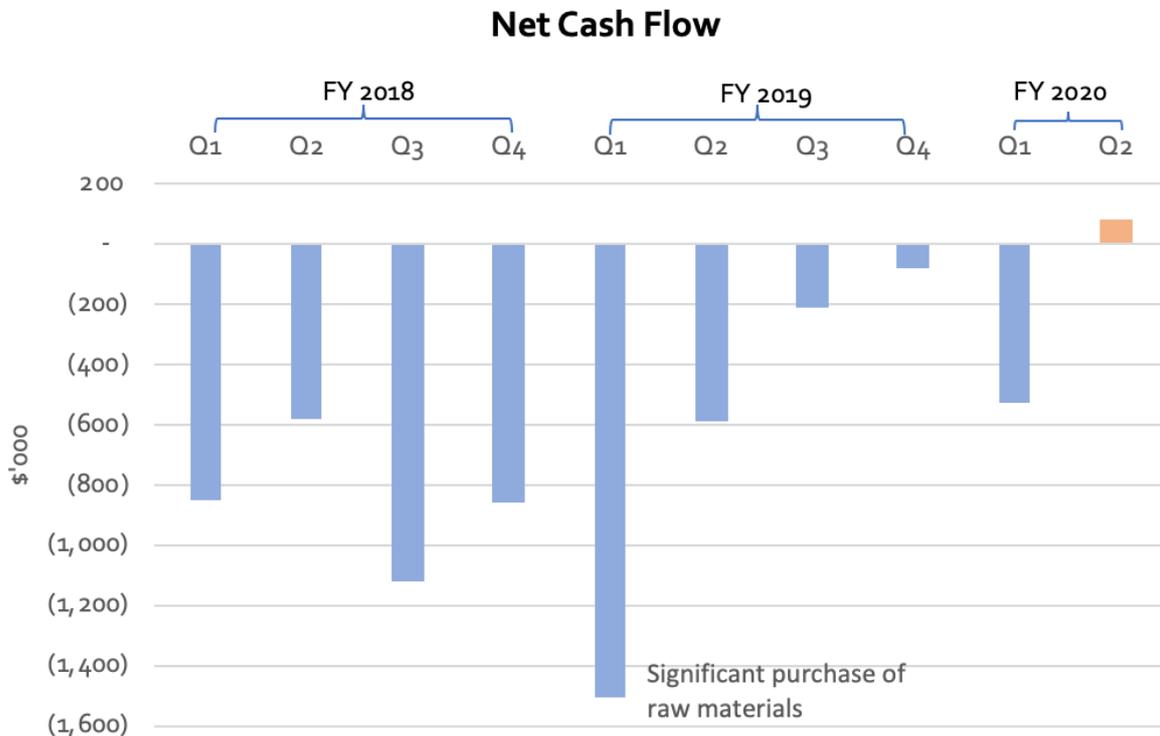
Q2 FY20 cashflow includes a \$332k R&D tax refund in the period, which is substantially less than the Q2 FY19 R&D tax refund of \$464k. Excluding the R&D tax refund, underlying operating cash outflow was approximately \$64k per month. This is approximately \$113k/month less than Q1 FY20, underlining the Company's significant recent financial improvement.

Alongside its improving cashflow performance, Spectur has also maintained healthy growth during the period with revenue increasing to \$1.362 million for the quarter and \$2.619 million for the half year (H1 FY19 revenue: \$2.196 million).

Q2 FY20 recurring revenue (excluding rentals) was \$307k (annual run rate of \$1.22 million), up from \$269k in Q1 FY20. Note that the full year recurring revenue for FY19 was \$766k. This recurring revenue stream provides a revenue base (along with rentals) which enhances margins and underpins Spectur's scalable growth.

Given there were some delays in recruiting for outbound salespeople, the increasing revenues are a testimony to the value of the existing customer base, improvements in performance of the digital marketing platform, the ongoing leading performance of Spectur solutions and the growing recurring revenue stream.

The chart below indicates Spectur’s improving net cash performance on the Company’s journey to sustained cash self-generation.



### Forecast mid-term positive cash and earnings

The Company continues to take a prudent approach to cash control which has improved cash flow dynamics over the historic and forecast consumption rates.

There remains some additional expected investment in R&D for the next generation technology platform as well as concluding recruitment and ongoing salary costs for the additional sales force (to be complete in Q3 FY20). The Company expects to offset these costs with growing gross margin later within the financial year.

### Executive commentary

#### Spectur Managing Director, Gerard Dyson, said:

*"Our prudent position on cash and business management has helped us to deliver a strong quarterly and half year result. The cash result is particularly pleasing as we have had a normalising of inventory stocking levels compared with prior periods, as well as additional recruiting and R&D costs in the period."*

*"We will continue to take a prudent approach to managing cash on our journey to our key milestones of consistently positive earnings and cashflow, while maintaining and building on the top line growth that Spectur can deliver as the premium brand in solar cameras with AI and IoT."*

## **Ends.**

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

### **For further information, please contact:**

#### **Corporate enquiries**

Spectur Limited

Gerard Dyson

p: +61 (08) 9414 9059

e: [investors@spectur.com.au](mailto:investors@spectur.com.au)

#### **About Spectur Limited**

Spectur Limited (ASX:SP3) is an Australian-based company which owns the rights to its innovative hardware and disruptive solar powered camera, IoT and AI solutions and platforms which operate in Australia and New Zealand. 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, AI, 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](http://www.spectur.com.au)

#### **Forward Looking Statements**

This announcement contains forward-looking statements which are subject to elements of uncertainty, risk and other factors which could cause the actual results or outcomes to differ materially from those stated. These statements are based on an evaluation of current economic, contractual and operating conditions, as well as assumptions regarding future events. These events are, as at the date of this announcement, expected to take place, but there cannot be any guarantee that such events will occur as anticipated, when anticipated or at all given that many of the events are outside Spectur's control. Accordingly, neither Spectur nor any of its directors, officers, employees, contractors or agents, gives any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur as and when anticipated.

