

Spectur Limited (ASX:SP3) Quarterly Activities Report

ASX Announcement | 14/7/2021

Highlights

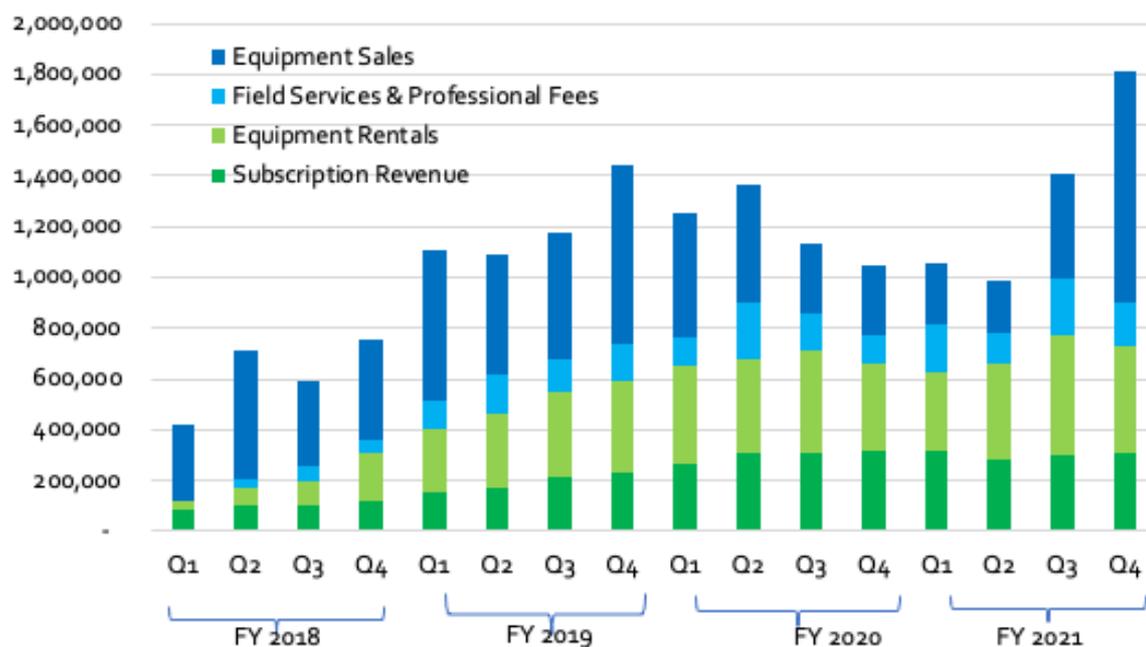
- Spectur sets new records in revenue for quarter, half and full year
- Another operating cash generating month (\$560k, June 2021) in another positive cash flow quarter (\$333k generated)
- \$1.69 million cash at bank on 30 June 2021, without drawing on \$1.5 million debt facility
- Q4 FY21 sales volumes of 134 units (up from 50 in Q2 FY21 and 91 in Q3 FY21) with ongoing growth in the telecom customer base

Wednesday 14 July 2021: Solar security, sensing and visual AI solutions and platforms company Spectur Limited (ASX: SP3) ("Spectur" or the "Company") is pleased to report on its activities for the quarter ended 30 June 2021.

Record revenue performance for quarter, half and full year

Spectur achieved quarterly revenue (**Q4**) of more than \$1.8m, half-year revenue (**H2**) of \$3.2m and full year revenue of \$5.2m (**FY21**). These revenue values are all the highest in corporate history and a dramatic improvement from H1 FY21 and H2 FY20.

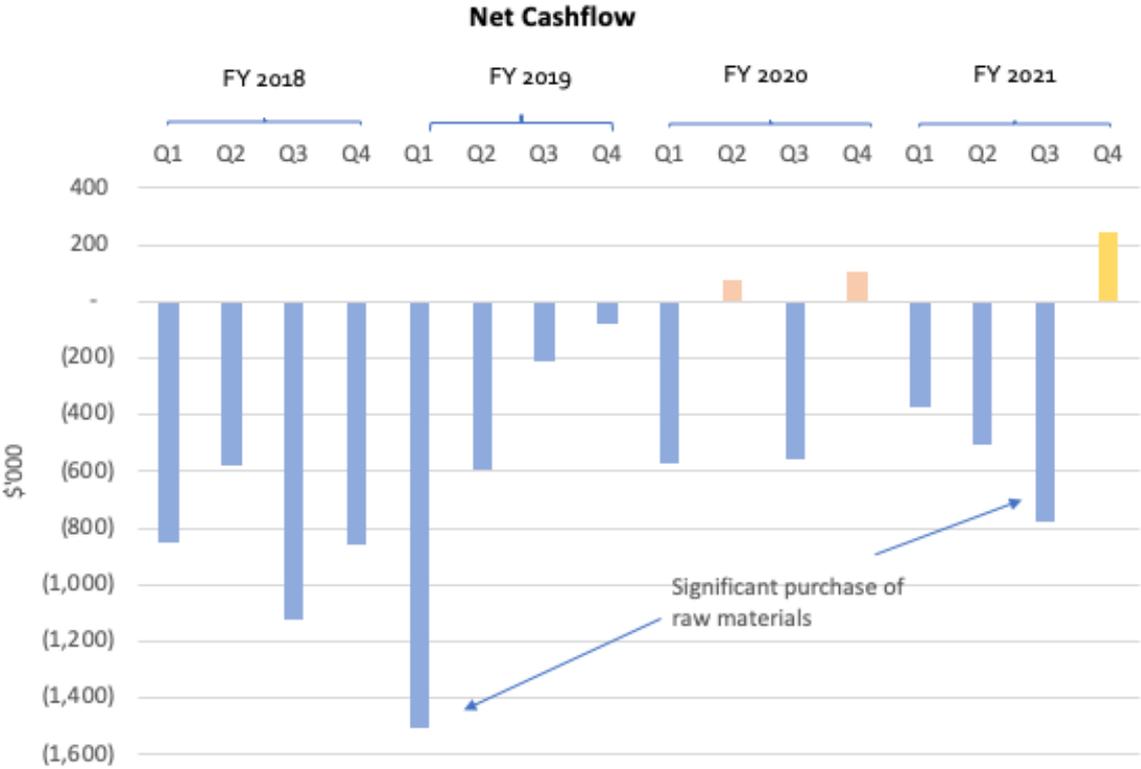
Revenue per Quarter



Total revenue for Q4 run-rated at \$7.2m per annum with recurring revenues (subscription and rental revenues) run rating at \$3.2m per annum.

Positive Operational Cashflow for June and Q4 FY21

In addition to finishing with record revenue performance, Spectur generated \$560k operating cash in June and \$333k for the full quarter Q4 FY21. Whilst Spectur has experienced previous positive cash flow quarters or months they have typically coincided with R&D tax returns or government support. The Company is pleased to report that this quarter’s performance includes only minimal government support, demonstrating Spectur’s ongoing improvements in both revenue and cash performance. It should also be noted that substantial investments in maintaining inventory of componentry through to finished goods occurred during this period.



Strong balance sheet at the end of FY21

As a result of generating operating cash in Q4 FY21, Spectur retained \$1.69 million cash at bank on 30 June 2021. The \$1.5 million debt facility provided by EGP Capital in April 2021 is available from 1 July 2021, however it remains undrawn and no notification of pending drawdown has been made for July. Cash and debt facilities available to Spectur at the commencement of FY22 were approximately \$3.2m.

Trade and other receivables increased to \$1.0 million driven by the increase in revenue of \$407k and are forecast to lead to ongoing high levels of cash receipts into Q1 FY22.

Strong sales in Q4 FY21 with a growing pipeline into Q1 FY22

Spectur enters Q1 FY22 with a strong forward order book of commitments which extends well into FY22. Spectur finished the year with 45 systems installed in the telecoms sector (having grown from 15 systems as at the end of Q3 FY21) and is advancing discussions to further grow this market segment in FY22.

Planned installation of the first phase of Surf Life Saving solutions in NSW and WA is expected to lead to further growth during the year and, pending COVID restrictions, Spectur plans to market this safety and warning offering intensively.

At the end of June, the probability-weighted sales pipeline for Spectur was in excess of \$1.8 million, even following the strong sales performance in Q4 FY21 which historically would have reduced this pipeline.

Corporate Matters

Pursuant to a Loan Agreement with EGP Capital for the \$1.5m debt facility, which was obtained during Q4, Spectur has agreed to issue the lender 2.25 million unquoted options to acquire fully paid ordinary shares in Spectur. The options are exercisable at \$0.12, on or before 31 December 2023 and are subject to approval by shareholders at the Company’s Annual General Meeting. Should shareholder approval not be obtained, the outstanding loan principal and any fees / interest outstanding will be repaid within 45 days.

Executive commentary

Spectur Managing Director, Gerard Dyson, said:

“FY21 started in challenging times. COVID-19 related lockdowns and associated circumstances were affecting customer confidence and the building and construction sector was depressed. Spectur was on the cusp of launching a unique technology platform (STA6), the sales team were newly appointed and we were between Sales Managers. Noting these conditions and consistent with our strategy, we; delivered the STA6 to market, bringing heretofore unavailable features and capabilities to customers; expanded our sales channels (with select re-sellers and Spectur NZ); and continued our push into government, utility and related customers. We finished the year with a strong pipeline of prospects, balance sheet strength and a supporting debt facility, a stable organisation and realisation of the investments in our outbound sales and account management processes.

“Delivering record revenues in each of Q4, H2 and FY21, coupled with finishing with a strong sales pipeline and positive cash generation for the month and quarter, all sets the scene for an exciting FY22. We are optimistic about the organic and internally funded growth potential that we can achieve in the coming year, and we will continue to seek strategic acquisitions, at the right price, to supplement our growth profile.”

Disclosure under Listing Rule 4.7C.3 – Payments to Related Parties and their Associates During the Quarter

	\$
Salary paid to Managing Director	60,681
Non-Executive director fees paid	28,750
Superannuation paid to directors	<u>9,791</u>
Total payments to related parties	<u>99,222</u>

Ends.

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



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About Spectur Limited

Spectur Limited (ASX:SP3) is an Australian-based developer of security, surveillance and warning solutions powered by solar, IoT [Internet of Things], camera and cloud-based technology. The Company owns the rights to its innovative hardware and disruptive cloud-based systems which are deployed to provide solutions to industries including government and utilities, and the building, construction and civil sector.

Spectur's core products are solar powered warning, deterrence and surveillance systems and associated cloud-based platforms. These systems incorporate cameras, lighting, audible warnings and a hardware IoT platform, remotely accessed and connected via 3G/4G technology to a cloud-based platform. The offering is complemented by a longer distance, 24-hour thermal camera deterrence solution, suitable for customers with long perimeters.

Spectur is used and trusted by small business to multinationals and the Company is currently implementing a strategic growth plan to build market dominance in the Australian government and utilities sector to meet demand for innovative, remote camera and IoT solutions.

To learn more, please visit: 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.

