Spectur Limited (ASX:SP3) Business Growth Update

ASX Announcement | 13/9/2022

Highlights

- **Record start to revenue and sales in Q1 FY2023**
- **Continued strategic wins in beach community safety in NSW and WA**
- **New technology STA6s ready for market, expanding modularity and improving production efficiency**
- **All resolutions passed at recent GM, with strategic initiatives now advancing**
- **Join Gerard Dyson, MD of Spectur, for an investor briefing on Thursday 15th September at 12pm (AEST). Click here to register.**

Tuesday 13 September 2022: Solar security, sensing and visual AI solutions and platforms company Spectur Limited (ASX: SP3) ("Spectur" or the "Company") is pleased to provide a business update on range of strategic, sales, financial and governance matters.

Record Start to Revenue and Sales in Q1 FY23

As suggested from the substantial growth in sales pipeline during Q4 FY22, July and August 2022 sales and revenue are all record results. The table below presents key comparative metrics:

Financial metrics	FY22 $'000	FY23 $'000	FY23 vs FY22 growth
August year to date revenue	840	1,117	+33%
August year to date Sales	545	788	+45%
Unweighted sales pipeline (30 August)	5,616	9,755	+74%
Weighted sales pipeline (30 August)	2,331	4,160	+78%

The combination of record revenue, sales and pipeline results is indicative of a likely record Q1 FY23 and ongoing growth.

Strategic Wins in Community Safety

Spectur has recently been awarded two State Government contracts to provide beach community safety solutions.

- The Office of Local Government NSW, as part of the Smart Beaches Project, ordered 15 Spectur Shark Camera variants, with 12 months of subscription for a total contract value of $153,516.
- The Department of Planning Industries and Regional Development, WA ordered 4 Spectur Shark systems, with 12 months of subscription for $36,434.



These contracts individually are not material, however they are strategically important as Spectur continues to roll out beach warning solutions across Australia.

The current sales pipeline includes additional beach safety systems, and it is expected that this portion of the Spectur business will continue to grow.

Ongoing Technology Deployment

As part of the R&D roadmap, Spectur is advancing the hardware platform to improve modularity, ease of assembly and prepare for increased production and assembly inhouse and by third parties. As part of this progress, Spectur is concluding successful trials of the mid-life update to the premium STA6 platform, the STA6s.

Maintaining current functionality, the STA6s introduces the ability to use 3rd party out of body camera systems. Benefits include:

- Providing customers with desired or specified camera systems and thus meeting tender requirements.
- Breadth to bring in a broader range of specialised cameras for tasks such as number plate recognition.
- Increased flexibility in camera sourcing, to mitigate supply chain issues.
- Some improvements in onsite configuration, made easier using “out of body” camera systems.
- Substantial improvements in simplicity of production and final assembly, ideal for self-installing customers, resellers and internal Spectur technicians.



The STA6s product launch will occur in September 2022. The STA7, which will be a material step change in product design, further underpinning growth expectations, is expected to be in the market in 2023.

In addition to core platform advances, Spectur is in advanced prototyping of a new modular power system. Core electronics, lithium battery and solar power management componentry has been confirmed, with industrial product design concepts currently being built, tested, and optimized. Spectur has lodged an application for registered design of this new system, which will form part of a design theme and family that is uniquely ‘’Spectur’’.

This modular power platform, expected to be announced and formally launched in Q2 FY23, is central to the future modular Spectur ecosystem. Using core building blocks of power, processing, camera, and “action” hardware with similarly modular embedded and cloud software will enable Spectur to cost-effectively, reliably and quickly assemble solutions to meet a variety of customer needs.

General Meeting concluded, Underpinning a Strong Balance Sheet for Growth

On 7 September 2022, all resolutions proposed at the general meeting were approved, releasing approximately $3.012 million of funds from the combined capital raisings undertaken in July and August 2022. These funds underpin the investments being made today in the growth of Spectur. Of note, growth is planned in the following areas:

- **South Australian and regional expansion.** Spectur has successfully recruited a new leader for our South Australian expansion. Based in Adelaide, Spectur will be establishing a full-service sales, warehousing and support offering to support sales across the State.
- **Globalised modular platform.** In Q1 FY23, Spectur hired two talented engineers to support the growth proposed, the modular STA6s will be launched, and engineering of the modular power system will be largely concluded.
- **Expansion in marketing.** A new marketing partner has been onboarded, with an increased emphasis on building content suitable for our target customers. In addition, it is expected that the Spectur migration from Spectur.com.au to Spectur.com will be complete in the near term, providing the foundation for a more global way to connect with our customers, partners, shareholders, and the community.
- **Inventory risk mitigation.** Spectur has procured core componentry in Q1 FY23, suitable to ensure that material re-engineering of the electronics foundation will not be required in the medium term. This advanced procurement ensures that substantial mid-design-cycle re-engineering of core electronics is not required due to interruptions in the supply chain.
- **USA market entry preparations.** Spectur has advanced discussions with Austrade, Tradestart, business contacts within the USA and Australian companies with recent USA entries. In addition, an Export Market Development Grant has been applied for and an initial mission, combining visits to two trade shows in key target sectors, is being planned for November 2022.

Executive commentary

Spectur Managing Director, Gerard Dyson, said:

"This is the best start to a financial year I have had at Spectur. Key staffing roles are filled, and staff retention is good with morale high. In addition, we are delivering record sales and revenue ahead of our internal budget and substantially up on FY22. The pipeline remains at elevated levels, and we see no slowing in the market in the near term. The raising of additional equity allows Spectur to confidently deploy additional resources in Q1 FY22 towards growth. We expect to release more details of our new technology in the coming months, along with further updates on our other strategic progress."

Join an investor briefing

Join Gerard Dyson, Managing Director of Spectur, on Thursday 15th September at 12pm (AEST) where he will provide a company update and discuss this announcement in more detail. Click here to register.

Ends.

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

To stay up to date on Company news and announcements, register your details on the Spectur investor portal.

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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