Spectur Business Update – Investor Briefing

ASX Announcement | 14/9/2022

Wednesday 14 September 2022: Solar security, sensing and visual AI solutions and platforms company Spectur Limited (ASX: SP3) ("Spectur" or the "Company") will be holding a live and interactive investor briefing on Thursday 15 September at 12pm (AEST).

Managing Director of Spectur, Gerard Dyson, will discuss the ongoing progress of the Company, its significant market opportunity and the board's strategic plans.

Click here to register for the session:
https://spectur.investorportal.com.au/investor-briefing/

After registering, you will receive a confirmation email containing a calendar invitation and information about joining the webinar.

The attached presentation forms the basis of the market update.
Ends.

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

To stay up to date on 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



Spectur Limited (ASX:SP3)

Investor briefing, September 2022

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Certain statements made in this presentation are forward-looking statements. These forward-looking statements are not historical facts but rather are based on Spectur Limited's current expectations, estimates and projections about the industry in which Spectur Limited operates, and its beliefs and assumptions. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates" and similar expressions are intended to identify forward -looking statements.

Although the Company believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. These statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Spectur Limited, are difficult to predict and could cause actual results to differ materially from those expressed or forecast in the forward-looking statements. Spectur Limited cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of Spectur Limited only as of the date of this presentation.

The forward-looking statements made in this presentation relate only to events as of the date on which the statements are made. SpecturLimited will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this presentation except as required by law or by any appropriate regulatory authority.

About Spectur

Sense Think Act





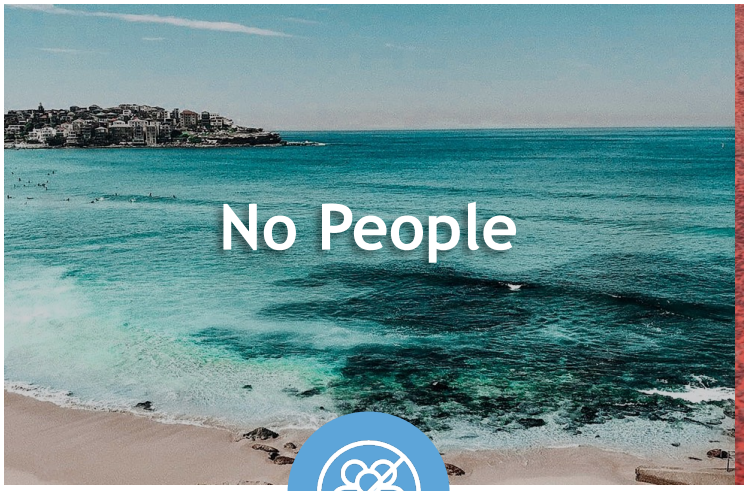
Our Mission

We make **communities safer in remote and unpowered areas** by providing the only surveillance solution that can sense a problem, make a decision and take an action – without a cabled connection.



Who we are

- Surveillance solutions that **don't need people, power or data cables**
- End-to-end solution, using AI to **sense, think and act**
- **Unique technology** – #1 alternative to "do nothing and wear consequences"
- **Proof of concept** in Western Australia & **growing rapidly**
- Sizeable **market opportunity** to roll out in ANZ and US







The challenges we solve

How to improve safety and security in off-the-grid settings?

- Trespassing
- Theft
- Illegal dumping
- Hooligans
- Bushfire
- Vandalism
- Floods
- Tsunamis
- Shark attacks
- Earthquake

Pain points

- Increasing frequency and consequences of events
- Peoples' sensitivity to risk growing
- Many areas where current solutions fail

More threats impacting everyday life in Australia

- **Natural disasters** getting more frequent and worse[1]:
  - 2019 Black Summer Bushfires: $2.5bn+
  - 2022 VIC, QLD Floods: $2.5bn+

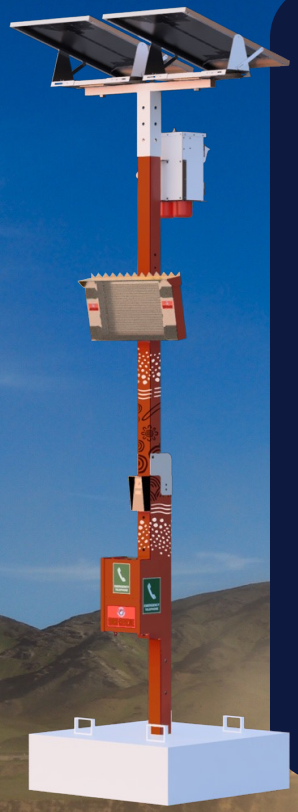
- **Crime** has a real-life impact:
  - In 2021 copper theft left 2,000 households in SA without power[3]
  - $80m clean-up cost for illegal dumping in 2019[2]



1: https://www.abc.net.au/news/science/2022-03-10/floods-nsw-queensland-climate-change-worst-ever-natural-disaster/100894956
2: https://www.insidewaste.com.au/index.php/2019/06/21/opinion-australias-80m-illegal-rubbish-dumping-issue-tackled-through-tech/
3: https://www.abc.net.au/news/2021-06-08/copper-theft-leaves-2000-without-power-kingston-cold/100198596
Source for articles: ABC News

How we address these challenges

ON DEVICE



Sense

- Up to 360-degree vision
- Many different sensors
- Always sensing

Think

- On-the-edge AI
- Recognises risk & decides action
- Optimises power & data usage

Act

- On-site (sirens, lights, etc)
- Off-site (via cloud)

- WiFi
- 3G, 4G
- Satellite

Cloud

- Cloud sense
- Cloud think
- Cloud act
- User settings
- Storage

Client

- App
- Web
- VMS
- Alerts

3rd Parties

- AI via APIs
- First responders
- External parties

ON DEVICE

OFF SITE

Unique competitive advantages



Sense - Think - Act

- Solves full problem
  - **Sense:** multiple sensors
  - **Think:** make decisions
  - **Act:** do something useful
- No humans needed

Deployable remotely

- No grid/recharging needed
- Runs 24/7
- Rapid deployment
- Cost, power & data efficient

One integrated solution

- One device, one interface
- Easy use via app or web
- APIs for multiple integrations
- Fully programmable

100% Australian

- 100% Australian designed, coded and manufactured
- Eliminates security issues from foreign technology
- Zero native competitors

Alternatives compared

	CONVENTIONAL CCTV	PERSONNEL	DO NOTHING	SPECTUR
Senses	✓	✓	✗	✓
Thinks	✗	✓	✗	✓
Acts	✗	✓	✗	✓
Works without power cable	✗	✓	N/A	✓
Always on	✓	✗	N/A	✓
OK in harsh environments	✓	✗	N/A	✓
Cost effective	✓	✗	N/A	✓
Comment	*Needs high degree of human interaction*	*Not feasible in most environments*	*#1 competitor*	*The only cost-effective end-to-end solution*

Company Update

Sense Think Act



Revenue model

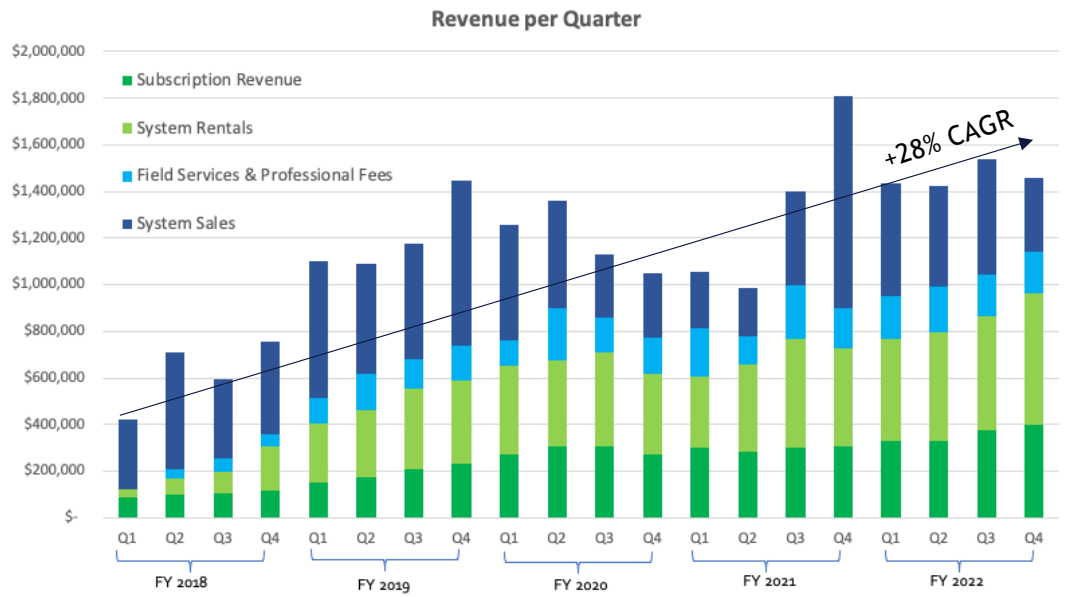
	EQUIPMENT SALES	SUBSCRIPTIONS	RENTALS	SERVICES
Description	Full system (requires subscription)	Use of service after purchase (app, data etc)	Limited-time use (rental and lease models)	Development, customisation, integration, installation, relocation, support
Client need	Prefers CAPEX / lowest lifecycle cost	Mandatory with equipment sales	Prefers OPEX / lowest up front cash costs	Bespoke solutions and other needs
Revenue share[1]	29%	25%	33%	12%
Growth Trend[2]	flat	+18%	+22%	+3%

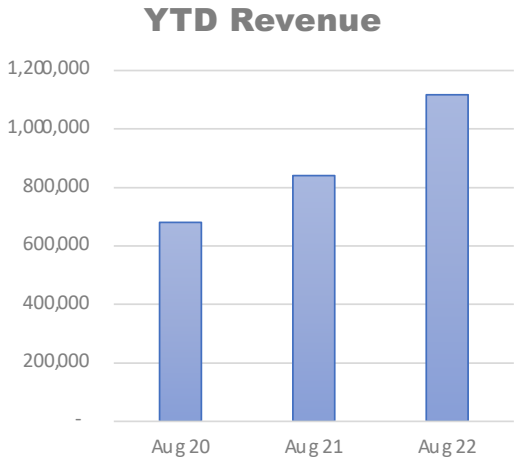
1: FY22
2: FY22 vs FY21 (full year results)
3: Annualised recurring revenue

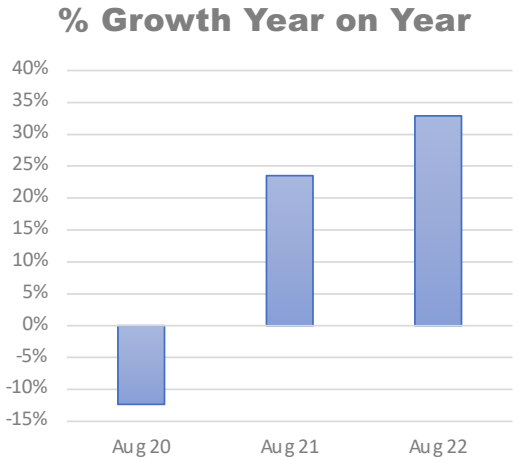
ARR[3]

Quality revenue growth in the past and present

- Today: >2,500 devices deployed with >600 customers
- Revenue growing fast and sticky. 57% of revenue is ARR @ 70% GM% - FY22
- Growing share of **institutional contracts**
- Dominant WA position ($2.6m FY22 rev, ~25% market share)
- Exceptional start to FY23 with record growth and growth rates

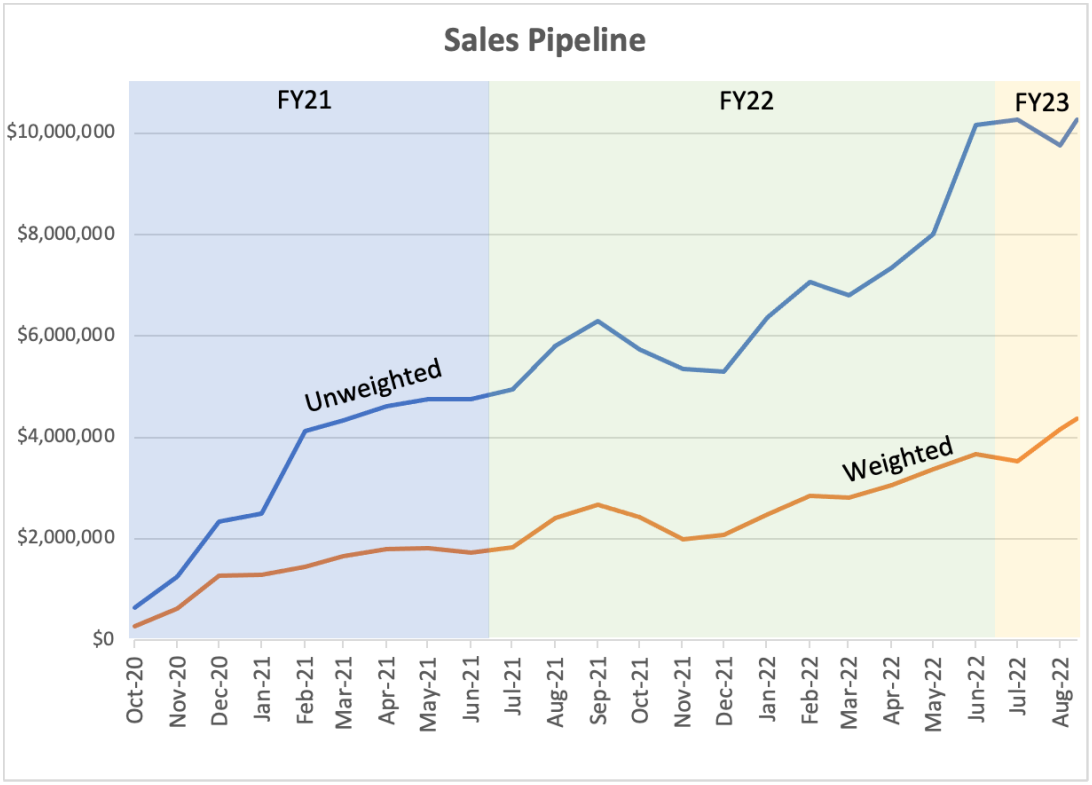






Foundations for growth

- **Proceeds of recent capital raising ($3m)**
- Low operating cash burn rate
  - $248k for Q4 FY22 (<$85k/month)
  - Fully vertically integrated business with >55% gross margin
- Substantial, growing sales pipeline
  - Unweighted: $10.27m (13 September 2022)
  - Weighted: $4.4m (13 September 2022)
- Record sales for July and August 2022 ($788k new contracts)[1]
  - 45% increase on July and August 2021



Notes:

1. Sales contracts can be for extended months, not singular revenue events. Sales do not convert to revenue until hardware is installed.

Capital Structure

Key Metrics as at 13 September 2022	
Share Trading Information	
ASX code	SP3
Listed on ASX	01/08/2017
Current share price	$0.036
Market cap	$6.83m
52 week closing high	$0.105
52 week closing low	$0.034
Capital Structure	
Current	
Shares on issue	189.9m
Performance Rights on issue	7.7m
Unlisted Options	49.9m
Share Register	
Top 20 shareholders	**31.33%**
% of register owned by Board & KMPs	**3.78%**

Top Shareholders (as at 13 September 2022)	
National Nominees Limited	**2.37%**
Dr M Ameratunga	**2.18%**
Sandhurst Trustees Ltd <Equit Inv Dragonfly A/C>	**2.06%**
D & G Amarakoon <Duro Super Fund>	**1.92%**
Mr Peter John Ferris	**1.91%**
BNP Paribas Nominees Pty Ltd <IB AU NOMS Retail Client DRP>	**1.83%**
Mr DJ Cooper (Non-Executive Chairman)	**1.76%**
Mr Mark Damon Kawecki	**1.68%**
APPWAM Pty Ltd	**1.58%**
Fry Super Pty Ltd <INXS Super Fund A/C>	**1.55%**
Jomaho Investments Pty Ltd	**1.54%**
Sondance Pty Ltd <Jolpet A/C>	**1.46%**
Mr CRW Wilkins (Founder)	**1.42%**
Citicorp Nominees Pty Ltd	**1.23%**
Mr Alistair C Jackson	**1.18%**
Dr GJ Dyson (Managing Director)	**1.17%**
D & G Liontos <Francis Alexandra S/F A/C>	**1.16%**
Mr Laith Cunneen	**1.3%**

Recent wins in dominated niche

- June sale of additional 8 Emergency Response Beacons to SLSNSW ($111k)
- September sale of 15 Shark camera systems to Office of Local Government NSW ($154k)
- September sale of 4 Shark warning systems to Department of Planning, Industries and Regional Development WA ($36k)
- 33 beach warning systems currently deployed
- 37 more beach warning systems purchased and to be deployed soon
- Pipeline with >20 additional beach warning systems
- Potential for >90 beach warning systems deployed before the end of 2022…

- Spectur is the dominant name in solar beach camera-based platforms.



Market Opportunity

Sense Think Act



Industry applications and use case examples

Target industries

- Construction and building
- Local, state, federal government
- Utilities
- Community services
- Asset managers
- Transport and logistics
- Industrial, energy, resources
- Security service providers
- AI companies

Use case examples

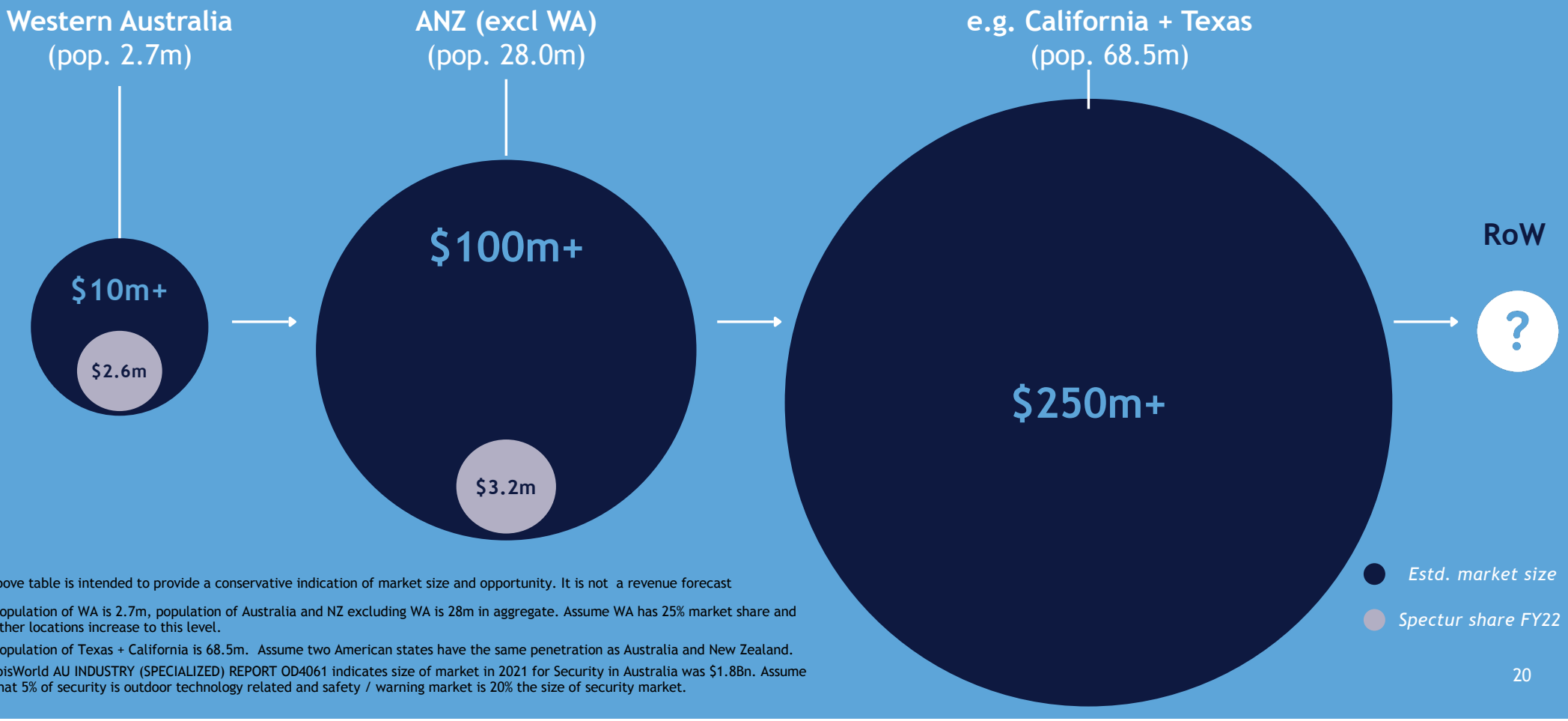


Scope of opportunity
Selected scope indicators in Australia

	STATUS QUO		SCOPE OF OPPORTUNITY
Beaches	**33** devices installed	→	**12,000** beaches
Construction	**253** companies signed up	→	**5,750** medium & large companies (20+ FTEs)
Mobile towers	**108** sites protected	→	**21,472** towers
Military	**4** DoD bases protected	→	**63** bases and hundreds more DoD assets
Councils	**49** councils served	→	**562** councils

Near-term target market - estimated size

Western Australia is a blueprint for expansion in ANZ and beyond



Notes:

The above table is intended to provide a conservative indication of market size and opportunity. It is not a revenue forecast

1. Population of WA is 2.7m, population of Australia and NZ excluding WA is 28m in aggregate. Assume WA has 25% market share and other locations increase to this level.
2. Population of Texas + California is 68.5m. Assume two American states have the same penetration as Australia and New Zealand.
3. IbisWorld AU INDUSTRY (SPECIALIZED) REPORT OD4061 indicates size of market in 2021 for Security in Australia was $1.8Bn. Assume that 5% of security is outdoor technology related and safety / warning market is 20% the size of security market.

Strategic Outlook

Sense Think Act



Strategy - our growth plan



Growth progress

Our plans

SA and regional expansion
- Additional sales, installation and facilities
- Access underserved market and build dominance
- Improved margins and revenue

Globalised modular platform
- Scalability / reliability / global standards / simplicity
- Enables sales through resellers and global markets
- Reduced cost to supply and support per system
- Increased revenue

Expansion in marketing
- Globalise digital assets
- Increase content

Inventory risk mitigation
- Acquire long lead electronics componentry
- De-risk ability to supply and reduce out-of-cycle re-engineering overheads

USA entry preparations
- Market entry travel and study
- Business and channel establishment

Our progress

- SA business leader recruited, starting 26 September 2022



- STA6s ready for launch on 28 September 2022
- Modular power system ready for launch in Q2 FY23

- Migration to .com website expected to be complete in September 2022
- New content-focused digital marketing partner onboarded
- Newsletter / EDM to be launched in Q2 FY22

- 80% of core electronics components acquired, avoiding mid-cycle re-engineering costs

- November trade show mission planned for USA
- Austrade engaged for support.

Summary & investment thesis

- **Superior, proven solution** to a range of global challenges
- Significant **moat** in a **large & growing market**
- **Well capitalised**
- **High-margin** product with **recurring revenues and growing pipeline**
- **Strategic plan** for organic growth in ANZ, US **being executed**
- Experienced, aligned & highly motivated **team**



Contact Us

Investor enquiries
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