

Spectur Limited (ASX:SP3) Full Year Results update

ASX Announcement | 30/8/2021

Highlights

- Strong momentum from FY21 H1 (\$2m) to H2 (\$3.2m), with profits, margins and cash following similar trends of improvement
- Unweighted sales pipeline grows to \$5.62m of opportunities as at 27th of August 2021
- New technology reaching the market, expanding differentiated position in warning and AI
- \$1.7m in cash as at 30 June 2021 with \$1.5m loan facility remaining undrawn

Monday 30 August 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 financial year ended 30 June 2021 and recent developments.

Strong momentum across all key metrics throughout FY21

Financial results for FY21 indicate a marked improvement across all key metrics between the first half of the financial year (H1) and the second (H2). The table below presents key comparative metrics:

Financial metrics for FY21	H1	H2	H2 vs H1 change	FY21 Total
Revenue	\$2,036,760	\$3,212,122	58%	\$5,248,882
Gross Profit	\$1,229,249	\$1,910,752	55%	\$3,140,001
Adjusted EBITDA*	(\$1,097,820)	(\$638,501)	42%	(\$1,736,321)
Operating Cash / Consumption	(\$595,652)	(\$353,339)	41%	(\$948,992)

* Adjusted EBITDA is adjusted for share-based compensation, one off income / expenses (including COVID-19 relief), impairments, write downs, one off gains / losses and non-cash expenses.

Improvement across all these key metrics was a function of improving market conditions, a stabilised and experienced sales team beginning to reap the results of long-cycle outbound prospecting, and an expanded technology platform creating more offerings for key customers and improved performance.

Whilst government-enforced temporary lockdowns are partially impacting the Spectur customer base in Q1 FY22, the underlying drivers of improved performance remain and are continuing to gather momentum.

Strong sales pipeline

In addition to strong financial performance delivered during H2, Spectur also concluded FY21 with an unweighted pipeline of \$4.65m in opportunities (weighted at \$1.81m), which has since grown to \$5.62m (current weighting \$2.33m). This pipeline includes more than 330 active opportunities ranging from open to verbally approved. Sources include inbound sales, often in response to crime or related events, ongoing account management of the existing customer base (more than 500 customers) and outbound customer development.

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The opportunities include activity with:

- Current and additional utility customers (telecoms and energy infrastructure);
- Lifesaving, local councils and associated industry bodies;
- Resource projects, particularly in Western Australia; and
- Existing and new construction customers.

These customers continue their procurement process largely independent of government imposed lockdowns. Whilst there has been some reduction in inbound customer activity since June 2021, coincident with East Coast lockdowns, the pipeline has strengthened and in July the Company experienced a 40% revenue increase compared to July 2020 (when COVID-imposed restrictions were less stringent).

As of the week commencing 23 August 2021, Spectur had deployed 341 rental units, compared with 242 units at the end of July 2020, an improvement of more than 40% and at a level not experienced since November 2019.

Ongoing technology deployment

Spectur makes regular updates to its technology platform, improving features, usability, reliability and other functionality. Most recently, the Company is finalising trials of its new SWC5 platform (Sense, Warn, Communicate). Building on the Surf Lifesaving Contracts that commenced in H2 FY21, Spectur has developed this new platform which provides a unique, totally wireless solution for outdoor warning and communication applications. Particular new features include:

- A two-way audio, one-way video phone, connected to a single number (control room, emergency response centre, etc). This functionality allows in field personnel to be put in immediate contact with relevant parties, who can view them at eye level (in addition to the main panoramic camera system) to improve interaction.
- A fully remotely programmable signboard optimised for low-power solar operations and able to be continuously operated for up to 24 hours. This signboard is an ideal communication platform offering customers significant flexibility and multiple applications.



Unleash Live trial

The Company has also executed a proof of concept trial combining Spectur edge technology with real-time video analytics developed by AI-powered video software company Unleash Live. Integration has proved seamless and the results, which have included people counting and social distancing fed into user-friendly dashboards, have been successfully demonstrated. Spectur looks forward to providing more details on these trials and commercial applications in the future.

Strong balance sheet

Spectur finished the financial year with strong performance in cash collections, culminating in \$1.7m in cash at bank at 30 June 2021. On the back of this performance and ongoing collections, Spectur has not drawn on the Company's \$1.5m debt facility secured in April 2021. At this time, Spectur does not anticipate a requirement to draw on this facility prior to approval at the AGM in October 2021.

Executive commentary

Spectur Managing Director, Gerard Dyson, said:

“After a strong finish to FY21, Spectur has launched into FY22 with a strong balance sheet, pipeline and stable team. We have a number of exciting sales opportunities and technology developments that are expected to come to fruition throughout the upcoming year and look forward to sharing more of that news with our shareholders in the coming months.”

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.

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