

September 2017 Quarter Update

Highlights

- ❖ Spectur achieves significant revenue increase of over 43% compared to the previous quarter due to strong growth in camera sales and rentals; recurring revenues also increased significantly and account for approximately one-third of the Company's total revenue base.
- ❖ Significant progress achieved with establishment of Melbourne office and expansion of production.
- ❖ Successfully diversified into the critical infrastructure market with sales to a Melbourne utility provider illustrating the highly scalable nature of Spectur's business.
- ❖ Cash as at 30 September 2017 of \$3.35m providing a strong financial position for the Company going forward.

Spectur Limited (ASX:SP3, 'Spectur' or 'the Company') is pleased to provide an update for the quarter ended 30 September 2017 to accompany its quarterly cash flow report.

Spectur commenced trading on the ASX on 1 August 2017 following a significantly oversubscribed capital raising of \$4.5 million.

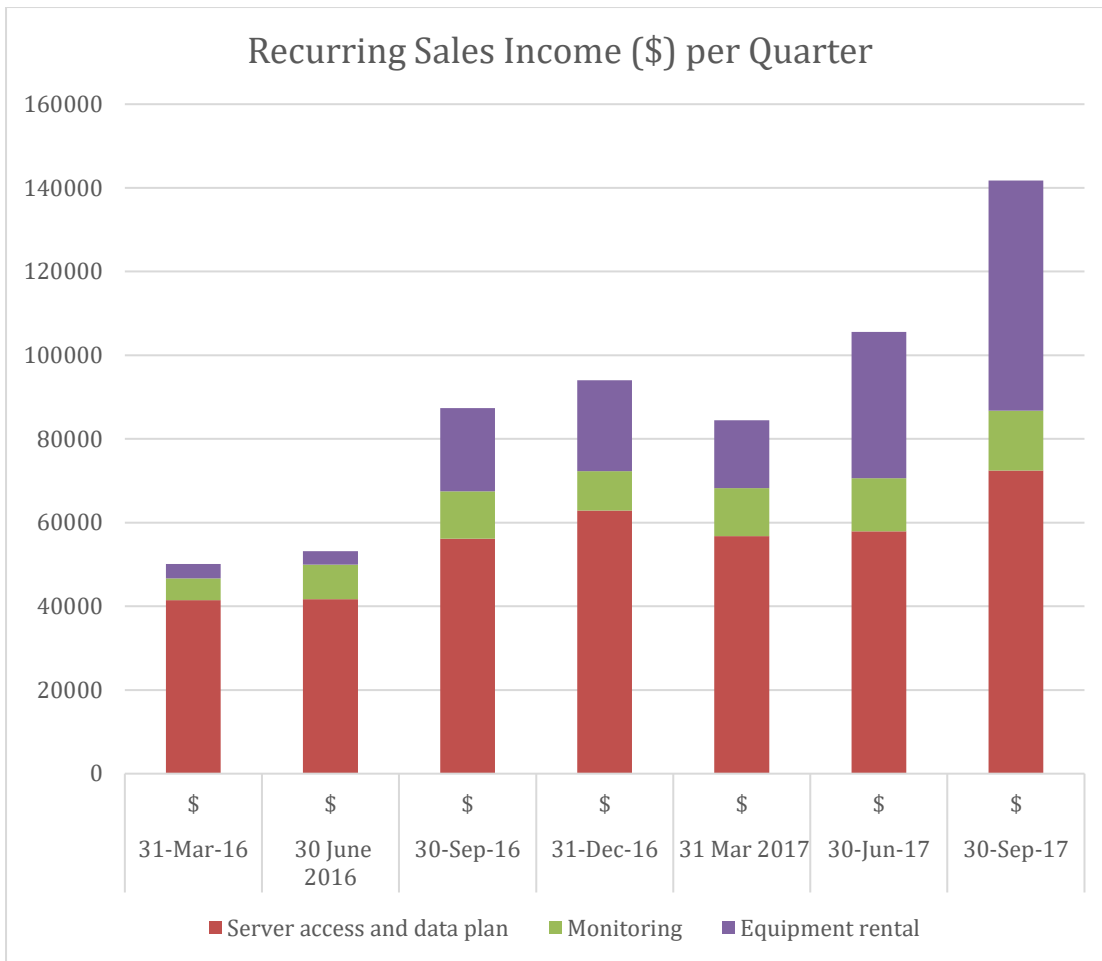
Achievements during the quarter show that Spectur is executing on its business plan as per its Prospectus in these key areas: revenue growth, continued Australian expansion and increased manufacturing output.

Corporate and Financials

Strong sales growth boosts recurring revenues

During the quarter, Spectur recorded strong growth in camera sales and rentals. Both sales and rentals provide an ongoing higher margin recurring revenue stream from server access, data plans and monitoring.

Total sales revenues for the quarter increased to \$441,000, an increase of 43% on the previous quarter's level of \$308,000. Total revenues from rental systems for the quarter increased to \$55,000, an increase of 57% on the previous quarter's level of \$35,000. Recurring revenues are growing as a portion of total revenue, now representing approximately one third of total revenue.



Recurring revenue is driven by camera rentals, server access, data plans and monitoring income.

Gross cash receipts from sales for the quarter per the Appendix 4C are \$388,000, which do not reflect the full revenue activity for the quarter due to delayed timing of cash receipts against invoiced sales. Cash outflows from production and manufacturing costs were \$275,000, with a further \$97,000 invested in manufacturing cameras for rental. The Company had \$3.35 million in cash as at 30 September 2017 giving the Company in a strong financial position.

Operational Overview

[Successful expansion into Victoria with the opening of a Melbourne facility](#)

The Company expanded into Victoria during the quarter with the opening of a Melbourne facility which is now largely complete. Spectur has also employed senior sales and support staff in order to grow the business and provide value-added services to clients through the provision of on-site assessments and installations directly.

The facility includes an internal research and development department, which will be pivotal in allowing the Company to develop new security surveillance products and systems as well as add new functionality for its existing products and systems.

The new Melbourne office has already begun contributing to the Company's revenue during the quarter.

Increased production capacity and industry expansion

During the quarter, Spectur commenced a ramp up of its production capacity in order to fulfill increased sales volumes and an anticipated increase in demand for its products as a result of the opening of the Melbourne facility.

The Company also expanded into the critical infrastructure market with sales of its solar security surveillance products to a national utility provider in Melbourne. This is consistent with the Company's strategy of diversification beyond its initial markets of construction, civil engineering and mining and energy and illustrates the highly scalable nature of the Spectur business. Further sales into this market and diversification into other 'verticals' is planned.

Outlook

Spectur expects further growth in sales and recurring revenue over the coming months with the December quarter a seasonally strong period for the Company due to site security preparations prior to the Christmas holiday period. The Company will continue to accelerate camera sales and rentals and is encouraged by the demand for its solar security surveillance products.

Simultaneously, Spectur is continuing to expand its Australian presence and expects to diversify into additional states over the coming months following the successful establishment of its Melbourne facility during the quarter. The opening of facilities in Sydney and Queensland are a high priority and an expansion of the Company's sales force is planned to cater for this growth.

The Company also expects to secure additional commercial contracts and to continue to diversify its product base going forward. Production capacity should also continue to expand with an anticipated doubling of its HD4 production capacity at its Perth facility.

For further information, please contact:

Richard Wilkins
Executive Chairman
p: +61 (08) 9414 9059
e: richardw@spectur.com.au

Investor Enquiries:
Adam Belton
Alto Capital
p: +61 8 9223 9888
e: adam@altocapital.com.au



About Spectur Limited

Spectur Limited is an Australian based company which designs, develops, manufactures and installs security and surveillance systems for powered and non-powered/remote locations. Spectur's core product is the HD4 security camera system and associated cloud based platform. The HD4 is a solar powered battery backup security system which is remotely accessed and connected via 3G/4G technology which is connected to the cloud based platform. The Company is rapidly implementing a growth plan to firstly grow revenues and market share in the Australian security surveillance sector and, secondly to penetrate other key strategic markets.

