



# SPECTUR LIMITED

## Investor Presentation

November 2017 | ASX: SP3





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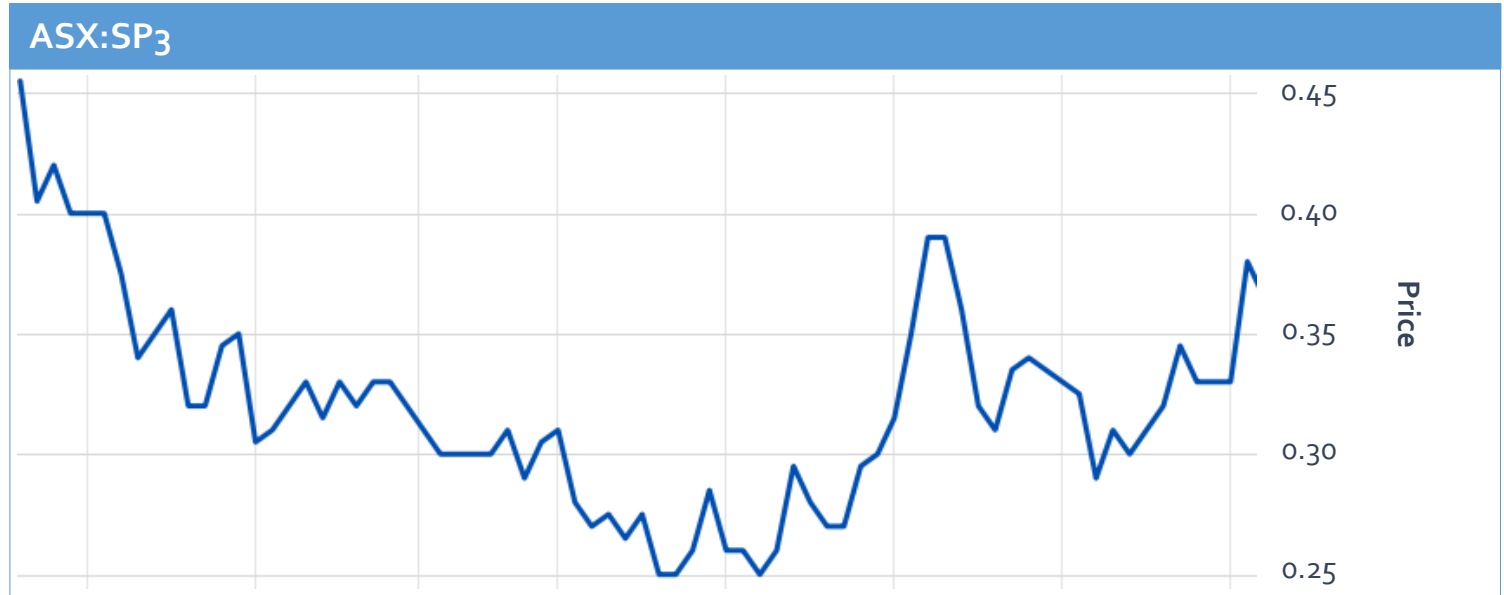
# Corporate Overview

Spectur is an **Australian-based industrial technology company** with a range of innovative hardware and disruptive cloud-based IoT and security systems servicing the commercial building, industrial, resources and government sectors.

Spectur's core product is the market leading HD4 security camera system and associated cloud based platform. 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.

Spectur is rapidly implementing a plan to **grow its revenues and market share** in the Australian security surveillance sector and, secondly to **penetrate other key strategic markets**.

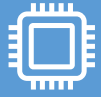
The Company has a dedicated R&D centre in Melbourne with a **pipeline of new products and service extensions** which it plans to develop and bring to market



Key Metrics	
ASX Code	SP3
Market Cap @ 36.5 Cents	\$14.96m
Cash (as at 30 Sept 2017)	\$3.35m
Share price range	\$0.25 - \$0.46
Ordinary shares on Issue	41,000,000

Options	13,250,000 (20c) 2020
Performance Shares (revenue milestones)	21,000,000

# Investment Highlights



Commercialised proprietary security surveillance technology that is disrupting traditional security market valued at approximately \$71.17 billion (USD) in 2016\*



High margin revenues across three streams with rapidly growing recurring revenues (cloud, data, monitoring)



Strong revenue growth, with FY17 revenue of \$1.3 million (an increase of 42% over FY16) largely generated from the Western Australian market demonstrating growth potential



Aggressive domestic growth plan underway to meet strong customer demand supported by

- Scalable proprietary platform
- Large scale production capacity



Existing blue-chip customers across the construction, resources, civil engineering and critical infrastructure industries



Dedicated research and development facility supporting the development of new products to expand the future offering and open up new market segments



Strong Board and Management with a history of developing and commercialising technologies

\* Source: Transparency Market Report

# Disrupting the Traditional Security Market

## The Problem

## The Spectur Solution



**Ineffective and costly traditional forms of site and asset security.**



Spectur's **proprietary systems** provide live intelligent monitoring and live intruder response systems on site, while live images are uploaded to the cloud, a web based client interface provides a total security system.



**Growing need from mining, utilities and government to cut the cost.**



**Rapid and simple deployment** which addresses reseller and global market penetration strategies.



**Major cost to many global industries** from site theft and site/asset damage.



**Autonomous asset monitoring systems** provide live autonomous monitoring of critical infrastructure and high value assets through the use of additional plug ins including a range of sensors via the inputs and outputs.



**Cost** of installation of powered video surveillance systems is expensive, including laying of cables, connection to mains power etc.



**Cost savings:** Spectur's security camera systems are able to be installed and monitored for a lower cost than traditional security solutions.

# Innovative Product Offering

Spectur currently provides the following core products and services

## Spectur HD4 security camera system

- The HD4 camera consists of a low-light image sensor, 50w LED lighting, 100 decibel speaker, 65w solar panel, 50ah battery
- Solar powered and has substantial backup battery capacity in the event of prolonged insufficient sunlight.
- The system is designed to be continuously linked to the internet so that Spectur and the client can access, control and manage the system through its back-end cloud-based IoT Management platform

## IoT Management Platform

- Built in-house and provides Spectur with the ability to control and manage a variety of IoT devices.
- All Spectur HD4 security camera systems in operation are currently controlled and managed by this platform

## Client Surveillance Interface

- A dedicated user-friendly interface, which allows users to view videos and images both in real time, and at historical points in time.
- Users are also able to control a number of functions of the system through the interface (e.g. turning on lights or sounding an alarm)



# Established Customer Base

Spectur's clients include some of Australia's biggest companies across the construction, resources and critical infrastructure industries

<b>Customer 1</b> <i>Multinational construction, property and infrastructure company.</i>	<b>Customer 2</b> <i>Consortium of global transport and infrastructure businesses</i>	<b>Customer 3</b> <i>Major international resource Company</i>	<b>Customer 4</b> <i>One of Australia's largest private construction groups</i>	<b>Customer 5</b> <i>Electricity transmission network owner and operator</i>
<b>Locations:</b> Operations across the globe in Asia, Europe, the US and Australia	<b>Operations:</b> Operate major public transport operations across metropolitan area.	<b>Operations:</b> Projects across the globe including Australia, China, Europe and North America	<b>Operations:</b> Projects across Australia and New Zealand ranging from \$1m to \$300m in size	<b>Operations:</b> Operate electricity transmission network, an electricity distribution business and a gas distribution business

# Targeting the Large and Growing Global Security Market

The global security market is large and growing rapidly and will also provide a platform for Spectur to provide a range of additional solutions to its clients

**US\$71.17 billion**

In 2016 the global physical security market was estimated to be valued at

**US\$1.28 billion and growing at circa 28%\***

The Video Surveillance-as-a-Service market by services

**US\$21.5 billion and growing at circa 15%\***

The Video Surveillance-as-a-Service market ("VSaaS") by hardware

Video surveillance and VSaaS **could replace a large portion** of the physical security market

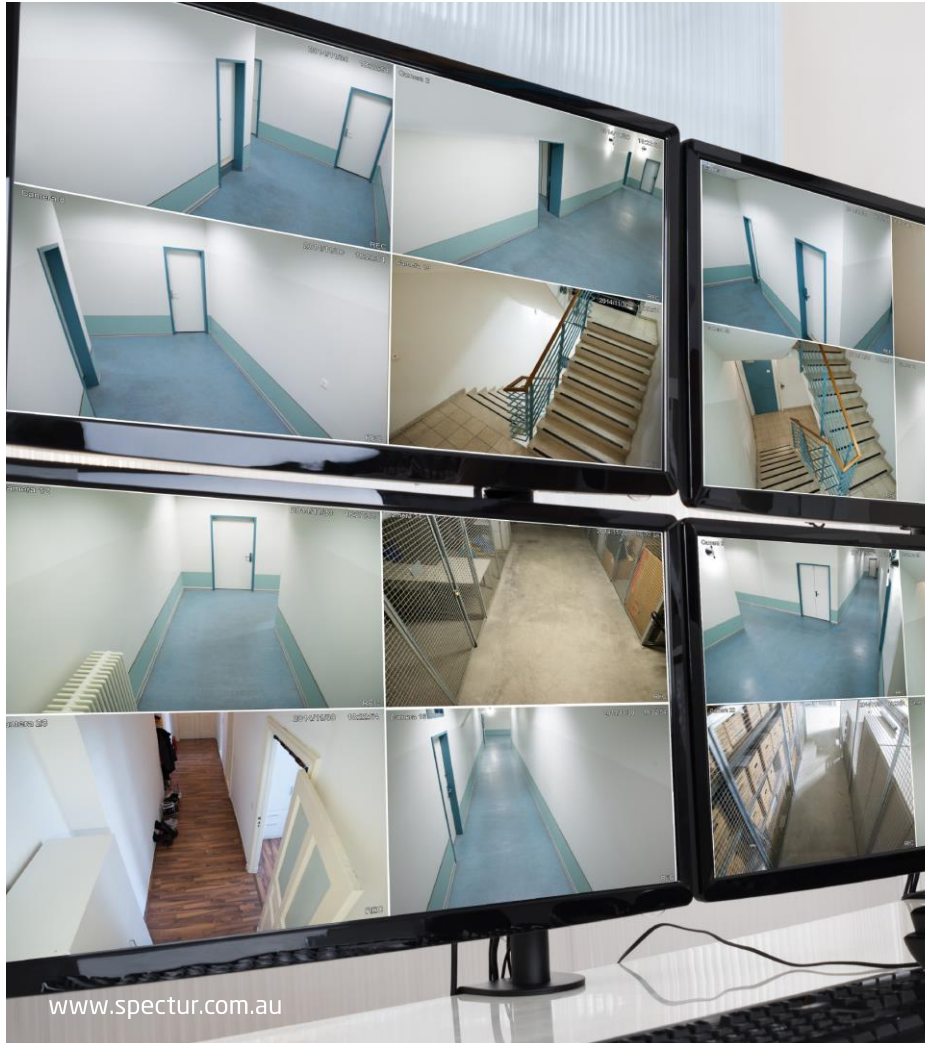
- 28 million HD CCTV cameras are forecast to be shipped globally (2016);
- The total **raw capacity** of enterprise storage used for video surveillance is **forecast to increase by 48% (2016)**



\* Source: Transparency Market Report



# Target Industries



## Construction

Theft from building sites in Australia is an ongoing problem across the residential and commercial construction industry. Spectur is developing a range of low-cost cameras in order to target builders through to large scale construction projects

## Civil Engineering

Spectur's cameras are used to protect plant and equipment located within project perimeters

## Mining and Resources

The mining and resources industry has extensive assets including mining project sites, plant and equipment and staff quarters which can be monitored remotely using Spectur's remote technology

## Government and Critical Infrastructure

The increasing threat of terrorism has given rise to a new requirement for sustained mitigation efforts to protect critical infrastructure from external threats. Critical infrastructure includes energy and telecommunications supply assets, gas, electricity, water supplies, airports and railways

## Agriculture

The agriculture industry in Australia has extensive assets which are often geographically dispersed and in locations with limited access to mains power. Surveillance systems are often required for both security of premises, plant and equipment, as well as general monitoring of high value crops and stock

# Sales and Revenue Model

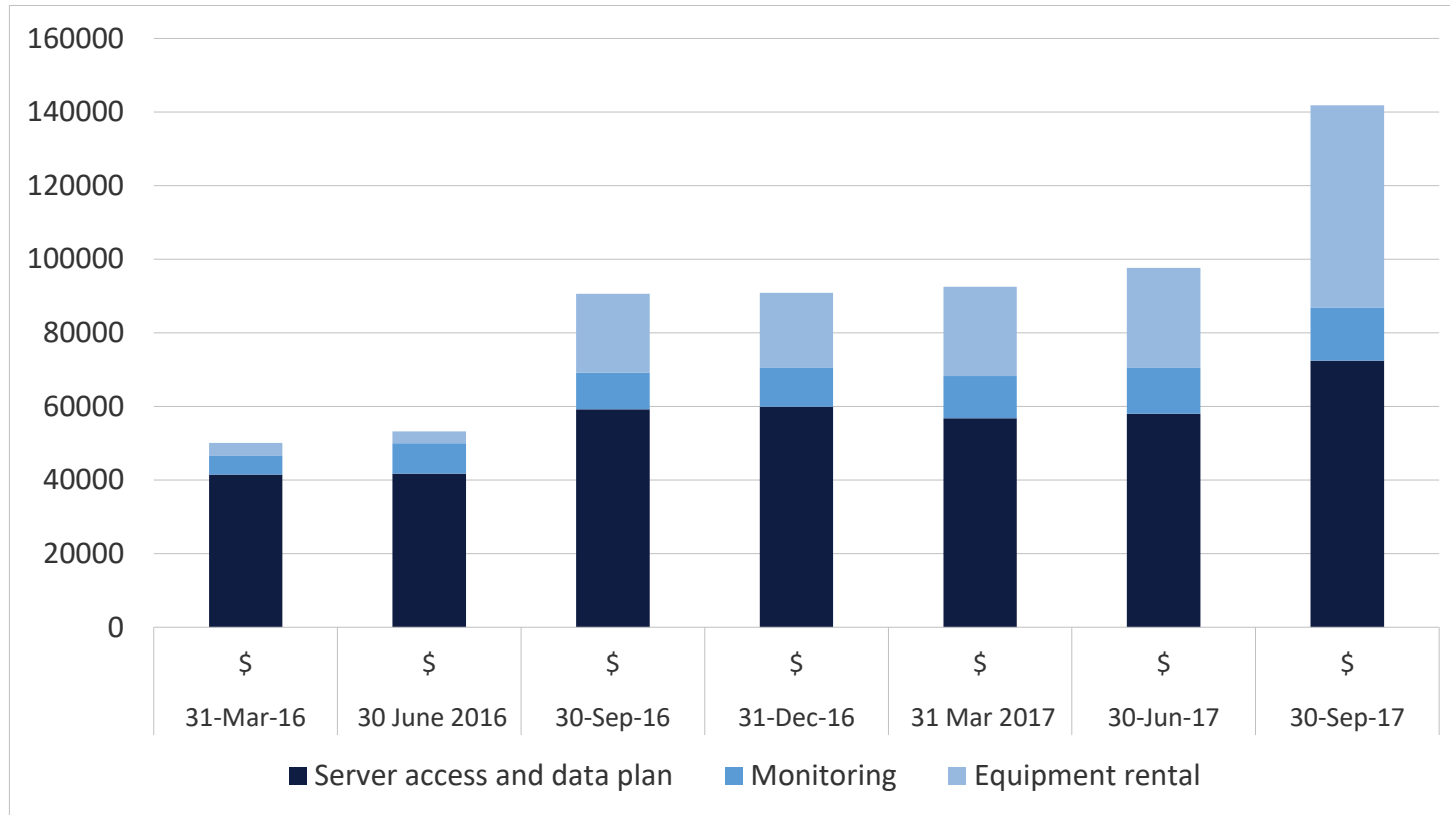


Product/service	Description	Revenue form
<b>Upfront Revenues</b>		
<b>Sale of security surveillance products to end customers</b>	Spectur supplies clients with its security surveillance products with both full-installation services as well as on a self-installation basis	Up-front revenue from direct sales
<b>Resale arrangements white label</b>	Spectur supplies its security surveillance products and systems to Original Equipment Manufacturers (OEM) and resellers both in own branding and on a 'white label' basis which can be rebranded by the resellers. The resellers can market and supply the white label products and the associated systems under their own branding	Up-front revenue from sales of security surveillance products to OEMs and resellers
<b>Rental of security surveillance products</b>	Spectur provides clients with the option to rent its security surveillance products on short-term or long term basis. This includes installation services on the same basis as direct sales	Up-front rental fees from direct rental of security surveillance products to clients
<b>Recurring Revenues</b>		
<b>VSaaS licence of Client Surveillance Interface</b>	Spectur provides its clients and resellers with access to its Client Surveillance Interface which is connected to the IoT Management Platform on a licence basis. This is provided separately to the sale or rental of its products	Ongoing recurring revenue from monthly licence fees to access and use the Client Surveillance Interface and receive software and security camera support through the IoT management Platform. Invoiced on a quarterly basis
<b>Data plans</b>	Spectur arranges for the rental of data plans (in Spectur's name) for mobile telephone network connectivity of clients security surveillance products through third-party telecommunication providers	Ongoing recurring revenue from monthly rental fees to provide the data plans. Invoiced on a quarterly basis
<b>Third-party monitoring services</b>	Spectur arranges for the monitoring of clients security footage by professional third-party security firms to provide a complete surveillance service	Ongoing recurring revenue from monthly fees to arrange the third-party monitoring services. Invoiced on a quarterly basis

# Rapidly Growing Recurring Revenues

Recurring revenues are growing rapidly representing a larger portion of total revenue

Recurring Sales Income (\$) per Quarter



# Growth Strategy

Spectur aims to become the dominant player in the solar security space and utilise its research and development expertise to bring new products to the market



**Dominate the Australian market:** expansion into all states to drive revenues and camera installations including growing rental market

- Victorian office and R&D centre opened in Sept 2017
- Queensland expansion underway following acquisition of Solaram Business NSW office to be opened in first quarter of 2018

**Target new industries:** to capitalise on demand for remote asset monitoring and autonomous management

- Recent sales to national utility provider in Melbourne marks expansion into the critical infrastructure market segment

**Research and Development:** bringing new products and service extensions to market

- Patents lodged for new technologies in gas detection and LIDAR technology with commercial sales expected to commence in first half of 2018

**Global strategy:** target US and other markets (pending international certifications)

- Research and market analysis in second half of 2018 for potential entry to US and other markets

**Sector Acquisitions:** seek to acquire or partner with synergistic technology and operating businesses that can assist with growth. Acquisitions to be reviewed on an ongoing basis when opportunities arise

# R&D Supports New Product Innovation and Growth

Spectur is built on ongoing research and development and has a successful history of developing and commercialising market leading products

- The Company's Research and Development centre in Melbourne is now the centre of Company wide R&D efforts;
- R&D team is lead by Dr Nick Le Marshall who has a strong history in product development and design innovation
- New product lines developed in-house and set for commencement of commercial sales in first half of 2018 include;
  - **Gas detection technology** used to identify leaks in remote pipelines without the need for physical inspection
  - Unique use of integrating **LIDAR camera technology** that can be used in the ever-present need for perimeter security
  - **Thermal camera technology** can be used over long distances to detect intrusions on larger sights
- Additional product lines are in various stages of development to ensure an ongoing two year new product commercialisation pipeline;
- Spectur's management team has a successful history of developing and commercialising new and innovative technologies



# Strong History of Commercial Success

Spectur has a strong history of successfully developing and commercialising products



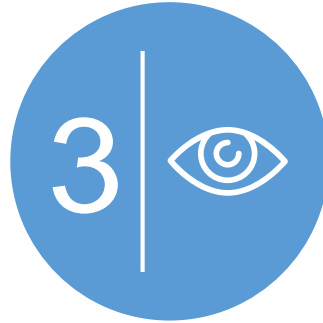
## Seven Years

The technology has been developed by Spectur over seven years including over 5,000,000 camera hours operation in the field



## 99.5%

Operational uptime target for the Spectur HD4 of 99.5%



## 800 Cameras +

Over 800 camera systems currently deployed in the field



## Clients

Existing clients include federal and local government organisations, industrial and commercial companies in Australia



## Repeat Business

Customer retention at high levels and a large portion of sales from repeat business or referrals

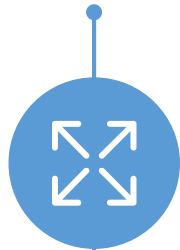


## Revenue

Revenue CAGR growing in excess of 40% pa over the last three years (FY2015 to FYF2017)

# Strong Pipeline of Newsflow

Complete expansion strategy across Australia with new offices in Queensland, NSW and Victoria by first quarter of 2018



Commencement of commercial sales for gas detection and LIDAR technologies in first half of 2018



Reach 1,000 camera systems deployed in the field in early 2018



Research and market analysis in second half of 2018 for potential entry to US and other markets



# Board and Management



**Richard Wilkins**  
Executive Chairman

Richard has extensive industry experience in electronic engineering, telecommunications and radio communications. His experience spans from product design and technical development through to overseeing the commissioning and maintenance of major communications networks.



**Peter Holton**  
Managing Director

Peter Holton has over 30 years' senior management experience in product sales, distribution and marketing in Australia and Europe. He has been directly responsible for managing and increasing product lines and sales via direct sales, distribution and licensing.



**Stephen Bodeker**  
Non-executive Director

Stephen Bodeker is an accomplished senior executive with over 20 years' experience in the corporate sector, working within several industries including professional services, logistics, manufacturing, health services and media. He has held senior finance roles in organisations including KPMG and Nestor Healthcare.



**Andrew Hagen**  
Non-executive Director

Andrew Hagen has substantial experience in business development, management, marketing and sales. Andrew worked in the property development industry as a director of Tuart Properties, a privately held property development business since 2003 and worked as a Development Manager for ASX listed as well as government owned property development firms such as Brookfield Ltd, and Mirvac Ltd.



**Suzie Foreman**  
Company Secretary

Suzie Foreman is a Chartered Accountant with over 20 years of experience within the UK and Australia, including 11 years combined experience with a Big 4, and a boutique advisory firm, specialising in the areas of audit and corporate services. Suzie has extensive experience as a Chief Financial Officer and Company Secretary for ASX listed and start-up companies.



**Dr Nick Le Marshall**  
Technology And  
Development Manager

Nicholas (Nick) Le Marshall has over 20 years' experience in software and hardware product development. He has previously provided consulting services to Honeywell Aerospace/Defence (used by the United States Air Force), Telstra and the Royal Melbourne Institute of Technology.



# Investment Summary



Commercialised proprietary technology that is disrupting traditional security market



High margin revenues and strong revenue growth



Clear growth plan underway to be dominant player in the domestic market



Large global market opportunity with increased demand for security, remote asset monitoring and VSaaS



Strong pipeline of new products to expand future offering and open up new segments



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