

Spectur Half Year Results – 1H FY2018

Summary:

- Revenues of \$1.13mn (1H FY2017: \$778,133) growth of 45%.
- Recurring revenues increased by 59% to \$287,453.
- EBITDA \$(1.7) million, after deducting equity-based payments \$(1.2) million.
- Growth in R&D expenses by 150%.
- Successfully completed \$2.84 million capital raising to boost research, product development and national business operations roll out.
- Industry diversification into Tier 1 customers.
- National expansion established in Victoria, Queensland and underway in New South Wales.

28 February 2018: Australian-based remote security systems and cloud-based technology solutions company ('Spectur' or 'the Company') (**ASX:SP3**) is pleased to provide a market update to accompany its half-year results for the period ended 31 December 2017.

Financial Performance

Total sales revenues increased by 45% to \$1.13 million on the previous corresponding period, with the increase helped by the Company's sales of hardware and associated installations.

Importantly, 25% of total revenues are recurring (consisting of server access and data plans, monitoring revenues and equipment rentals). Recurring revenues have increased sharply by over 59% from the previous corresponding period, laying a strong foundation for shareholder growth.

Spectur posted a net loss of \$1.75 million, after deducting for equity-based expense reduces to \$1.2 million.

The loss is primarily due to:

- implementation of a national expansion plan relating to the sale and distribution of the Company's Remote Solar 3G/4G based Security Camera networks and associated products and services;

- increase in research and design costs associated with developing new technologies of thermal camera, LIDAR and oil and gas solutions, as well as adding to the specifications of its existing HD4 security camera, totaling \$358,953. Spectur will be submitting an Australian Government Research and Development Tax Incentive refund application for eligible R&D expenditure at the end of the financial year;
- Non-cash value of equity benefits vesting in the period totaling \$562,893, majority being 20 million performance rights granted to Spectur shareholders and Directors Peter Holton and Richard Wilkins as part of the Initial Public Offer transaction.

The cash balance as at 31 December 2017 of \$5.5 million was bolstered by the Company's November Placement and Security Purchase Plan, which raised a total of \$2.86 million before costs.

The funds raised from the placement will be used to:

- fast track the development and commercialisation of Spectur's Oil and Gas Technologies, LIDAR systems, and thermal camera technologies;
- expand the Company's presence in Victoria, New South Wales and Queensland;
- expedite the design and manufacture of trailer-mounted rental models;
- conduct market analysis for the Company's international launch; and
- contribute to general working capital.

Outlook

Spectur expects strong sales and revenue growth to continue throughout 2018 as the benefits of the Company's east coast expansion continue to be realised.

The scaling up of its Sydney operations is expected to take place in the first quarter of 2018 and has the potential to drive a further increase in sales off the back of the success of the Victorian and Queensland expansions.

The Company is also rapidly progressing the commercialisation of its new products and has already commenced field trials of its Thermal Camera Detection System with a national logistics operator. If the field trials prove successful the Company should have the product available for commercial sale in the second quarter of 2018.

Spectur will also continue to focus on its research and development program to ensure there is a pipeline of new products and services it can bring to market to help drive sales growth. Part of this will involve utilising its existing IoT management platform for use in new products and services across new industries not aligned with the security market.

Spectur Managing Director Peter Holton said "Over the past 6 months, the Company has invested heavily in building our management team, brand, sales channels, marketing and the development of new products. These investments will provide considerable ongoing benefit to Spectur and as we continue to service a very large and diversified target market."

Spectur Ltd:
Richard Wilkins
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

Spectur Limited is an Australian-based company which owns the rights to its innovative hardware and disruptive cloud based IOT and security systems which operate in Australia. The two key industries that Spectur currently services are the building/construction/civil industry and the critical infrastructure industry. The Company's focus is to service the commercial, industrial and governments sectors. 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.

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.

