

Spectur Limited (ASX:SP3) Pipeline Clarification

ASX Announcement | 30/8/2021

Monday 30 August 2021: Solar security, sensing and visual AI solutions and platforms company Spectur Limited (ASX: SP3) (“Spectur” or the “Company”) provides the following clarification on prior announcements made that reference the Company’s sales pipeline.

History of communications

Starting in July 2021, the Company made a number of ASX announcements that made reference to the probability weighted pipeline and pipeline of sales for Spectur Limited. These statements are as follows:

1. Appendix 4C announcement of 14/7/21 – *“At the end of June, the probability weighted sales pipeline for Spectur was in excess of \$1.8 million.”*
2. FY22 Investor briefing announcement of 2/8/21 – *“Probability weighted sales pipeline of >\$4m.”*
3. Market briefing announcement of 12/8/21 – *“Probability weighted sales pipeline at 9/8/21 of >\$5m.”*
4. Annual report issued on 30/8/21 refers to *“Spectur has increased the unweighted pipeline to \$5.62m of work (\$2.33m of weighted pipeline).”*
5. Full Year Results update issued on 30/8/21 refers to *“Spectur also concluded FY21 with an unweighted pipeline of \$4.65m opportunities (weighted at \$1.81m), which has since grown to \$5.62m (current weighting \$2.33m).”*

The terms ‘pipeline’ and ‘weighted pipeline’ were used inconsistently and require clarification.

Definitions

Sales pipeline refers to the sum of opportunities that are aggregated from four stages:

- Open
- Quote sent
- Verbally approved
- Accounts to check

This data is usually presented within the Company in the following table:

Stage	Amount	Probability	Pipeline
Open		10%	
Quote Sent		45%	
Verbally Approved		90%	
Accounts to Check		95%	
Totals	Unweighted Pipeline		Weighted Pipeline

The total for the "Amount" column is the true unweighted pipeline: the aggregate value of all sales opportunities fitting the opportunity definition above. The weighted pipeline value for each opportunity is calculated by multiplying the opportunity value by the probability adjustment factor, detailed in the table above. The weighted pipeline total is the sum of all probability adjusted opportunities, which based upon the Company's historical experience, are anticipated to convert into new sales in the medium term.

Note: the probabilities stated in this announcement are not fixed, and may vary over time, based upon actual sales cycle results and conversions.

It should be noted that the weighted pipeline does not include:

- Recurring revenue, which does not flow through the sales process (e.g. subscriptions).
- Some field services revenue, which occurs in response to maintenance or relocation works.
- Sales that occur within the cycle of reporting (in some instances, an opportunity is created and won within a short period of days and is not included in pipeline reporting). This is typically experienced with inbound sales.

Historic Sales Pipeline

For clarity, the following supplementary information is provided on the unweighted pipeline and weighted pipeline, at the intervals used for the ASX announcements in July and August.

Announcement	Publish Date	Unweighted Pipeline	Weighted pipeline
Appendix 4C	14/7/21	\$4,646,200	\$1,810,178
FY22 Investor briefing	2/8/21	\$4,759,407	\$1,728,678
Market briefing	12/8/21	\$5,107,090	\$1,935,203
Annual report	30/8/21	\$5,616,665	\$2,330,656
Full year results update	30/8/21	\$5,616,665	\$2,330,656

Executive commentary

Spectur Managing Director, Gerard Dyson, said:

"In finalising Spectur's full year reporting, the Company recognised an inconsistency and inherent error in the language we had used since we recently started reporting sales pipeline. To maintain market integrity and the trust of our shareholders, consistent with corporate values, we have volunteered this clarification announcement. Spectur continues to build both its sales pipeline and its level of visibility and insights into its growth opportunities."

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.

