

Spectur Update – R&D tax return advance

ASX Announcement | 9 August 2024

Highlight

- Spectur has elected to utilise a Radium R&D advance facility of \$271k, drawn on 9 August 2024.

Solar security, sensing and visual AI solutions and platforms company Spectur Limited (ASX: SP3) (“Spectur” or the “Company”) advises that it will utilise a short term loan facility from Radium Capital, secured against the FY24 R&D tax return, to the value of \$271k.

Terms of facility

The Radium facility has the following features:

- The lender is Innovation Structured Finance Co., LLC obtained via Radium Capital.
- It will loan \$271,020, securitised against the Spectur R&D tax refund.
- Application fee is \$768.90.
- Annual Interest rate is 16%.
- It will be repaid, most likely in Q2 FY24, when the refund has been traditionally received.
- It can be repaid at an earlier date, with no penalty.

Rationale for facility

Following closure of an entitlement offer in May 2024, Spectur had a shortfall to that offer of approximately \$465k. A range of options were considered in response to this shortfall, including placing the shortfall (which ultimately occurred in July 2024) and utilising a short term loan secured against the R&D tax return. To maintain optionality, steps were undertaken to prepare for a short term loan using the Radium facility, including the preparation and provision of “comfort letters” from Spectur tax advisors. The cash costs (\$3k) associated with these matters were incurred in June 2024, excluding the internal costs of preparing inputs for these documents.

Subsequently, Spectur raised additional funds consistent with the intent of the original entitlement offer from Q4 FY24. At month end 31 July 2024, Spectur had \$877k of cash and cash equivalents.

History and budgeting demonstrates that Q1 FY25 will include a number of annual cash costs that include but are not limited to:

- Audit fees;
- Tax and consultant fees; and
- Insurances.

It is also noted that there is increased downwards pressure in both capital and broader markets with persistent inflation and interest rates, increasing geopolitical risks and global share market volatility. This can have an impact on buyer sentiment, even within government and utility customers, which can lead to delays in project awards and other negative consequences.

Considering the:

- immediate market risks;
- known one-off cash needs for Q1 and the desire for maximum cash availability for pending sales opportunities or unplanned delays in order placements;
- sunk costs in preparing for the Radium facility;
- relatively low interest costs associated with a short duration loan;
- ability to repay the loan early at any time without penalty;
- availability of the facility would expire on 12 August 2024; and
- the non-dilutive nature of this facility for shareholders.

Spectur has chosen to draw down this short term loan at this time.

Executive commentary

Spectur Managing Director, Gerard Dyson, said:

“Spectur is ahead of where we thought we would be in our cashflow modelling for July 2024, so this has not been an easy or obvious decision. Given recent market events and the relatively low incremental cost of proceeding, we nevertheless have decided to take the conservative, low-cost approach and draw down the facility for the next few months.”

“It is also noted that we remain confident in the market guidance on revenue and EBITDA that was provided in June 2024 and look forward to providing additional updates on this for your information in the future.”

To ask a question or find out more, visit our investor hub at:

<https://investorhub.spectur.com.au/link/XyMGZr>

Ends.

This ASX release is authorised by the Board of Directors of Spectur Limited

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To stay up to date on company news and announcements, and ask questions, investors are encouraged to subscribe at the Spectur [InvestorHub](#).

About Spectur Limited

Spectur Limited (ASX:SP3) is an Australian-based developer and manufacturer of security, surveillance, warning, environmental monitoring and AI solutions and platforms, 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, surveillance, environmental monitoring and AI 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 or satellite technology to a cloud-based platform.

Spectur has nearly 40 employees across Australia and New Zealand, with offices in Brisbane, Sydney, Melbourne, Adelaide, Perth and Auckland. The company services more than 600 active customers with close to 3,000 camera systems currently deployed.

The Company design, codes, manufactures, sells, installs and maintains our hardware and software technology – providing a single point of contact able to configure to suit customer needs.

To learn more, please visit: www.spectur.com.au

Forward-Looking Information:

This announcement contains forward-looking information that is based on Spectur's expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to Spectur's business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations, negotiations, and product/service development. Generally, this forward-looking information can be identified using terminology such as 'outlook', 'anticipate', 'project', 'target', 'potential', 'likely', 'believe', 'estimate', 'expect', 'intend', 'may', 'would', 'could', 'should', 'scheduled', 'will', 'plan', 'forecast', 'evolve' and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that Spectur's actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause Spectur's actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information.

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