

**ASX RELEASE**  
11 November 2020

## Scout Secures New Partner Windstream in Strategic US Telco Market

### Highlights:

- **Scout Signs Master Services Agreement with Windstream, a full-service telecommunications service provider with approx. 1.3 million household subscribers in the US and US\$5bn in annual revenue**
- **Platform license and service fees will be paid monthly by Windstream for security monitoring, video cloud storage and related services**
- **Product will be launched under Windstream's 'Kinetic Secure Home' brand**
- **Working towards initial product launch in Q1 of CY21**
- **Agreement launches Scout into the multibillion-dollar US telco vertical with a strong partner**

Home security provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") is pleased to advise of an expansion in its white label program with the signing of a Master Services Agreement with Windstream Services, LLC ("Windstream"). A summary of the material terms and conditions of the Master Services Agreement is set out in the Annexure to this announcement.

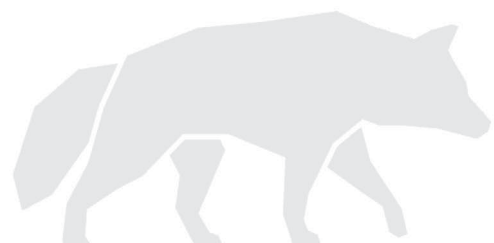
The agreement will see Windstream license and brand Scout's end-to-end home security platform and hardware suite for distribution to new and existing Windstream customers in the US market under Windstream's Kinetic Secure Home brand.

### About Windstream

Based in Little Rock, Arkansas and privately held, Windstream offers bundled services including high-speed broadband Internet, entertainment, security solutions, voice and digital TV to residential customers through an enhanced fibre network and 5G fixed wireless service. Windstream also provides data, cloud solutions, unified communications and managed services to small, medium and large business and enterprise clients and government agencies.

It is a leading nationwide telecommunication company that generates more than US\$5 billion annually and has recently secured US\$2 billion in growth capital to fuel the business moving forward.

Windstream services approximately 1.3 million North American households who, with new Windstream customers, will comprise the addressable market for white labelled products.



## The Master Services Agreement

Per the Master Services Agreement, the parties will agree a separate Scope of Work ("SOW") which will specify Windstream's 'Kinetic Secure Home' branding customisation requirements and other system integrations. Per the Master Services agreement, Windstream will pay a Development and Integration fee to Scout for development work specified on the SOW. The SOW is being finalised however, should Windstream progress with the development and integration under the Master Services Agreement, Scout estimates Development and Integration Services fees will total US\$55,000 (A\$77,000).

In addition Windstream will pay monthly License and Service Fees for each active system over the term of the Agreement (initial term of 12 months, auto-renewing), which includes the fees for cloud video storage and professional security monitoring provided by Scout, the quantum of which is to be determined after the initial development and integration activities are completed.

The parties will work together to immediately commence the development and go-to-market implementation of Windstream's custom solution, including mobile apps for iOS and Android applications, mutually identified integration opportunities in the smart home, alarm monitoring, video cloud storage, service integrations and packaging.

The parties have commenced the first phase of commercialisation activities and are working aggressively towards an expected launch in Q1 of CY21. The parties are targeting 10% medium-term penetration of Windstream's addressable market.

Scout Security co-founder and CEO, Dan Roberts, said:

*"We are delighted to partner with Windstream and quickly launch their brand into the smart home space with our connected security platform and solutions. Windstream has long-term trusted billing relationships with more than one million customers across the US, which we see as an attractive and rapidly addressable market for smart home security."*

*As wired phone lines and VOIP systems have faded in popularity with the proliferation of cellular phones, telecommunication companies have an opportunity to secure new revenue streams in new product categories that enhance the core. That is what we intend to do with this partnership and there is evidence in the market that this strategy is a winning proposition. Home Security and smart home solutions are a natural extension of the connectivity already being provided Windstream."*

*With Windstream coming on board as a strong partner in the telecommunications industry, we continue to see a positive outlook for growth as our value proposition gains recognition across a broad range of industry sectors beyond home security."*

This ASX release has been authorised by the Board of Directors of Scout Security Ltd.

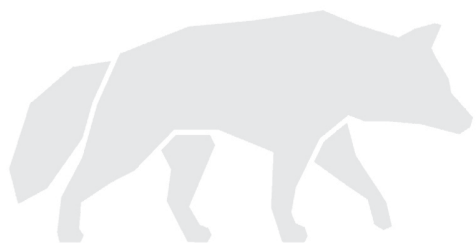
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**Investor and Media Enquiries**

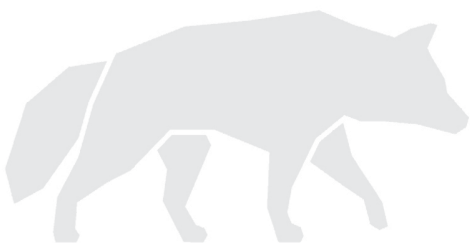
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**About Scout Security Limited**

Scout Security Limited (ASX: SCT) sells the Scout Alarm, a self-installed, wireless home security system that is making security more modern, open and affordable. Scout was named “Best App-Based Security System” in 2019 by US News and World Report.

Scout’s design-centric offering gives users complete flexibility around connected home security, allowing the system to integrate with other best-in-class IoT devices and offering flexible monitoring options. Scout is an official partner of Amazon Alexa, Google's Assistant and Samsung SmartThings. Scout is also an Amazon Alexa Fund portfolio company.



## Annexure – Master Services Agreement

The material terms and condition of the Master Services Agreement ("Agreement") are set out below:

|                                     |  |
|-------------------------------------|--|
| <b>Term</b>                         | The term of the Agreement commenced on the date of execution and remain in effect until one or both of the Parties provide written notice of termination.  |
| <b>SOWs</b>                         | Each individual project under the Agreement will be defined in a statement of work for development services ("SOW") or a purchase order for products ("PO"), which will define the fees payable and deliverables for the relevant project.   |
| <b>Termination</b>                  | <p>Windstream, in its sole discretion, may terminate the Agreement and any SOW in whole or in part any time upon thirty (30) days' written notice to the Company, provided that the Company will be entitled for payment of services rendered and any materials purchased on behalf of Windstream at the time of termination. The Company may not terminate any uncompleted SOW without Windstream's prior written consent.</p> <p>The Company, in its sole discretion, may terminate the Agreement in whole or in part any time upon thirty (30) days' written notice to Service Provider, provided that the Company will be required to complete any SOW in place at such time (unless otherwise agreed by Windstream).</p> <p>In the event that either party is in material breach of the Agreement or any SOW, and continues for a period of thirty (30) days after the giving of written notice by the other party, then the first party shall have the right to terminate the Agreement and/or a SOW, in whole or in part. An insolvency event occurring in respect of a party or an unauthorised assignment of the Agreement shall be considered a material breach.</p> |
| <b>Intellectual Property Rights</b> | <p>Each party will retain ownership of all intellectual property in existence at the time the Agreement was executed.</p> <p>The Company assigns to Windstream the Company's entire right, title, and interest in any invention, technique, process, device, discovery, improvement, or know-how, whether patentable or not, made or conceived solely or jointly by the Company while working for or on behalf of Windstream, which relate to, is suggested by, or results from matters set out in any active SOW and depends on the Company's knowledge of confidential information it obtains from Windstream or the use of Windstream equipment, supplies, facilities, information, or materials, provided that such assignment will not operate in such a way as to transfer any part of the Company's technology or products (or improvements thereto) to Windstream and does not preclude the Company from independently developing such products, services of other security solutions.</p>   |
| <b>Licence</b>                      | Subject to payment of ongoing monthly service fees by Windstream, the Company grants Windstream a perpetual and assignable (to the extent required to offer resale of products to its customers) licence within the USA to use the Company's software for the purpose of continuing to operate products sold by Windstream during the term of the Agreement in reliance on such software.  |

