

ASX RELEASE

29 January 2021

Scout Builds Momentum with Significant Order

Highlights:

- **Scout has finalised the scope of work, which includes an order program, with its recently announced telecommunications partner.**
- **Significantly, initial orders that total more than US\$1m, and represent the first three months of the program, have been confirmed and placed with our suppliers.**
- **The order program comprises forecast monthly orders that will be locked in 90 days ahead of anticipated shipment.**
- **The size of the initial 3 months of orders is significant and set to underpin growth in Scout's recurring revenue in the second half of CY21.**
- **Platform customisations are underway and will happen concurrent to production lead times, targeting a Q1 CY21 launch**

Home security provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") is pleased to announce the continued momentum of its white label program following placement of the first white label hardware order from its previously announced telecommunications partner as part of an agreed scope of work.

Scout's white label program sees the Company partner with well-resourced players in the security and connected home industries, with Scout gaining access to their strong branding, global distribution networks and unique product development capabilities to accelerate growth in the Company's business. It leverages everything the Company has built to gain scale independent of available capital.

Over the December quarter and into the new year, Scout has worked to finalise go-to-market plans with two partners, both targeting launches this quarter.

Today's announcement follows receipt of an agreed scope of work including an order program from the telecommunications white label partner announced to the ASX on 11 November 2020.

The Scout team is currently working to launch white label programs on two different continents — highlighting the potential scale of the white label business.



Scope of Work and Order Program

The agreed scope of work details development work required and also details a rolling forecast order program with quantified monthly orders which ramp up over the program duration. Orders from in the program will be confirmed with the partner monthly and placed with our suppliers, 90 days ahead of anticipated shipment giving Scout and the Company's suppliers certainty around near-term production scale.

The orders confirmed to date total more than US\$1 million of hardware revenue for Scout and cover the first three months of the program. Payment terms are anticipated to match Scout's outlays, with final payment 60 days from shipping. This program is designed to fit with the standard lead time to shipping which is 12-14 weeks from receipt of the order by the supplier, though Scout will work to pull that forward. Considering the improvements Scout has made to its supply chain in the December quarter, the Company is confident of meeting this timetable.

In addition to the order, Scout will earn a small development fee prepayment of around US\$55k to fund customisation of platform branding detailed in the scope of work, inclusive of mobile apps for iOS and Android, for mutually identified integration opportunities in the smart home, billing integrations, service integrations and packaging.

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

"We are excited to be kicking off 2021 with a new white label order. As highlighted in our quarterly commentary, the team has been working extremely hard across the holiday season to launch programs on two continents. Now, the results of that hard work are starting to show. With multiple partner launches on the near-term horizon, the team is excited to finally be able to talk about some of the exciting programs we've been working on."

"The development fees the Company earned in 2020 were a leading indicator of what is to come for Scout. This order, and our previously announced first order with Prosegur, are important follow-on indicators. 2021 is a year of execution and we are singularly focused on scaling Scout's white label program revenue and making our clients successful at scale."

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

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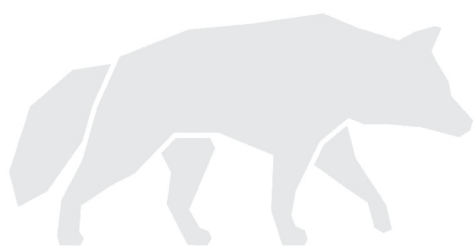
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About Scout Security Limited



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.

