

ASX RELEASE

31 August 2021

Windstream Launches with Scout in the US Telco Market

Highlights

- **Scout and Windstream have officially launched Kinetic Secure Home, a Kinetic by Windstream-branded home security product suite powered by Scout**
- **Marketing plan targets Windstream's residential customers leveraging Windstream's extensive internal sales team, eCommerce presence and 25 retail stores**
- **Windstream's monthly order program remains on track with regular purchase orders and initial deliveries received**

Home security provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") is pleased to advise that the Company's white label program continues to gain momentum with the launch of Scout's end-to-end security platform and hardware suite under Windstream's Kinetic Secure Home brand.

Background

In November 2020, Scout entered into a Master Services Agreement (MSA) with Windstream, a leading US full-service telecommunications provider. Since signing, the parties have developed a customised smart security platform, branding and marketing plan. In January 2021, Scout received the initial significant set of orders, forming part of the monthly order program agreed with its partner.

Kinetic Secure Home Launch

Initial orders have now been delivered to Windstream and the parties have launched Kinetic Secure Home, a Windstream brand powered by Scout product, into the US market.

Kinetic Home Secure is a customised integrated smart home solution, including alarm monitoring and video cloud storage.

The initial sales plan will leverage Windstream's 500+ person internal sales team and 25 retail stores, all of which will have demonstration units in store to encourage sales. The product will also be made available through Kinetic by Windstream's eCommerce channel, GoKinetic.com,



and the parties are implementing a marketing plan to drive adoption to existing and new telco customers.

Marketing will be targeted to Windstream's residential customers with budgeted penetration of 10% in the medium term (18-24 months). Windstream's order program has been designed with this target in mind.

Kinetic Secure Home integrates with Windstream's existing billing system and is controllable through their existing "MyWIN" mobile and desktop app, recently relaunched as "Go Kinetic", through which customers currently access and control their Windstream account and services. This integration will enhance the user experience, encourage uptake and simplify the flow of services revenue.

The parties are launching with entry level, indoor-outdoor camera kits and a full DIY security package - with a view to expanding into adjacent smart home product categories. Windstream customers will be offered subscriptions which will range from US\$10/month to US\$30/month. Kinetic Secure Home kits will support video cloud storage, as well as 24/7 back-to-base monitoring capabilities.

Scout's revenue will comprise hardware sales and recurring revenue.

Scout's hardware revenue will be earned in full on delivery of product and initial orders have been delivered. Windstream maintains parity payment terms on hardware purchases, matching Scout's payments to its suppliers. Scout's hardware revenue is therefore "one-off" and recognised in full, concurrent with the delivery of product.

Scout's recurring revenue will be in the form of monthly License and Service Fees paid to Scout for each active system over the term of the MSA (initial term of 12 months, auto-renewing). Recurring revenue is expected to build through the second half of CY21 and beyond in a compounding fashion as more product is sold into the market.

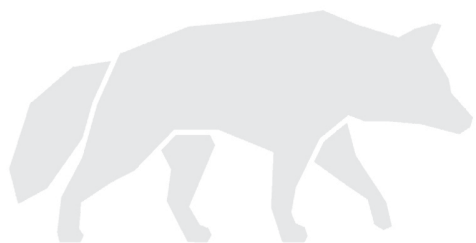
Scout Security co-founder and CEO, Dan Roberts, said:

"We are extremely excited to be launching this program with Windstream. We believe there is a near perfect complement of capabilities across our organizations to deliver a seamless smart home experience to Windstream customers. This launch is another tangible example of the hard work of the last eight months that is driving our white label model forward."

"We're continuing to demonstrate, through domestic and international launches across varied industries, the flexibility and power of our platform to handle unique smart home and smart security rollouts across the globe."

"Now, in partnership with Windstream, we will work to make the Kinetic Secure Home program successful at scale. In addition to the Prosegur launch earlier this year, and our existing base of prior-year partners, we look forward to significantly expanding our base of active users and delivering growth in upfront and recurring revenue into the end of CY21 and beyond."

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



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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.

