

ASX RELEASE

29 October 2021

Convertible Note Drawdown

Home security provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") advises that the Company has elected to draw down a \$500,000 subsequent instalment of its \$2 million Convertible Note Facility, with a proposed drawdown date of 19 November 2021.

Note proceeds will fund the Company's growth initiatives, focusing on opportunities within Scout's white label partner program.

Full details and features of the Convertible Note Facility were first announced to the ASX on 16 July 2020. Following this drawdown, the Company will have drawn a total of \$1.25 million from the \$2 million facility.

Interest of 5% p.a. is payable on drawn funds, accruing daily and payable quarterly. The conversion price of the Note will be 7 cents, and in consideration for participating in this subsequent instalment, convertible note investors will be issued a total of 14,285,717 options with a strike price of 7 cents and an expiry date of 16 July 2024.

All convertible notes and options will be issued from the Company's existing ASX Listing Rule 7.1 capacity, excluding those to be issued to Directors.

The components of the notes and options that are proposed to be issued to Non-Executive Directors, Mr Anthony Brown and Mr Martin Pretty, being 178,571 and 357,142 notes and 357,143 and 714,286 options respectively, will be issued following shareholder approval to be sought at the Company's upcoming Annual General Meeting.

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.

