



INVESTOR PRESENTATION

June 2024



Scout is a white label security-as-a-service platform and product suite being delivered to the US market via some of the largest security, internet service, and telco providers in the world.

Our enterprise model represents a low-cost path to scale, saving substantial marketing dollars yearly relative to direct-to-consumer payback models. The tradeoff is time to market, as enterprises are slower to move.

The recapitalization and associated cash infusion contemplated herein allows our already-secured enterprise partners the time needed to launch and scale. In the process, those same partners will demonstrate the power of our next-generation, white label WiFi Sensing security offerings in 2024.



Executive Summary

Scout Security Limited's ("Scout") recent partnership with Fortune 500 company, Lumen Inc. (NYSE: LUMN), is set to provide a **significant step change** to Scout's recurring revenue.

Lumen is poised to be first to market in the USA with a WiFi Sensing security solution. Even a modest attach rate to their 3.5m¹ subscriber base represents a **substantial potential increase in new subscription ARR to Scout**.

The solution developed for Lumen is **extensible to other ISPs and Carriers**, direct and through managed WiFi resellers, **that account for over 70m homes globally**.

Scout newest partner, Intelligent Monitoring Group (ASX:IMB, "IMG") demonstrates the extensibility globally, as IMG is set to **bring Scout's DIY solutions to Australia** through their ADT, retail and inside sales channels.

Scout has **proven their telco partner model**, having consistently added subscribers in each month since Sept 2021 with new Windstream customers, reaching USD\$0.5m in ARR².

Motion Sense security has been a clear catalyst for some of the largest companies in the world to engage with Scout, materially growing our pipeline more than at any point in our 10 year history.

Market, Position & KPIs

The Market

LARGE & GROWING GLOBAL MARKET

US\$11 billion by 2027

19.6% CAGR ⁽¹⁾

GMD Research estimates that the global DIY Home Security market will grow from US\$3.3 billion today to \$US11 billion by 2027.

(1) IHS Markit 2018

ESTABLISHED DISTRIBUTION + MULTIPLE CHANNELS

Key Partners SECURED

Partnerships with major traditional security & telecom providers have opened up both US and international distribution, with more to come.



LUMEN®



ESTABLISHED RECURRING REVENUE MODEL

Monthly Subscriptions + HARDWARE & DEVELOPMENT FEES

Scout was one of the first D2C, DIY security companies in the USA and, today, is established as one of the only white label DIY platforms globally.

RECOGNISED DIGITAL SECURITY LEADER

Amazon Partner HIGHLY RATED

Launch partner for Amazon Alexa Guard and Alexa Guard Plus. Integrated with all major IOT Platforms.



“Best DIY System”
CBS News 2023 Rankings

Security-as-a-Service

Scout is one of the only security players globally offering enterprises a white label, turnkey platform for DIY security.

Consumers Benefits

- Best-in-class DIY security
- Leading camera platform
- Full remote control and security notifications
- Self-monitor or pro monitor
- 24/7 police, Fire, EMS dispatch

Partner Benefits

- Turnkey, branded new product line
- New high-margin recurring revenue
- Faster, cheaper route to market
- End-to-end engineering, design and customer support
- Robust, customisable, platform

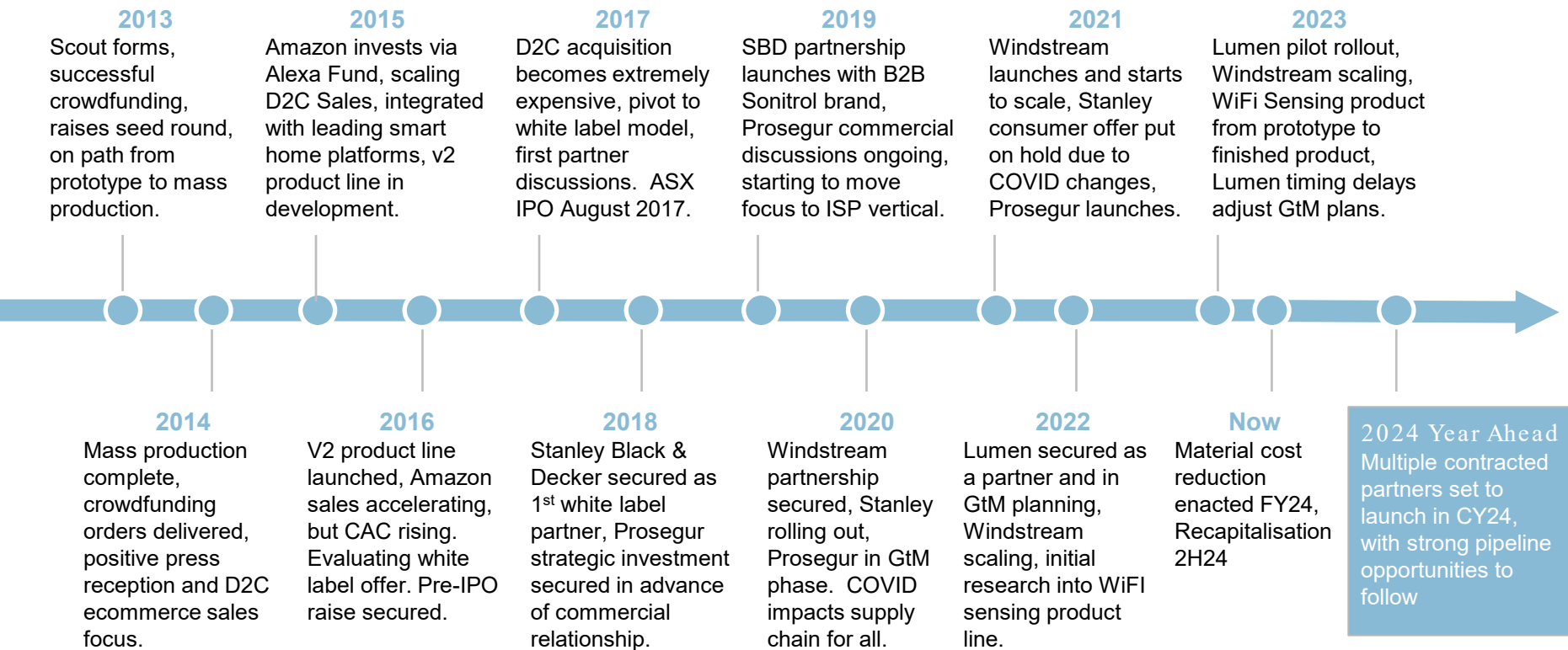
Scout Benefits

- Maximise limited resources by eliminating CAC and payback periods
- Access to built-in, existing users bases and significant marketing budgets

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History and Future of Scout



Key Metrics

Scout's business is driven by recurring monthly subscription revenue (RMR, ARR) from security services, such as 24/7 police / fire / EMS dispatch and video cloud storage.

Subscription Revenue Drivers

- Consumers pay \$10-\$20 USD monthly for self or pro monitoring
- Video cloud storage added at ~\$3 per camera per month
- Scout's historical D2C average revenue per user (ARPU) = US\$15
- White label ARPU averages \$5.16 (net to Scout) / user / month via enterprise

Tradeoffs in D2C vs. Enterprise

- D2C customers have higher ARPU, but significantly higher customer acquisition cost and payback periods
- White label enterprise partners, conversely, represent a low-to-no-cost acquisition channel with large, established customer bases

Additional Considerations

- Hardware and development revenues add topline, but not a scalable focus
- 1% or less per month ideal churn, but <2% is practical and achievable

Partnerships & Growth

Lumen: Key Telco Partner

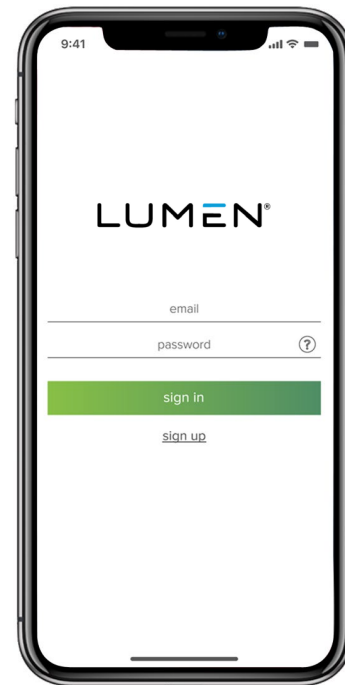
Scout signed Fortune 500 company Lumen (NYSE: LUMN) in 2023, representing its largest telco partner addition to-date.

Lumen, a **~US\$15⁴ billion revenue** company, will white label and sell Scout's smart security offerings to its **3.5m subscribers**:

- Lumen NRE paid, initial build complete, successful pilot in 2H '23
- Over 55% of pilot participants indicated willingness to pay
- Awaiting budget approvals for wider go-to-market launch plans

Lumen solution **represents the next generation in home security** with no upfront hardware purchase required:

- Eliminates barriers to entry, unlocks take rate, extensible to all ISPs
- November 2023, Scout and Origin AI sign a SoW to jointly further develop the Lumen solution



IMG: Key Security Partner

Intelligent Monitoring Group (ASX: IMB, “IMG”) has signed with Scout to bring DIY security to Australia and New Zealand.

IMG, with the addition of the ADT customer base, represents **the largest and fastest growing security company in Australia** with over **200k monitored security lines across Australia and New Zealand**.

- MSA signed, go-to-market agreed, first orders to follow
- Traditional DIY and WiFi Sensing DIY both contemplated in rollout
- IMG to sell through ADT, retail and inside sales channels

With **over 9m households in Australia alone**, and limited DIY options, IMG’s sales capabilities combined with Scout’s cost-effective business model provide a path to rapid expansion.





Jason Biddell – CFO, Intelligent Monitoring Group

“ IMG is committed to growing market penetration of monitored alarms by following the US trend of Self Install and Do it With Me alarm systems like Scout, that offer the homeowner the full flexibility of a system that suits them whilst being backed by a Grade A1 security monitoring centre.

Scout's price point opens up the retail channel to our ADT division as well as capitalises on value conscious customers we can't satisfy today.

”

Introducing WiFi Sensing Security

How WiFi Sensing Works

WiFi Sensing measures the invisible WiFi waves in homes to detect the displacement of those waves by human and non-human motion.

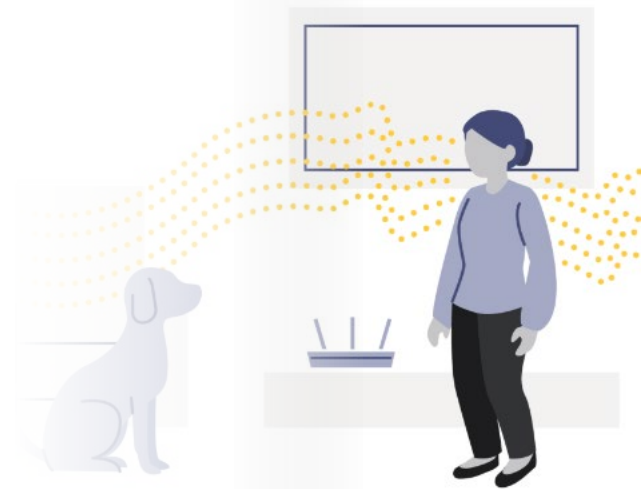
How?

WiFi follows a consistent, measurable pattern between a router and endpoints. When disrupted, we know the location and the amount of disruption, indicating if a person, pet, or something else is moving.

Why does it matter?

- Leverages existing equipment and commonly-owned IOT devices
- Fewer false-positives, as accuracy exceeds traditional sensors
- Incorporated WiFi routers provides network occupancy data that 3rd party vendors have not had access to historically, including Scout
- Provides distinction between human and non-human motion
- Can be utilized to monitor activity without activating an alarm event

We have a working solution already tested with a Fortune 500 ISP with strongly positive user feedback.



Why WiFi Sensing?

WiFi Motion allows customers to access home security with minimal equipment that they may already own, revolutionizing DIY security.

Benefits for Scout:

- ISPs already give this equipment to consumers with core service
- Eliminating hubs and sensing devices eliminates cost barriers
- Every ISP customer can have baseline home security in one click
- Scout's inexpensive HD cameras and video cloud provide visuals
- Alexa listens for glass break, smoke alarms – further reducing cost
- High-margin security and video MRR replaces lost phone revenue

Win-Win-Win Situation:

- ISPs want security revenue, but their core is selling internet
- Motion vendors are deep technologists, not security companies
- Neither group could easily replicate Scout

Scout is one of the only white label DIY security offering available to enterprises today and the only one with white label WiFi Sensing.





Next gen WiFi-Sensing-powered security
kits cost 75% less than traditional DIY kits.

scout 

Applications

WiFi Sensing can be deployed in a variety of ways across partner channels to maximize value added service attach rate and MRR.

Over-the-Top Security (OTT) under \$100

- Scout devices (smart plugs, cameras) propagate motion sense zone
- WiFi Sensing zone formed independent of routers, mesh points
- Great for non-ISPs and ISPs with large, legacy equipment base

CPE-Integrated Security (Customer Premise Equipment) under \$50

- Routers and mesh points with WiFi Sensing integration onboard
- Scout turnkey platform integrates directly into partner app
- Partner can generate additional MRR with Scout cameras, services

General WiFi Sensing

- Managed WiFi and mesh solution with motion sense tie-ins
- General WiFi Sensing experience for wellbeing, home awareness
- Security experience directly integrated into partner application



Differentiation

Scout is the only white label DIY security offering available to enterprises today. We'll be the only one with white label WiFi Sensing tomorrow.

Will others have WiFi Sensing?

Yes, the traditional home security players and main D2C brands will integrate it into their offerings. BUT, for thousands of enterprises that want to leverage their own brand, not a third party's, Scout is the one stop for white label DIY.

Everyone gets revenue without duplicating their partners' model:

- ISPs want security revenue, but their core is selling internet
- Motion Sense vendors are deep technologists, not security companies
- Neither group could easily replicate Scout

With a commitment to extending our lead in WiFi Sensing and associated offerings, we have a promising growth trajectory for Scout in FY24.



Fundraise Overview

Fundraise Overview

Scout is set to launch one of the biggest industry disrupting products the company has seen in its 10 year history with Lumen. The challenge the company has faced is that enterprise partners take longer to secure, launch and scale than anticipated. **This funding will provide the time needed for already-secured partners to launch and scale.**

Scout was founded in the Chicago in May 2013. Scout Security Limited listed on ASX 24 August 2017. The Company's principal market is the US.

Scout has evolved across time into a white label smart home and smart security platform for enterprises. The company demonstrated early on that the white label model is viable, securing Stanley Black & Decker and Prosegur partnerships in the security space. More recently, Scout has found its sustainable growth path in the US Telco market boasting Lumen and Windstream as partners. These partnerships add to an investment received from Amazon.com and Scout remains an Alexa Fund company.

1. Exclusive of offer costs

Use of Funds

Scout is seeking **up to A\$1.5M in capital** to achieve the following:

- Roll out and scale Lumen and IMG across 2024
- Support new WiFi Sensing security partners in '24
- Loan and accounts payable management

Scout at a Glance

Established platform with RMR

Signed MSAs with multi-billion-dollar partners domestically and abroad

Disruptive WiFi Sensing offering built and piloted with Tier 1 ISP

Large and growing market with a decade of experience

Equity Offer & Recapitalisation

- Pre-deal Enterprise Value (EV) of ~\$7.4m
- Raising up to \$1.57m in new equity
- Investors holding \$1.48m of convertible notes have agreed to convert to equity
- Secured note holders have agreed to convert at least 59% (\$2.08m) of their notes to equity
- Pro-Forma Market Cap, post-issue, will be \$5.65m at the issue price
- Pro-Forma EV will be \$6.89m

In addition, the following securities are on issue:

- 26,300,000 7c options expiring July 2024.
- 900,000 7c options attaching to New Note expiring Jan 2026.
- 5,400,000 10c options expiring- April 2025.
- 1,433,256 13.5c options expiring December 2024.
- 74,757,329 7c options expiring July 2024
- 24,150,000 5c warrants expiring May 2026
- Additional performance rights for staff, subject to vesting conditions

Holders	Shares (m)	Value	Percent	Options (m)*	Percent
Existing Shares on Issue	232.4	0.93	16.45%	135.18	9.90%
Placement - Tranche 1 Shares	29.6	0.12	2.09%	29.60	2.17%
Entitlement	156.1	0.62	11.04%	156.10	11.44%
Placement - Tranche 2 Shares	64.3	0.26	4.55%	64.30	4.71%
Convertible Note Conversion	368.8	1.48	27.09%	368.80	27.02%
Secured Debt Conversion	517.1	2.07	36.59%	517.10	37.88%
Fees to Secured Holders	44.00	0.18	3.18%	94.00	6.89%
Total Pro-Forma Shares on Issue*	1,412.3	5.65	100.00 %	1365.1	100.00 %

* Pictured tables assume a total of A\$1m raising across placement and rights, as well as 59% secured debt conversion

Pro-Forma EV	\$m
Market Cap	5.65
Secured Debt	1.42
Other Debt	0.82
Cash Raised	-1.00
EV (\$AM)*	6.89

- The options column includes all options, warrants and performance rights on issue
- All options to be issued are exercisable at \$0.005 within 2 years, other than the 44m loan conversion fee options which are exercisable at \$0.004 within 2 years

Outlook

Cashflow and P&L

Average net burn of US\$50k, down from US\$150k, contemplated in move-forward budget allowing secured partnerships to ramp

- Great than \$1m in cost savings during the current half year
- Scout now positioned to sustain itself for at least 12 months on its current revenue base, post the minimum recapitalization
- Material revenue uplift expected in CY24 via launch of Lumen, Windstream growth, and launching IMB partnership in Australia
- Capitalizing on the second wave of partners in our pipeline, will only further accelerate revenue growth and our path to a cash flow positive P&L

Corporate

Team

A proven team of builders setting the foundation for growth

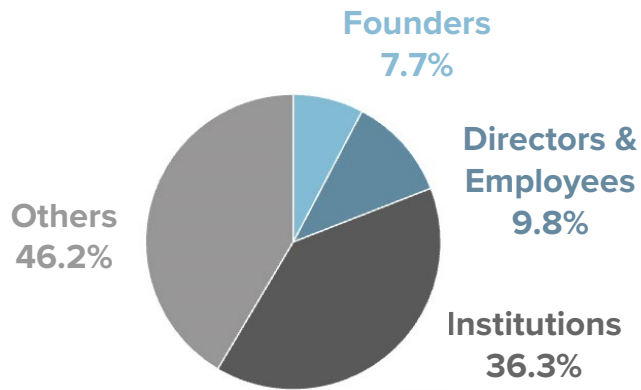
- Ryan McCall appointed CEO in January '22. History of sales scale-ups in B2B. Previously Futuremark's Director Global Sales and Marketing.
- Co-founder Dan Roberts transitioned to Executive Director of Product and Strategy. CEO since 2013 with Design and Strategy background.
- Kevin Brennan joins as full-time COO in April '22 after serving in this capacity on a part-time basis since 2014. Prior experience as GM and CEO.
- Hilari Smith, now CFO, brought on as VP of Accounting in June '22, replacing outsourced accountants and bookkeepers in AUS and the USA.



Key Holders

KEY SHAREHOLDERS

Shareholders	% of Issued Capital
EGP Capital	19.21%
Altor Capital	6.35%
Glennon Capital	6.01%
Prosegur	4.72%
Daniel B Roberts (co-founder)	4.26%
David Shapiro (co-founder)	3.41%
Martin Pretty	3.06%
Matthew Harris	3.03%
Anthony Brown	2.47%



REGISTRY - JAN '24



EXECUTIVE DIRECTOR

Dan Roberts

Co-founder, Designer
MDes, IIT Inst. Of Design
Sandbox, Maya Design



EXECUTIVE DIRECTOR

Ryan McCall

CEO, Global Head of Sales Prior
BSE, MBA Santa Clara University
FutureMark, Avery Dennison



CHAIRMAN, NON-EXECUTIVE DIRECTOR

Martin Pretty

CFA, BA (Hons) Unimelb, GradDipAppFin Finsia,
GAICD
Experienced investment manager and ASX
company director



NON-EXECUTIVE DIRECTOR

Dave Shapiro

Co-Founder, Developer
BSA, Miami of Ohio
Sandbox, JPMorgan



NON-EXECUTIVE DIRECTOR

Anthony Brown

GAICD
Experienced electronic security industry leader

Fundraising Timeline and Year Ahead

As of February 2024, Scout has **reduced overall cost structure of operating in the year ahead by 31%**, while retaining the core employee base needed to realize existing partnership potential and growth.

Scout will be laser focused on **launching and scaling secured partners** in Lumen and IMG. Combined with a Windstream growth across '24, already-earned partners accelerate the path to breakeven and cashflow positivity.

Our sales focus will be on securing multiple, additional enterprise partners with the rollout of Scout's WiFi Sensing product line and **initial in-market data from Lumen and IMG to provide valuable proof points to pipeline orgs.**

Fundraising Indicative Timeline	Dates
Placement at outset of Rights Issue	June 11 th through June 14 th , 2024
Rights Issue Period	June 27 th through July 25 th , 2024
Shorfall Period (if needed)	July 25 th through August 1 st , 2024
Fully Funded for the year ahead	Early August 2024

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JUNE 2024

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