



ASX RELEASE

8 March 2018

Scout Continues to Build Revenue Growth, Beating January with Strong February 2018 Sales

Highlights:

- **Scout has continued its strong start to 2018, selling more than \$136k (unaudited) of connected home security products and home monitoring services in February**
- **Even with three fewer days to realise sales and following a strong post-holiday comparable period, the Company achieved month-on-month revenue growth in February; on a daily run rate basis, sales grew by more than 11% month-on-month**
- **Scout is achieving a further acceleration of month-on-month revenue growth in the first few days of March, with sales +38% compared to the first week of February 2018**
- **Annualised recurring revenue stood at AU\$878k at the end of the month, up more than 34% year-on-year**

Home security provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") is pleased to provide an update on the Company's sales expansion in 2018.

Following growth in both hardware sales and annuity-style monitoring services income, the Company achieved (subject to audit) a significant revenue increase of more than 11% on a daily run rate basis in February compared to January 2018.

Although historically CYQ1 is typically a slower quarter for home security system sales, the Scout business is continuing a strong start to CY18. With January and February 2018 revenue well advanced on the period one year earlier, the Company is developing encouraging momentum into the spring moving season in the USA — a key period for security and connected home purchases.



This continued strong start to the year reflects the increasing desire for DIY home security solutions and indicates growing acceptance of the Company's offering.

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

"We push every day to execute our growth plan. Having achieved normalised revenue in January that exceeded any month in the December quarter, and now with February showing a further month-on-month increase, we're demonstrating the long-term potential of the Scout business.

"March sales are already tracking ahead of February. There is a long way to go in the month, but initial indications are good. We feel that puts us in a great position heading into moving season here in the USA.

"Importantly, each system sold adds to our high-margin recurring monthly revenue. Each month that we see sales increasing is a great early indicator for growth in RMR."

The Company notes that Amazon sales continue to comprise a larger portion of revenue each month. Scout has expanded its marketing efforts on the Amazon Search Marketing platform (AMS) and continues to see Amazon as a highly strategic channel partner.

Continued growth in recurring monthly revenue (RMR)

The Company is pleased to report that its high margin recurring monthly revenue (RMR) continues to rise as consumers accept and retain the Scout product suite.

The annualised recurring component of Scout's revenue now stands at more than AU\$878,000, up 34% year-on-year.

The performance improvement the Company has achieved in the past two months highlights the power of Scout's sales channels when fully in stock and with proactive marketing in full effect.

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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. In 2016, the Scout system was recognised by CNet as one of the Best Smart Home Devices of the year.

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 Works with Nest and Samsung SmartThings. Scout is also an Amazon Alexa Fund portfolio company.

www.scoutalarm.com