



**ASX RELEASE**

**2 July 2019**

## **Scout Expands Security Suite with Launch of Keypad**

### **Highlights:**

- **Scout has launched a new highly-requested home security product: the Scout Keypad, aggressively pushing sales to new and existing customers**
- **The Keypad rounds out Scout's self-installed smart security product suite and opens up a new set of target customers who want to arm and disarm their entire security system with the touch of a button – ideal for dog walkers, housekeepers and maintenance workers**
- **Scout will replace the existing door panel with keypads, bringing a familiarity to arming and disarming, while also lowering COGS and further streamlining the supply chain by not owning the hardware design**
- **The launch coincides with the release of Scout's updated and improved mobile app, allowing users to gain the benefits of Scout camera products and cloud storage services independent of, and in conjunction with, owning a security system. This independence from the Scout hub opens immediate potential for international distribution of these products**
- **First sales of the Keypad have been generated through marketing to Scout's existing user base and through the Company's recently upgraded online store, with Amazon sales and white-labelling options expected to follow**

Home security provider Scout Security Limited **((ASX: SCT), "Scout" or "the Company")** is pleased to announce the release of a new smart home security product, the Scout Keypad, designed to empower consumers with more flexible control of their home security systems.

The Scout Keypad allows users to physically arm and disarm their security system and works in tandem with the Scout mobile app when the user is remote. The Company has achieved this with the sales of the Scout Door Panel previously, but will be replacing the door panel to address consumer demand for a keypad. Scout's upgrading of the existing door panel to the keypad will bring new familiarity to arming and disarming, while also lowering the Company's cost of goods sold and helping to streamline the supply chain by not owning the hardware design.

The Scout Keypad lets customers create custom alarm modes that dictate what sensors can trigger the alarm, and what notifications are sent/actions are taken when the alarm triggers. With one in four U.S. broadband households intending to purchase smart door locks according to Parks Associates, and the category expected to have close to four million units of sales in 2019, rising to more than 5 million by 2023, the Company sees a large and rapidly growing addressable market for the Scout Keypad, working in tandem with the on-demand delivery economy.



Coinciding with the launch, the Company's app has been updated and users now can purchase Scout's new Keypad, the high definition 1080p Scout Camera or complete security system with each product able to be operated independently or jointly. Previously, customers had to own Scout's full security system to buy and use Scout's Camera. The app now allows unbundled purchases for the first time, helping customers to seamlessly buy and install Scout's Keypad and/or Camera and/or security suite and related Scout services, such as video cloud storage.



The Company expects this move to help the Company capitalise on evidence that indicates twice as many consumers intend to purchase a stand-alone security product than a professionally monitored system<sup>1</sup>. By bundling cloud video storage with these devices, the company plans to monetise this trend while also maintaining focus on attaching monitoring services with device sales to boost recurring monthly revenue.



The Company has commenced marketing the new Keypad product to Scout's existing customers, and it is currently available for purchase through the company's recently upgraded website [www.scoutalarm.com](http://www.scoutalarm.com). A broader release to additional sales channels including Amazon.com will follow in rapid succession.

The Company's focus on boosting its online presence and strong marketing push have led to the generation of first sales of the Keypad.

To leverage this product development further, Scout is progressing discussions with additional potential resellers and distribution partners across the US retail and consumer sectors.

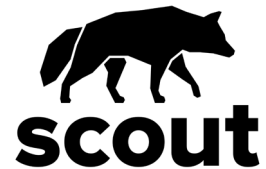
Scout Security co-founder and CEO, Dan Roberts, said:

*"We are pleased to release this highly-requested new product, the Scout Keypad, which bolsters our home security product suite and further empower homeowners to take charge of their home security. The sophisticated technology is easy to use and ensures users receive a curated home security experience from end-to-end."*

*"The Keypad has gained a positive early response from customers. We have priced the hardware competitively and anticipate growth in upfront sales, as well as associated monitoring revenue, as we market the full product suite and move to leverage the technology for Scout's white-label line of products."*

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<sup>1</sup> Parks Associates, 2019



*"We have also released an update to the Scout app which allows unbundled purchases for the first time, encouraging more flexible adoption of our product suite. We expect the app to add value to the customer experience as users can now seamlessly buy and install products and operate them jointly or independently."*

*"Scout is now favourably positioned as one of the few remaining independent smart home security platforms in a market with favourable growth dynamics. As we introduce new products and continue to expand the Scout product suite, we plan to deliver continued growth in revenue and cash receipts through hardware sales as well as monthly monitoring services."*

*"We look forward to driving this expansion through both our direct business as well as our rapidly developing white-label arm."*

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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. The Scout system is consistently recognised as one of the best smart home security devices, most recently being labeled 2018 Best DIY Home Security System by TopTenReviews.com.

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](http://www.scoutalarm.com)