



**scout**

07.2019 shareholder update

ASX: SCT

# Scout Security at a Glance

## Powerful software & service platform.

Scout's core technology is a software platform giving smartphone users control of both Scout's home security devices and best-in-class IOT integrations, creating a modern connected home ecosystem.

*Hardware is a vehicle to connect users to recurring monthly subscriptions for software and back-to-base monitoring.*

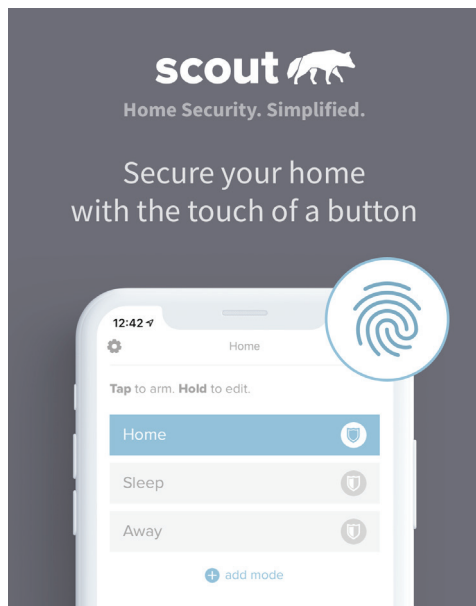


**"Best App-Based Security System"**  
2019 by US News and World Report

### Partnerships



### Software



### Hardware & IOT partners



### Recurring Subscriptions



- **24/7 Professional Monitoring**
- **Video Cloud Storage**
- **Partner service offerings**

# Competitive Landscape Activity

Scout is one of the few independent platforms remaining.

## Automation

Sold to Buddy.com

Acquired by Samsung

Acquired by Google for \$3.2b

Simplisafe sells Hellman & Friedman a majority stake for ~US\$1B valuation

Abode sells Nice S.P.A. a majority stake

## DIY Security

## Monitoring

Majority share sold to Smartfrog

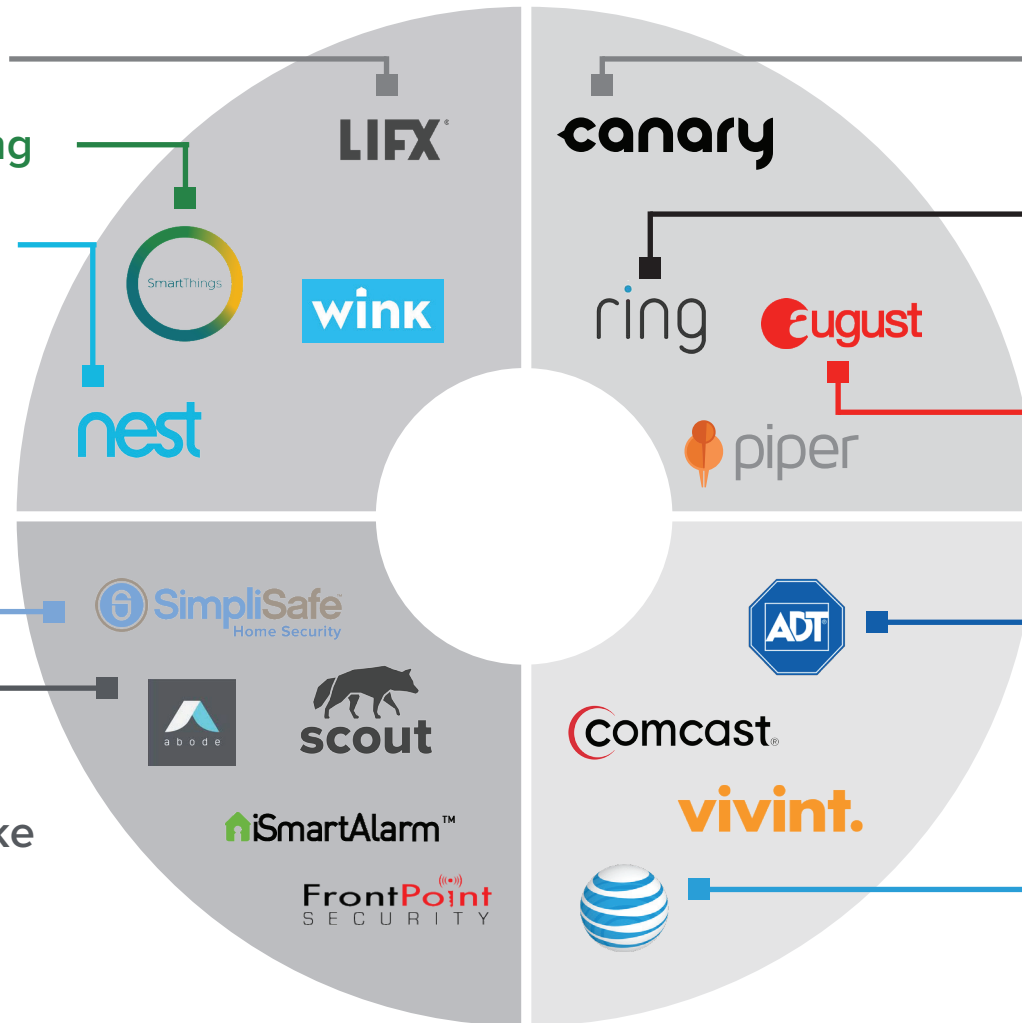
Ring acquired by Amazon for US\$1B.

August acquired by Assa Abloy for undisclosed amount

ADT taken public in January 2018

AT&T reported to be divesting from Digital Life security platform

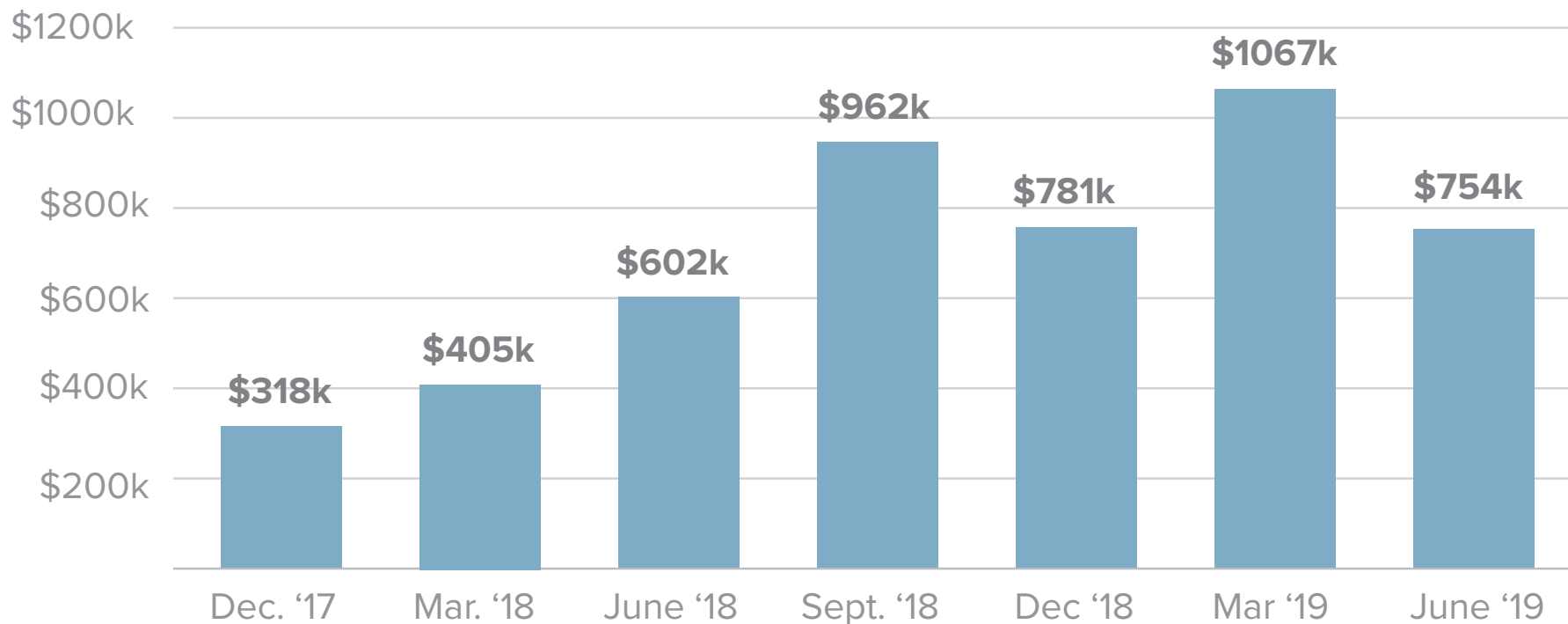
## Traditional Security



## Scaling Up

**Scout's June cash receipts are up 25.3% YOY. Compounded Quarterly Growth Rate (CQGR) of 19% since December 2017.**

- Zego is actively transitioning from 3G to 4G hardware, resulting in slightly less hub sales in June. 4G orders upcoming in line with prior quarter results.



**Quarterly Cash Receipts (\$AUD, unaudited)**

# Growth Strategy

## Direct-to-Consumer

Prosegur's investment in Scout has fueled direct-to-consumer marketing efforts in the first half of 2019, driving increased MOM sales volumes over that period, reducing paid spend customer acquisition costs and identifying new marketing channels to acquire users.

## New Devices

Scout continues to bolster its security suite with the addition of a keypad, video doorbell and select new devices and integrations. We expect these additions to provide new revenue streams from initial hardware sales through to recurring subscriptions. Most importantly, New devices ensure Scout customers have an end-to-end, curated security solution.

## White Label

Our white label partners offer trusted branding, global distribution, operational momentum and a loyal customer base that can create an immediate impact on scale. Our partners view Scout as complementary to their core businesses.

Zego has deployed thousands of systems to-date. Prosegur and SBD will add meaningfully to scale in the coming years.

## Growth Drivers

The DIY market is expanding rapidly, on a global scale. Scout is one of the few independent DIY platforms remaining for enterprise partners.

### **The growing market:**

- Global DIY home security systems revenue is expected to grow at {31%} a year to \$US42.3 billion by 2025 according to Research and Markets (Feb. 2019)
- The DIY market growth is being fueled by developments in, and widespread adoption of, wireless communications and the Internet of Things (IOT)

### **Leveraging White Label Partners:**

- Pairing iconic partner brands with a turnkey DIY solution leverages everything Scout has already built, but with immediate scale impact and unique distribution
- In the second half of 2018, Scout was able to sign on two multi-billion dollar partners to the white label program (Prosegur, Stanley Black & Decker)
- Our goal is to add at least one to two of this caliber of partner per year



# Scout Security Ltd. (ASX: SCT)

## Trading Information

|   |                 |
|---|-----------------|
| ASX Stock Code:                         | <b>SCT</b>      |
| Share price at 29 Jul:                  | <b>\$0.08</b>   |
| Shares on Issue:                        | <b>119 m*</b>   |
| Performance shares:                     | <b>36m</b>      |
| Options:                                | <b>43 m**</b>   |
| Market Cap (pre-options & perf shares): | <b>9 m</b>      |
| Options:                                | <b>\$0.44 m</b> |
| Enterprise Value:                       | <b>\$9.44 m</b> |

Executive Director



**Dan Roberts**

Co-founder, Designer  
MDes, IIT Inst. of Design

Executive Director



**Dave Shapiro**

Co-founder, Developer  
BSA, Miami of Ohio

\* including 24m not quoted on the ASX

\*\* 21m \$0.30 by 24/08/2020, 6m \$0.40 by 20/12/2020

## Key Shareholders

| Shareholder                   | % of Issued Capital |
|-------------------------------|---------------------|
| Prosegur                      | 9.22%               |
| Daniel B Roberts (co-founder) | 6.58%               |
| David Shapiro (co-founder)    | 6.50%               |
| Amazon.com Investment         | 2.29%               |



**Prosegur** is a \$2.6b Euro market cap, global security company.

- Purchased 10.8m shares at \$.275 in Dec. 2018 (\$2.9m AUD)

## Funding

- Moving towards cash flow positive
- Working Capital facilities available
- Prosegur option to invest up to \$4.5m AUD at \$.28 by Dec. 2019

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