

ASX RELEASE
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Scout's key partner Prosegur joining forces with Telefónica

Highlights:

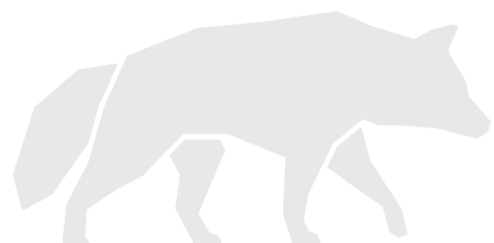
- **Telefónica has agreed to acquire a 50% stake in the Spanish alarm business of Prosegur, one of Scout's key white label partners**
- **The transaction is set to advance new applications within Prosegur's alarm business, with the investment a potential catalyst for growth and additional product development opportunities**
- **The alliance will leverage Telefónica's high distribution capacity, resources and commercial reach, and present opportunities for collaboration between the parties' Venture Capital units, Prosegur Tech Ventures and Telefónica Innovation Ventures**

Home security provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") is pleased to advise of a significant industry development with its strategic shareholder and partner, Prosegur.

Telefónica (BME: TEF), one of the largest telecommunications companies in the world with market capitalisation of approximately €36 billion, has agreed to acquire a 50% stake in the Spanish alarm business of Prosegur (BME: PSG), a global leader in the private security sector and one of Scout's key white label partners.

Through this transaction, valued at around €300 million subject to debt and working capital adjustments, Prosegur gains the opportunity to advance its strategy of transforming home security services on an expanded scale. The deal also reinforces Telefónica's strategy of providing its customers with the best home services, and will accelerate the development of the alarm business in the Spanish market.

In recent years, both parties have witnessed the significant growth rates of the Spanish alarm market tied to the advancement of the connected home. The parties expect this trend



to increase over the next few years, driven by the fundamental role that security will play in the connected home.

Scout's vision from day one has been that security is central to the connected home, and the Company has found that a security need is often the reason consumers purchase their first connected device. As such, the Company welcomes this investment in Prosegur, and sees immediate alignment to continue, and expand on, the work Scout is doing with Prosegur.

The deal will significantly increase both parties' capacity for innovation, focused on the development of new applications within home security offerings. As Prosegur and Scout have been working together now for more than nine months towards jointly offering new and existing security products in Spanish-speaking markets, Scout sees this investment as a potential catalyst for growth and additional product development opportunities.

As the alliance will also leverage Telefónica's high distribution capacity, resources and commercial reach, development of the overall Spanish market for residential and business security services should also accelerate.

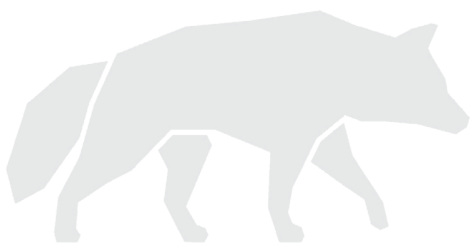
The agreement notes the opportunities for collaboration between the parties' Venture Capital units, Prosegur Tech Ventures and Telefónica Innovation Ventures. The potential for further collaboration around investments and intellectual capital in developing modern and globally scalable connected home security solutions further strengthens Scout's view of the transaction.

The Company believes this investment is further validation of the growing interest in smart, connected home security, on a global scale - a sector in which Scout's technology, capabilities and partnerships form the basis of the Company's competitive advantage.

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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.

