

**ASX RELEASE**

1 November 2021

## Encouraging Start to White Label Telco Sales

### Highlights:

- **Scout's telecommunications partner sales have exceeded initial launch expectations**
  - **Attach rate, which is the percentage of customers offered Scout-powered solutions that have taken them up, is 50% above the modelled rate**
  - **Sales increasing significantly month-on-month as sales force is expanded**
  - **Achieving an average RMR of more than A\$8 (US\$6+) per customer, 33% higher than top end of modelled range**
- **Significant growth potential as more customer care, retail and internal sales teams are activated**

Home security provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") is pleased to provide an update on encouraging white label sales and business development.

As previously announced, Scout's first telco partner commenced sales of Scout powered products in September 2021 and Scout is targeting approximately 10% penetration of their 1.4 million residential customer base.

The suite of Scout-powered products being sold alongside our partners' broadband and related product offerings comprises entry level indoor-outdoor camera kits, and a full DIY security package. The offering is a customised, integrated smart home solution, branded and marketed by its telecommunications partner. It offers US customers 24/7 back-to base alarm monitoring and video cloud storage. Customers are offered subscriptions which earn Scout between US\$4/month to US\$7/month per customer in addition to the margin earned on initial sales of hardware.

Sales efforts were launched in September with the partner's top team, a small inside sales team, who were tasked with fine tuning the sales process before rolling out to the wider teams. This small team made an encouraging start, with an Attach Rate (i.e. the percentage of customers offered Scout-powered solutions that have taken them up) 50% above Scout's modelled attach rate.

In the second week of October, the sales effort was stepped up by adding more inside sales reps, as well as customer care and the initial retail teams. Sales to customers increased in line



with the additions and, importantly, the Attach Rate has stayed over 50% above Scout's modelled attach rate.

Since commencing sales approximately 6 weeks ago, Scout will have added approximately A\$3.3k in new RMR (A\$39.6k annualized) based on sales, of which 75% was added in October suggesting increasing momentum in line with activated sales teams.

In addition to Attach Rate, another key metric is the average RMR per customer which to this point is over A\$8 (over US\$6); we previously announced a modelled range of A\$1.35 to \$6.00.

We expect our partner to continue its phased roll out through to the end of the calendar year. Considering that the partner's teams make tens of thousands of calls each month, we believe we are in the process of unlocking significant RMR growth potential and we hold a positive outlook for CY22.

Scout's telco partner highlighted the program through a press release and customer-facing details are now available on the partner's website.

This ASX release has been authorised by the Board of Directors of Scout Security Ltd.

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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.

