

ASX RELEASE

23 May 2022

Scout White Label Trading Update

Home security provider Scout Security Ltd ((ASX: SCT), "Scout" or "the Company") is pleased to provide an update on business development and growth in sales for the Scout-powered white labelled home security solution.

Highlights:

- **In April, Scout added ~AU\$100k in annualised recurring revenue (ARR) via new monthly paying subscribers added through the US telco channel**
- **Recurring monthly revenue streams now total more than AU\$1.1 million in ARR**
- **Telco rollout continues to gather momentum as additional sales channels activate and new products launch**
- **With new monthly telco sales growing by double digits month-on-month, Scout continues to engage with potential new white label partners and retains a positive outlook for sustainable growth in revenue and cash generation**

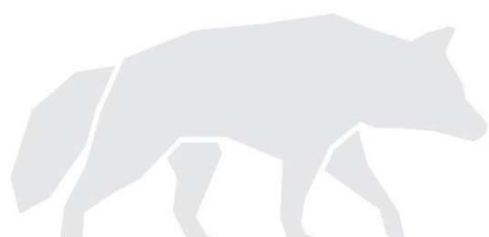
Business Update

In Q2 CY22 Scout has maintained the strong sales momentum that the Company delivered during the previous two quarters.

As at the end of March, monthly paying subscribers to Scout-powered home security platform, white labelled through the Company's US telecommunications partner, provided the Company with more than AU\$1 million in annualised recurring revenue (ARR).

Scout subsequently added approximately AU\$100k in ARR via new subscribers added through the telecommunications channel in April. This growth reflects the sale of more than 1,000 new security systems during the month.

Revenue through this channel continues to grow at double digit rates month-on-month, as illustrated in the chart on the following page.





The Company's US telecommunications partner continues to roll out the Scout-powered solution more broadly throughout its large salesforce as it activates new channels in line with the sales and marketing plan announced to the ASX on 31 August 2021.

The partner's plans to stimulate growth in monthly subscriber additions during Q2 and Q3 of CY22 include the following:

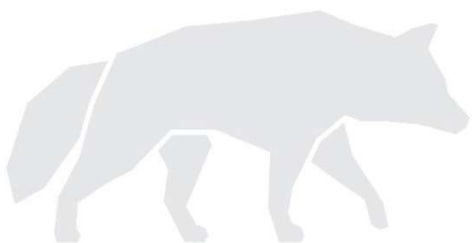
- The launch and promotion of an eCommerce portal empowering customers to purchase Scout-powered security products and services directly online
- The launch and promotion of Scout's video doorbell product (first announced to the ASX on 22 July 2019)
- Delivering product optimisations, targeting additional subsets of the partner's customer base, which the partners estimate will increase Scout's total addressable market within this channel by 30%
- More proactive marketing outreach to existing customers of the partner

Scout continues to target Recurring Monthly Revenue (RMR) alone to balance monthly cash burn by the end of CY22, with progress underpinned by growth in new customers added via Scout's white label partners.

Scout Security CEO, Ryan McCall, said:

"We have continued our strong start to CY22, with growth spurred by a productive working relationship with our US telecommunications partner. Scout's total annualised recurring revenue (ARR) continues to grow healthily, showing the impact of our recent white label expansion into the US telecommunications and internet service provider sectors."

"As mentioned in our recent quarterly report, we have been fortunate to transition Kevin Brennan from consultant to Chief Operating Officer, a role in which he commenced on 1 April. Gaining Kevin's operational nous on a full-time basis has been invaluable as Scout's white label sales have continued to gain scale, backed by the Company's successful US\$400k working capital infusion in April."



"With new monthly telco sales growing by double digits month-on-month, and potential new partnerships progressing through our pipeline, we retain a positive outlook for sustainable growth in revenue and net operational cash flow."

This ASX release has been authorised by CEO Ryan McCall and Executive Director Dan Roberts of Scout Security Ltd.

For more information, please contact:

Ryan McCall

Chief Executive Officer

investors@scoutalarm.com

Tim Dohrmann

Investor and Media Enquiries

+61 468 420 846

tim@nwrcommunications.com.au

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 recognized as one of Forbes' "Best Home Security Companies of 2022" and was named "Best for Custom Notifications and Alarms" in 2021 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 focused on being the industry's leading white label provider of DIY home security and IoT solutions.

Scout is an official partner of Amazon Alexa and Google's Assistant. Scout is also an Amazon Alexa Fund portfolio company.

