

ASX RELEASE

7 September 2022

Scout successfully completes \$0.93m placement and launches partially underwritten \$1.38m rights issue

Highlights:

- **Scout completes \$0.93m placement and launches \$1.38m partially underwritten rights issue to raise up to \$2.3 million, consisting of:**
 - **Placement to professional and sophisticated investors of 31.0m new shares at \$0.03/share to raise \$0.93m, the maximum under LR 7.1 and 7.1A capacity ("Placement")**
 - **Non-renounceable Rights Issue on a 1-for-4 basis on the expanded capital base at the same terms as the Placement to raise up to a further \$1.38m ("Rights Issue")**
 - **Professional investors have provided firm commitments for \$1.08m of any potential shortfall under the Rights Issue**
 - **Subject to shareholder approval, one free attaching option will be issued for every two shares issued under the Placement. Each Option will have a \$0.07 exercise price and an expiry date of 16 July 2024**
- **Funds raised will primarily support the Company's working capital as Scout continues to scale, notably via its recent Fortune 500 partner, Lumen Technologies Inc. (NYSE: LUMN)**

Security-as-a-Service platform provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") is pleased to announce that the Company has successfully secured commitments for a capital raising of \$0.93 million. In addition, the Company has received firm commitments for up to \$1.08m under a proposed Rights Issue.

Funds raised will be principally applied towards working capital as the Company continues to scale up its home security platform rollout via white label partners. Sequoia Corporate Finance Pty Ltd acted as lead manager to the Placement and will act as lead manager to the Rights Issue and will receive up to 6% of the total capital raised as the fee for this service plus for every \$1 raised under the Offer, 1 option exercisable \$0.07 (7cps) expiring on 31 July 2026. Sequoia will pay away some of the fees and rights to the options to approved introducing parties holding an AFSL.



Placement, Rights and Options Issue

Scout has completed a single tranche Placement to professional and sophisticated investors of 31.0 million new shares at \$0.03 to raise \$0.93 million under the Company's ASX Listing Rule 7.1 and 7.1A placement capacity.

The Placement will be followed by a non-renounceable Rights Issue on a 1-for-4 basis on the expanded capital base at the same terms as the Placement to raise up to a further \$1.38 million through the issue of 46.1 million shares and 23.05 million free attaching Options as defined below.

The price of the Placement and Rights Issue represents a 21.05% discount to the last traded price and a 23.12% discount to the 15-day VWAP.

Subject to shareholder approval, one free attaching option will be issued for every two shares issued under the Placement. Each Option will have an exercise price of \$0.07 and an expiry date of 16 July 2024.

The Company has received firm commitments for \$1.08 million under the Rights Issue by professional investors.

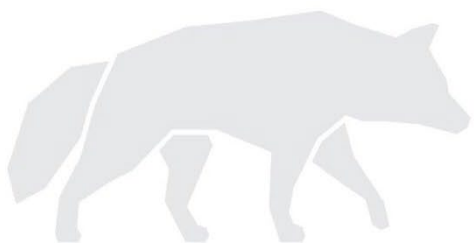
Scout Security CEO Ryan McCall, said:

"We are pleased to have secured the support of new and existing investors through this capital raising. The funds raised will support the Company's next phase of growth as we scale up the rollout of Scout's security-as-a-service platform and product suite."

"In late August, we announced that Scout had signed Fortune 500 company Lumen Technologies Inc. (NYSE: LUMN) as a white label partner. With 5 million customers, the Lumen partnership provides great scope for Scout to grow revenue not only through recurring monthly subscription-based monitoring plans and camera video cloud storage, but also through smart device sales and platform customisation fees. Under this partnership, Scout plans to launch under Lumen's 'Quantum Fiber' brand in H1 CY23, and notably the Company will pay nothing for upfront inventory build as Lumen pays for hardware up front."

"I would like to thank our existing and new shareholders for their ongoing support. We are focused on rapidly executing Scout's growth strategy and look forward to delivering value for the Company's customers, partners, staff and investors."

A summary of key dates associated with the capital raising follows.



TIMETABLE¹

Placement and Rights Issue announced & recommence trading on ASX	10am Wednesday, 7 September 2022
Settlement of Placement	Tuesday 13 September 2022
Allotment of Placement	Wednesday 14 September 2022
Release entitlement prospectus/offer document	Wednesday 14 September 2022
Cleansing notice (if required) and Appendix 2A	Wednesday 14 September 2022
Record Date (date for determining entitlements of eligible shareholders to participate in Offer)	Monday 26 September 2022
Prospectus/Offer documents sent to shareholders	Tuesday 27 September 2022
Rights Issue closing date	5pm Thursday 6 October 2022
Announce results of Rights Issue	Friday 7 October 2022
Notification of shortfall	10am Tuesday 11 October 2022
Issue date	Tuesday 11 October 2022
Quotation of new Shares under Rights Issue	Thursday 13 October 2022
Placement of shortfall shares and settlement of proceeds	Friday 14 October 2022

1. This timetable is indicative only and is subject to change without notice. All dates and times refer to AEST.

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) is a white label security-as-a-service platform and product suite powering recurring revenue for some of the largest security, internet service and telecommunications providers in the world. Scout's simple and affordable DIY approach puts security within reach for millions of residential homes, small-to-medium businesses and multi-tenant buildings.

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

