

ASX RELEASE

8 December 2021

New Partnership Secured and Trading Update

Highlights:

- **Scout has signed a partnership agreement with Hyperion Partners LLC (Hyperion), a master agent for T-Mobile and other major carriers in the USA**
- **Scout will develop a cellular-connected camera solution for sale by carriers who have already expressed interest**
- **Hyperion will also market Scout's broader range of connected cameras and DIY Home Security kits to their 2,000+ strong telco channel partner network**
- **Trading Update:**
 - **US Telco white label rollout continues to gather momentum as sales force expands, with additional sales channels being added in December**
 - **Total systems sold (and recurring monthly revenue (RMR)) increased 89% in November**

New Partnership Agreement Signed

Home security provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") is pleased to announce a new partnership agreement has been signed with Hyperion Partners LLC ("Hyperion"), a full-service telecommunications master agent.

The partnership will run for an initial term of one year, auto-renewing, and will see Hyperion work to accelerate the placement of Scout's app-based DIY security products into various telecommunications channels in the USA.

Background

Major cellular carriers in the USA sell a range of products in addition to cellular handsets from different suppliers. Instead of signing agreements with thousands of vendors, the carriers sign agreements with a select number of master agents, such as Hyperion, who manage the carrier's product listing and supply chain.

Hyperion is an industry-leading, full-service mobility master agent specialising in telecommunications. Founded in Las Vegas, Nevada in 2012 by a team of executives with broad experience across the wireless industry, it works jointly with its customers and partners



to ensure their customers are getting the most practical, affordable, and complete solution possible. Hyperion's clients include T-Mobile and several other major USA carriers.

After an extensive review of Scout's product suite and following initial consultations with major carriers, Hyperion has decided to include Scout as one of its vendor partners. As telecommunications carriers typically deal with only a small number of master agents, and master agents are selective in deciding which vendors to represent, partnering with Hyperion is a significant milestone for Scout on the path to achieving carrier sales.

Opportunities Identified

Scout has identified opportunities which will be targeted with Hyperion:

- In the carrier space, Scout will develop and add a cellular-connected camera to the Scout platform. Several carriers have expressed interest in this product. Scout is excited to develop a cellular-based product that doesn't need a central hub to operate and generate recurring monthly revenue (RMR).
- Scout's broader range of connected camera and DIY home security kits will be listed for sale through Hyperion's 2,000+ strong telco channel partner network. Interior and exterior security monitoring for small to medium enterprise (SME) customers is of particular interest to Hyperion's customers.

Scout expects revenue sources and margins to be consistent with products already in market.

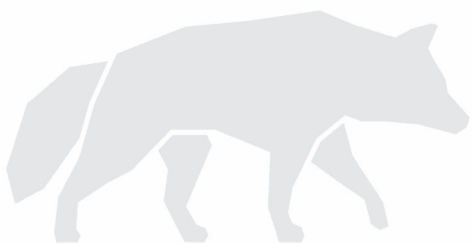
Trading Update

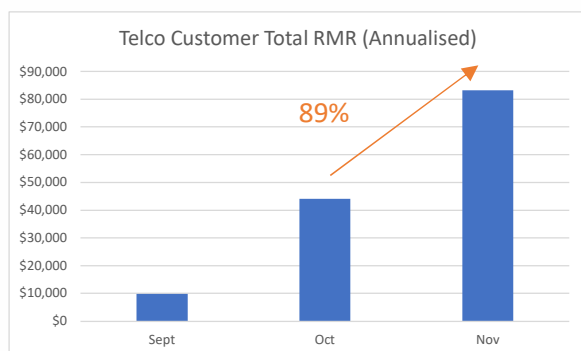
In response to numerous enquiries from Shareholders, Scout is pleased to advise that US sales of the Scout-powered white labelled telco home security solution continue to gain momentum. Accordingly, Scout is delivering strong growth in RMR. This is a direct result of the Company's US telco partner incrementally adding sales teams to the project, a process which will continue into next year.

In November, the number of systems sold, and correspondingly RMR from this customer base, increased 89% in the month. Scout has now added more than AUD\$80k of annualised recurring revenue through this channel in the short time since launch.

The average RMR per customer remains ~AUD\$8 (USD\$6+), 33% higher than the top end of the modelled range presented to shareholders at the Company's AGM in December 2020.

Importantly, the Attach Rate (i.e. the percentage of customers offered Scout-powered solutions that take it up) has remained at ~15% on newly acquired customers of the US telco partner, which contributed significantly to the monthly growth. As the US telco partner extends its marketing of Scout-powered products deeper into its existing customer base, Scout's focus will shift to overall penetration rates.





This partner continues to roll out the Scout-powered solution to its large salesforce and continues to place orders, as per the Order Program announced in January 2021, with order volumes higher than current sales levels. This gives the Company confidence that this partner continues to target a penetration of at least 10% of its 1.4 million customers over 18-24 months.

The Company reiterates prior guidance that, by the end of the September 2021 quarter, Scout had already received enough shipments and binding purchase orders for equipment that, once sold and activated, they would produce sufficient RMR to balance monthly cash burn.

Commenting on today's announcements, Scout CEO Dan Roberts said:

"We are excited to be working in partnership with Hyperion to grow our presence in the telecommunications space. Cellular carriers represent hundreds of millions of customers and gaining access to carriers is further validation of our product and white label strategy."

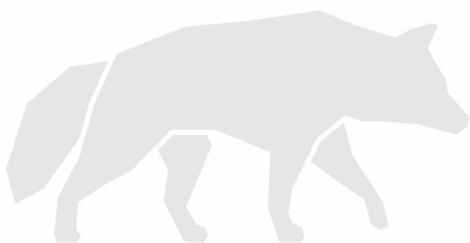
"The work we have done with our partners over the past few months has produced some exciting and actionable strategies to target new and existing product into their channels. The cellular-connected camera is an example of product evolution, identified in consultation with telco partners as they see an opportunity to solve a problem for SMEs and move more data over their networks, while we develop a product suite that isn't reliant on a central hub, but is still able to earn us recurring revenue."

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

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About Hyperion

Hyperion is a full-service business development master agent specialising in telecommunications. It focuses on adding value for partners and has exclusive access to several disruptive technologies that make its bundled solutions more attractive. Acting as a consultant to its partners and clients, Hyperion ensures customers receive the most practical, affordable, and complete solution possible. Hyperion has a wide footprint in businesses of all sizes, offering dedicated care and technical support through the ordering, activation, and implementation processes. To learn more, please visit www.hyperionpartners.net.

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.

