

INVESTOR PRESENTATION

October 2022



Scout is a white label security-as-a-service platform and product suite being delivered to the US market via some of the largest security, internet service, and telco providers in the world.

Our simple and affordable DIY approach puts security within reach for millions of residential homes, small-to-medium businesses and multi-tenant buildings.

Generating A\$1.07 million in ARR at September 2022 and growing fast.



# Executive Summary

Having proven its growth strategy in the US and other international markets, Scout is now launching its home security platform into Australia via Amazon.com.au.

The Company's recently-secured partnership with Fortune 500 company, Lumen Inc. (NYSE: LUMN), is set to provide a **significant step change** to Scout's recurring revenue.

Targeting 10% penetration of Lumen's 5m<sup>1</sup> subscribers, **equating to between \$28.2m and \$45.6m in ARR** over the medium term.

Proven telco partner model, with Scout generating \$0.6m in ARR<sup>2</sup> from new Windstream customers only.

Windstream eCommerce collaboration in development, **opening up Windstream's existing 1.4m<sup>3</sup>, and growing, subscribers.**

Scout has previously received binding purchase orders from Windstream that, once sold to their end customers, **would generate sufficient recurring revenue to Scout to balance monthly cash burn.**

*1, Lumen Q2 2022 investor deck*

*2, June 30 2022 SCT 4C*

*3 Windstream Q2 2022 CEO Presentation*

# Security-as-a Service Solution

Our white label solutions offer best-in-class DIY smart security to consumers via a turnkey partner platform.

## Consumers Benefits

- Best-in-class DIY security
- Leading camera platform
- Full remote control and security notifications
- Self-monitor or pro monitor
- 24/7 police, Fire, EMS dispatch

## Partner Benefits

- Turnkey, branded new product line
- New high-margin recurring revenue
- Faster, cheaper route to market
- End-to-end engineering, design and customer support
- Robust, customisable, platform

## Scout Benefits

- Maximise limited resources by eliminating CAC and payback periods
- Access to built-in, existing users bases and significant marketing budgets



# Opportunity Highlights



## LARGE & GROWING GLOBAL MARKET

US\$11 billion by 2027  
19.6% CAGR <sup>(1)</sup>

GMD Research estimates that the global DIY Home Security market will grow from US\$3.3 billion today to \$US11 billion by 2027.



## ESTABLISHED DISTRIBUTION + MULTIPLE CHANNELS

## Key Partners SECURED

Partnerships with major traditional security & telecom providers have opened up both US and international distribution, with more to come.



## BUILDING RECURRING REVENUE MODEL

## Monthly Plans + HARDWARE & DEVELOPMENT FEES

Monitoring plans + additional services, such as camera cloud storage.



## RECOGNISED DIGITAL SECURITY LEADER

## Amazon Partner HIGHLY RATED

Launch partner for Amazon Alexa Guard and Alexa Guard Plus. Integrated with all major IOT Platforms.



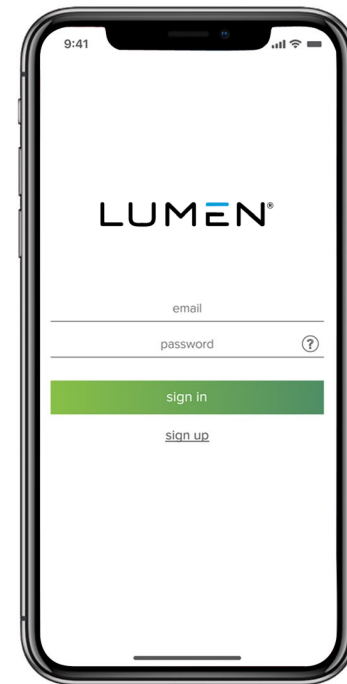
1, <https://www.researchandmarkets.com/reports/4747565/global-diy-home-security-systems-market-2021-2027#relc0-5302516>

Forbes “Best Home Security Companies of 2022” List

# Lumen: Our Newest Telco Partner

Scout has signed Fortune 500 company Lumen Inc. (NYSE: LUMN) as its newest telco partner.

- Lumen is a **~US\$20<sup>1</sup> billion revenue** company and has agreed to white label and sell Scout's technologies to deliver smart security to its **5m broadband subscribers**
  - ◆ Scout will initially receive A\$362k<sup>2</sup> to build the initial offering across 3 months
  - ◆ Expected to launch in 1H CY23, with recurring revenues to follow
  - ◆ Targeting **10% penetration of Lumen's subscriber base**
- The solution for Lumen represents the next generation in home security with no upfront hardware purchase required
  - ◆ Eliminates the main barrier to entry for home security, unlocking increased take rates
  - ◆ Enables an expanded pipeline of internet service providers (ISPs) utilizing the same underlying technologies



# Proven Path to Market

Lumen (5m<sup>1</sup> subscribers) joins Windstream (1.4m<sup>2</sup> subscribers) as the second major partner in the strategic telecommunications channel for Scout.

**Scout is targeting to win 0.5m of Lumen's 5m broadband subscribers over the medium term.**

Scout significantly exceeded net average revenue per user (ARPU) forecasts, projecting \$7.60 average per month in 2022, initially targeting \$4.70.

**This would equate to ARR of between \$28.2m and \$45.6m.**

1, Lumen Q2 2022 investor deck

2, Windstream Q2 2022 CEO presentation

3 All figures in AUD (US\$1.00: AU\$1.34); and approximate

## Simplified, single customer, worked example<sup>3</sup>

Key Assumptions			
Assumed Partner's Customer Base	(a)		5,000,000
Scout's Target Penetration	(b)	10%	500,000
		ARPU Range	
		Lower Range	Higher Range
MRR per Customer to Scout	(c)	\$4.70	\$7.60
<b>Potential MRR</b>	(b)x(c)=(d)	<b>\$2,350,000</b>	<b>\$3,800,000</b>
<b>Potential Annualised Recurring Revenue (ARR)</b>	(d)x12	<b>\$28,200,000</b>	<b>\$45,600,000</b>

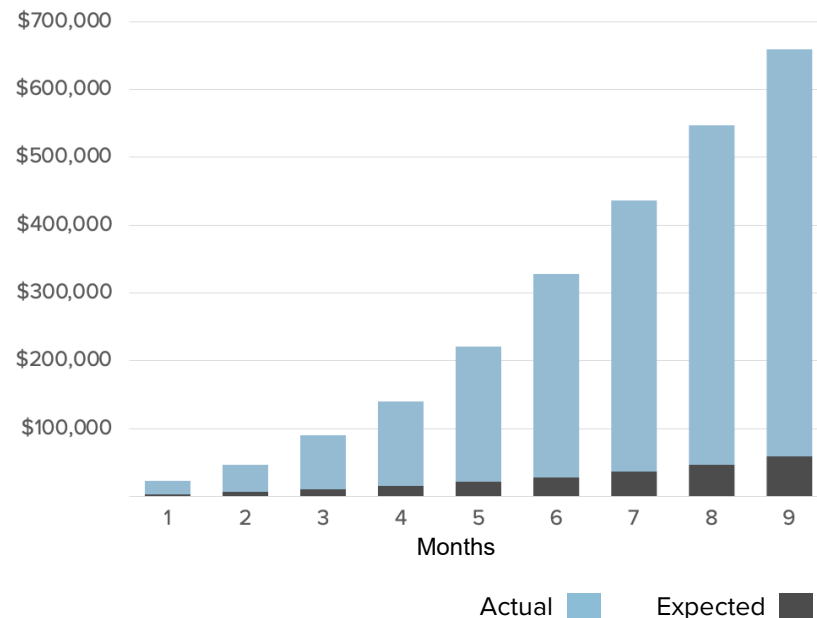
# Telco Opportunity in Action

Launched in Sept '21, Windstream is demonstrating the SCT value proposition:

- Sales across 1H CY22 averaged 1,000+ gross sales monthly
- Scout targeting 10%+ of its 1.4<sup>1</sup> million customers in time
- **ARPU 70% higher than projected**
- **Sales outpacing 20% growth in installs since launch**
- Only selling to new ISP customers
- eComm channel to launch in CY22
- Lumen has 3.5 more active subscribers than Windstream

Scout has previously received binding purchase orders from Windstream that, once sold to their end customers, **would generate sufficient recurring revenue to Scout to balance monthly cash burn**

## Expected v. Actual Growth in ARR Since Launch





# Australian Launch

**Scout is launching its home security platform into Australia via [Amazon.com.au](https://Amazon.com.au)**

- Amazon is a Scout shareholder and long-time partner of the Company
- The launch will commence in late October with Scout's indoor and outdoor HD cameras
- Launch price of A\$59.99 per camera includes 1 month of free video cloud storage. Pricing for 14-day cloud storage will be set at A\$5 per month, with all storage revenue flowing to Scout
- Scout's Amazon.com.au launch is only the first step towards the Company entering the Australian market. Discussions are ongoing with Australian ISPs and VARs to bring Scout's Security-as-a-Service platform to Australia



# Capital Structure & Raise

## Capital structure

	PRE-MONEY	POST-MONEY
OFFER PRICE UNDER THE OFFERS (\$)	\$ 0.03	\$ 0.03
NEW SHARES - PLACEMENT (M)		31.0
NEW SHARES – RIGHTS ISSUE (M)		46.1
SHARES ON ISSUE (M)	153.4	230.5
<b>MARKET CAP (\$Am)</b>	<b>4.6</b>	<b>6.9</b>
CASH (\$Am)	0.2 <sup>1</sup>	2.6 <sup>2</sup>
DEBT (\$Am)	1.2 <sup>3</sup>	1.2 <sup>3</sup>
CONVERTIBLE NOTES (\$Am)	1.6 <sup>4</sup>	1.6 <sup>4</sup>
<b>EV (\$Am)</b>	<b>7.1</b>	<b>7.1</b>

In addition, the following securities are on issue:

- 26,300,000 7c options expiring July 2024.
- 900,000 7c options attaching to New Note expiring Jan 2026.
- 5,400,000 10c options expiring- April 2025.
- 1,430,000 13.5c options expiring December 2024.
- 5,501,000 performance shares and rights.

1. June 30 2022

2. Assuming the maximum raised under the Placement and Rights Issue

3. Assuming USD/AUD of \$0.685

4. Noteholders can elect to convert reem A\$1.58m or convert to 52,500,000 ordinary shares with an expiry date of 31 December 2022

## Capital Raise

	Available	Secured
Total Capacity		\$ 2.38
Placement		\$1.193
Rights Issue		\$1.077
Shortfall	\$0.11	
Shortfall Filled		\$0.059
Remaining Capacity	\$0.051	

# CORPORATE

# Expanded Executive Team

Scout has expanded its team, setting the foundation for growth:

- Ryan McCall appointed CEO in January '22. History of sales scale-ups in B2B. Previously Futuremark's Director Global Sales and Marketing.
- Co-founder Dan Roberts transitioned to Executive Director of Product and Strategy. CEO since 2013 with Design and Strategy background.
- Kevin Brennan joins as full-time COO in April '22 after serving in this capacity on a part-time basis since 2014. Prior experience as GM and CEO.
- Hilari Smith brought on as full-time VP of Accounting in June '22, replacing outsourced accountants and bookkeepers in AUS and the USA.



# OUTLOOK

# Next 12 Months

## Scout scaling and poised for significant growth in FY23.

- **Lumen** the latest white label partner to join Scout-powered family, adding 5m<sup>1</sup> households to our potential customer base
- **Windstream eComm launch Q4 2022**, adding 1.4m<sup>2</sup> existing customer households to our potential customer base
- **B2B2C camera program launched** to drive additional monthly recurring revenue (MRR) and hardware revenue
- Placement and non-dilutive facility provides **growth financing**
- **Total pipeline of >40m households through partnership with Plume** – a leader in smart home WiFi technology partnered with Lumen and other ISPs around the world
- **New CEO, COO, and VP of Accounting** on board in FY22 to drive scale

*1, Lumen Q2 2022 investor deck  
2, Windstream Q2 2022 CEO presentation*



# Opportunities Ahead

## Next generation WiFi technology removes hardware purchase barrier for Scout subscription services

- Routers and WiFi6 devices, now being deployed by telcos, can be used by Scout to detect motion in homes
- Low-cost Scout HD cameras and 24/7 monitoring are low-cost MRR services that augment WiFi motion sensing
- Using WiFi sensing, users get a “light” home security system that can be built up over time - a reframe of the entire industry and impacting millions globally
- **Over 3,000 ISPs, representing millions of households, can leverage our next gen WiFi approach**



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## Contact Us:



Ryan McCall  
Chief Executive Officer  
[investors@scoutalarm.com](mailto:investors@scoutalarm.com)

## Investor and Media Enquiries:

Tim Dohrmann  
+61 468 420 846  
[tim@nwrcommunications.com.au](mailto:tim@nwrcommunications.com.au)



## Registered office:

Level 12, 225 George St, Sydney NSW 2000 Australia

