



## **CONFIRMATIONS**

Scout Security Limited (ACN 615 321 189) (**Company**) provides the following confirmations to satisfy conditions for reinstatement of the Company's securities to quotation on ASX.

Unless otherwise stated, capitalised terms not defined in this announcement have the meaning given in the Prospectus (defined below).

### **Completion of Public Offer**

The Company confirms that all conditions to the offer under the prospectus dated 23 June 2017 (**Prospectus**) (**Public Offer**) have been satisfied. The Company has received valid applications in the amount of \$5,010,500 under the Prospectus and accordingly it has issued 25,052,500 fully paid ordinary shares (**Shares**) at \$0.20 per Share under the Public Offer.

### **Completion of acquisition of Scout Security Inc.**

The Company confirms that all conditions precedent to the acquisition of 100% of the issued capital of Scout Security Inc. (**Scout**) by way of a merger between the Company and a wholly owned subsidiary of the Company (**Acquisition**) have been satisfied and the Company has completed the Acquisition.

In accordance with the heads of agreement dated 12 December 2016 (as amended on 27 February 2017) (**HOA**), the Company confirms:

- (a) the option fee of AUD\$500,000 was paid by the Company following its election to exercise the option to purchase 100% of the issued capital in Scout which is held by the holders of common stock (**Stockholders**); and
- (b) it has issued 69,900,000 Shares to the Stockholders as consideration for the Acquisition.

### **Approvals and new Board**

The Company confirms:

- (a) it has received shareholder and regulatory approvals to be admitted to official quotation and implement the merger agreement dated 28 February 2017 by which the Company will acquire 100% of Scout; and
- (b) the existing directors of the Company will retire and two nominees of Scout will be appointed to the board of the Company.



### **Issue of securities**

In addition to the securities issued pursuant to the Public Offer and the Acquisition, the Company confirms that the Company has also issued the following securities:

- (a) 36,000,000 Performance Shares to Messrs Daniel Roberts and Daniel Shapiro (or their nominees);
- (b) 6,000,000 Director Options with an exercise price of \$0.30 and an expiry date of that which is 3 years from the date issue have been issued to proposed directors pursuant to the Director Options Offer;
- (c) 15,000,000 Capital Raising Options with an exercise price of \$0.30 expiring on or before that date which is three years from the date of listing on the ASX to nominees of Armada Capital pursuant to the Capital Raising Options Offer.

### **No material subsequent events**

The Company confirms there have been no material subsequent events to alter the Company's statement of financial position as detailed in the Prospectus.

### **No impediments**

The Company confirms there are no legal, regulatory or contractual impediments to the Company undertaking the activities the subject of the commitments disclosed in the Prospectus.

### **Compliance with Listing Rules**

The Company is in compliance with the Listing Rules and in particular Listing Rule 3.1.