

**ASX RELEASE**

21 April 2020

## Scout Gains Approval for Forgivable Loan Under US CARES Act

### Highlights:

- **Scout has been approved for a \$141,790 USD (~\$223k AUD), unsecured, forgivable loan as part of the Paycheck Protection Program in the USA**
- **In combination with the \$250k USD (~\$400k AUD) Zego prepayment announced April 3<sup>rd</sup> 2020, Scout has significantly increased its cash position post-March-quarter end**

Home security provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") is pleased to advise that the Company has been approved by the US Small Business Administration (SBA) to access non-dilutive, forgivable funding as part of the Paycheck Protection Program ("PPP"), pursuant to the recently adopted Coronavirus Aid, Relief and Economic Security Act (the "CARES Act").

Under the PPP, the US government has authorised up to US\$349 billion in forgivable loans to small businesses to pay their employees during the COVID-19 crisis. The program provides eligible companies with 2.5x their expected monthly payroll costs to support them through the COVID-19 crisis.

Scout has been approved for an unsecured loan of \$141,790 USD (~\$223k AUD), based on its calculation of the maximum amount it is permitted given the current guidance provided by the United States Department of Treasury. The loan is due in two years, attracts a fixed annual interest rate of 1% and all payments are deferred for 6 months; however, interest will continue to accrue over this period.

The Company has worked closely with the lenders to maximise the forgivable amount. The loan will be forgiven as long as:

- The loan proceeds are used to cover payroll costs, mortgage interest, rent and utility costs over the 8 week period after the loan is made; and
- Scout maintains its employee and compensation levels.



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) 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.

