



## ASX RELEASE

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### Scout signs sales deal with largest US alarm monitoring provider

#### Highlights:

- **Scout lands first major US alarm dealer channel partner, signing a resale deal with COPS Monitoring**
- **COPS Monitoring boasts over 3,500 dealer relationships with over 2,400,000 accounts under management, making it the largest wholesale monitoring provider in the USA**
- **System sales through the dealer channel will result in both hardware and recurring revenue on each sale with revenue expected to commence in Q1 CY18**
- **By partnering with leading monitoring centers such as COPS, Scout gains the opportunity to expose its wireless home security offering to a massive number of dealers simultaneously**
- **Scout continues to progress discussions with additional potential resellers and distribution partners across the USA for both its direct-to-consumer and alarm dealer products**

Home security provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") is pleased to announce that it has signed a deal with COPS Monitoring ("COPS") to resell Scout's recently announced DIY product suite to its network of alarm dealers.

COPS is the largest security monitoring centre in the USA, with relationships with more than 3,500 security alarm dealers across the US. COPS has been in business since 1978 and has over 2,400,000 home security accounts under management. Scout has worked

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with COPS to provide monitoring for COPS' direct-to-consumer offering for the past four years.

The agreement sees Scout gain access to consumers who may prefer to buy through a local, trusted dealer and significantly shortens Scout's sales cycle, accelerating the Company's time-to-market for its new product suite. The resale deal leverages COPS' 3,500+ dealer relationships and will see Scout's product suite offered to a massive base of dealers simultaneously, saving Scout from having to strike partnerships with individual dealers.

Alarm dealers will be able to order hardware and services from Scout through COPS. In addition to up-front hardware revenue, Scout will bill for interactive services on a per-account-per-month basis, providing a boost to the recurring revenue stream the Company has grown over the past two years.

The consistent growth in Scout's base of recurring revenue is clear in the chart below. Scout expects the COPS resale agreement to provide a boost to this growth trajectory, with revenue through COPS set to commence flowing in Q1 CY18.



**Scout annualised recurring monthly revenue (RMR) in AUD**

Scout Security co-founder and CEO, Dan Roberts, said:

*"COPS is an industry leader in the alarm dealer space and we're excited for them to be the first partner to offer our DIY suite of products to dealers."*

Scout Security Limited (ACN 615 321 189)

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*"Both of our companies recognised early on that there was a need for a DIY solution for dealers that would rival direct-to-consumer offerings. After a lot of hard work to get the product and pricing right, we're excited to be rolling it out to COPS' established base of dealers."*

*"The relationship we've established here is more than just a resale deal. COPS has a pulse on the dealer channel and is typically the first point of contact when a dealer is in need of a product or service for their customers. In that way, both companies are on the cutting edge of being able to identify customer needs and respond to them with product and service offerings."*

*"Along with COPS, we expect alarm dealers to see the benefits of selling a smart DIY product that rivals direct-to-consumer offerings and addresses the growing number of consumers asking for a DIY option."*

*"As we have said previously, we believe that sales through the alarm dealer channel could exceed sales from our direct-to-consumer offering. This partnership is an exciting first step in reaching that goal."*

Given COPS' status as one of the leading alarm monitoring centres in the USA, this resale deal represents a material proof point in this newly established channel for Scout.

Scout will continue to forge new relationships with alarm monitoring centres and dealer networks around the USA, in addition to progressing discussions with other potential resellers and distribution partners across the retail, consumer and utility sectors.

#### **About COPS:**

COPS Monitoring is the largest wholesale alarm monitoring providers in the United States, boasting over 3500 alarm dealer relationships and over 2,400,000 accounts under management. The company has been in business since 1978. COPS is an Underwriter Laboratories (UL)-listed monitoring centre, servicing all 50 states. COPS has six redundant monitoring centers across the USA and boasts more TMA Five Diamond certified central stations





than anyone in the industry.

<https://www.copsmonitoring.com>

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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. In 2016, the Scout system was recognised by CNet as one of the Best Smart Home Devices of the year.

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 Works With Nest and Samsung SmartThings. Scout is also an Amazon Alexa Fund portfolio company.

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