ASX RELEASE

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Scout receives material new purchase order from Zego

Highlights:

- **Scout has received a new purchase order for 1,000 smart home security hubs from Zego, the premier digital amenity platform for US apartments**

- **This is the third material purchase order from Zego since the commencement of the parties' sales partnership in October 2017**

- **Order represents more than AU$157,000 in upfront revenue and cash receipts for Scout and expands the Company's scope to earn additional security service sales and recurring revenue**

Home security provider Scout Security Limited **((ASX: SCT)**, **"Scout"** or **"the Company")** is pleased to announce that it has received a material new purchase order which will help to accelerate Scout's healthy recent sales momentum.

The Company has received an order for 1,000 hubs from its key resale partner Zego, a leading US provider of smart home device and service packages to apartment residents and managers. The order will represent more than AU$157,000[1] in revenue and cash receipts for Scout.

This is the third material purchase order Zego has made with Scout since the parties commenced their sales partnership in October 2017 to meet smart home security demand in the 18.8 million-unit apartment community market in the US.

Zego has now ordered more than 3,000 Scout hubs and remains one of the Company's key resale partners, targeting deployment of 5,000 to 10,000 Scout systems in the 12 months to October 2018.

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

"We are pleased to see orders and sales flourishing through our partnership with Zego. The positive response to the Scout Alarm among Zego customers underscores our value proposition to smart home buyers who reside in leased apartments, a valuable market which is difficult for our competitors to service.

"With Scout now embedded as an integral component of Zego's smart home package, we look forward to growing our business more strongly through this channel as we continue to integrate our product suite more closely with Zego's smart home solution.

1: Based on latest RBA exchange rate of 1 AUD = 0.7609 USD

"As this and other channel partnerships continue to flourish, we expect to achieve ongoing growth in upfront and recurring revenue as we expand Scout's installed base.

"The broader dynamics of our industry remain positive, as sales of voice-controlled home automation devices continue to grow strongly. The installed base for these devices in the US now exceeds 40 million sold by Google and Amazon alone.

"We see voice control devices introducing and stoking broader consumer interest in connected intelligence in the home. We expect this to fuel sales growth for Scout over time."

Now that Zego has deployed a substantial number of smart home hubs, the companies will look to activate recurring revenue on these hubs with the addition of security subscriptions this summer and into the fall.

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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. The Scout system is consistently recognised as one of the best smart home security devices, most recently being labeled 2018 Best DIY Home Security System by TopTenReviews.com.

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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