



ASX RELEASE

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Scout boosts financial flexibility with new working capital facility

Highlights:

- **Scout gains access to a working capital facility to improve inventory turnover and grow the Company's white label platform**
- **AU\$500,000 working capital facility boosts Scout's supply chain flexibility and provides additional capacity to pursue pipeline growth opportunities that are beginning to gain significant momentum**
- **Securing additional funding is a critical step in Scout's plans to facilitate expanded growth opportunities**

Home security provider Scout Security Limited ((ASX: SCT), "Scout" or "the Company") is pleased to announce that it has entered into a binding agreement providing access to an AU\$500,000 working capital facility. This new source of funds will help to ease Scout's supply chain constraints and maximise the Company's growth potential.

The facility will support Scout's general operational expenditures and allow the Company to boost inventory orders, increase turnover and drive expansion in its white label connected security platform. As new business opportunities continue to build around Scout's offerings, the working capital facility will provide additional resources to maintain Scout service obligations.

The terms of the agreement will see Scout receive AU\$500,000 upfront less the loan origination fee of \$9,750, with the facility having an initial term of 180 days and a minimum term of 90 days. The interest rate will be fixed at 12.25% per annum* initially, to be calculated and paid monthly. The loan will be secured by a general security deed over the assets of Scout Security Ltd.

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

"Securing this new funding is a critical step in maximising Scout's growth potential at a time when we are experiencing growth in demand. This working capital loan facility will empower us



to grow security service sales and recurring revenue more proactively through our white label partners, improve inventory turnover and ultimately boost Scout's production capacity.

"Following in the steps we have recently taken to expand our customer base and secure key partnerships, we look forward to building Scout's operational momentum with a more efficient supply chain thanks to our newly-optimised balance sheet."

*The Lender may elect to lower the interest rate to 7.25% per annum at their discretion during the term. In consideration for a lowered rate, Lender will receive a fee of 166,667 options (AU\$.30 strike with 2 year from commencement date exercise) in each month of the term that the interest is lowered and prior to repayment. The options will be approved by shareholders at the forthcoming AGM.

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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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