

Scout Security (ASX: SCT) is a white label security-as-a-service platform and product suite powering recurring revenue for some of the largest security, internet service and telco providers in the world.



**ASX RELEASE**  
06 November 2025

## Acquisition of Roo Inc as a Merger of Equals

### Highlights

- **Scout has signed a binding contribution and exchange agreement to acquire New York-based DIY home security innovator Roo Inc in a merger of equals (“Acquisition”)**
- **Roo's product suite, technology IP, distribution partnerships, and commercial presence in Australia are highly complementary to Scout, creating a diversified and scalable global security-as-a-service business**
- **Roo brings over 900,000 users and 29,000 paying subscribers providing approximately A\$1.3m of annualized recurring revenue (ARR) in addition to revenue from hardware sales**
- **Acquisition brings material cost and revenue synergies, which Scout aims to leverage with a view to the combined entity post integration reaching a positive EBITDA position and a breakeven-to-positive cash flow position, excluding one-off transaction costs**
- **The transaction values Roo at A\$7.11m and is to be completed through the issue of securities and consolidation of the parties’ debt arrangements**

### A Strategic Step Forward in the Global Security Landscape

Home security provider Scout Security Ltd (ASX: SCT) (“Scout” or “the Company”) is pleased to announce it has entered into a binding contribution and exchange agreement (“Exchange Agreement”) to acquire Roo Inc (“Roo”), a New York-based home security technology company (“Acquisition”). The merger brings together two pioneers of affordable, app-connected home protection — creating a platform with greater scale, deeper IP, and expanded reach across the U.S., Australia, and key international markets.



## About Roo

Roo, incorporated in February 2018, is the holding company for Kangaroo, a DIY smart home security brand known for its simple, accessible and privacy-first design. Roo has invested over US\$20 million in research and development in the development of its award-winning hardware, including its patented 'Privacy Camera' and industry-first package theft insurance coverage.

With over 900,000 users (primarily in the U.S.) and 29,000 paying subscribers, Roo contributes approximately A\$1.3 million in annual recurring revenue, alongside ongoing hardware sales and retail distribution through major Australian outlets such as JB Hi-Fi and Harvey Norman. Roo operates across New York, Wrocław, Shenzhen, and Manila, reflecting a lean, globally distributed footprint built for scalability.

## Strategic rationale and synergies

Based on due diligence investigations completed throughout the course of negotiating the Exchange Agreement, the Company and Roo (together, the "Merged Group") have identified material cost and revenue synergies that Scout will aim to leverage with a view to the Merged Group achieving a breakeven-to-positive cash flow position and positive EBITDA position post-Acquisition, excluding the one-off costs of implementing the merger and realising cost initiatives.

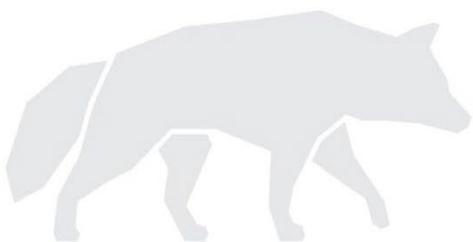
Scout expects to realise synergies from product development, corporate overheads, management, customer support, sales and marketing activities and through the cross-sell of insurance, hardware and motion sensing security products.

Scout Security Managing Director, Ryan McCall, said:

*"We are thrilled to welcome Roo and its customers to the Scout Security family. Roo's technology and market footprint strongly complement our own, creating a unified platform with global reach and the scale to deliver consistent, profitable growth."*

*"With approximately 900,000 total users and 29,000 paying subscribers, this merger more than doubles our recurring revenue base and significantly expands our international presence."*

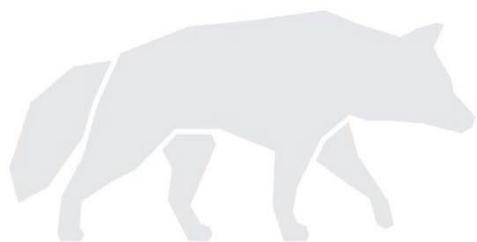
*"We believe this combination positions Scout for reinstatement to trading (subject to receiving ASX approval) and a meaningful re-rate in market valuation, as we integrate Roo's IP and explore further M&A opportunities in security, IoT, and camera markets."*



## Transaction summary

A summary of the material terms and conditions of the Exchange Agreement is set out below (all US\$:A\$ currency conversions completed at an assumed exchange rate of US\$1.00:A\$0.6217):

Clause	Summary
<b>Acquisition</b>	Pursuant to the Exchange Agreement, the Company will acquire 100% of the issued stock in Roo ("Roo Stock") from the Roo Stockholders ("Acquisition") upon satisfaction of the conditions precedent set out below ("Conditions Precedent").
<b>Conditions Precedent</b>	<p>Completion of the Acquisition ("Completion") is conditional upon satisfaction of the following Conditions Precedent:</p> <ul style="list-style-type: none"> <li>(a) the Company receiving Shareholder approval for the issue of the Debt Acquisition Securities (defined below), for which a general meeting of shareholders ("General Meeting") is intended to be convened as soon as possible;</li> <li>(b) the relevant parties having entered into the Debt Restructure Agreements (defined below); and</li> <li>(c) the parties receiving all necessary shareholder and regulatory approvals required to give effect to the Acquisition.</li> </ul>
<b>Debt Position</b>	<p>As at the date of this Notice, Roo and the Company are parties to the following financing arrangements:</p> <ul style="list-style-type: none"> <li>(a) Roo is party to the following arrangements: <ul style="list-style-type: none"> <li>(i) a senior secured debt financing with Second Century Ventures LLC (the "Senior Lender") under which Roo is liable to repay a sum of US\$4.72 million (A\$7.59 million) ("Senior Debt"); and</li> <li>(ii) a secured debt financing (subordinated to the Senior Secured Roo Debt) with [Settle Inc.] ("Junior Lender") under which Roo is liable to repay US\$1.12 million (A\$1.80 million) ("Junior Debt"), ("Roo Finance Agreements"); and</li> </ul> </li> <li>(b) the Company is a party to secured loan note financing arrangements under which it has issued 933,683 loan notes, each with a face value of US\$1 ("Loan Notes") for which it is liable to repay US\$1.24 million (A\$1.99 million), being principal of US\$0.93 million (A\$1.50 million) and interest of US\$0.30 million (A\$0.49 million) ("SCT Accrued Interest"), to the holder of Loan Notes ("Loan Noteholders"), (together, the "Finance Agreements").</li> </ul>
<b>Debt Restructure</b>	<p>As a condition to Completion, the Company, Roo, the Senior Lender and the Noteholders will enter into agreements to give effect to a restructure ("Debt Restructure") of debt arrangements ("Debt Restructure Agreements"), which will result in the Senior Secured Roo Debt being assigned to Scout (as lender) at Completion in consideration for the issue of:</p> <ul style="list-style-type: none"> <li>(a) such number of fully paid ordinary shares in the capital of the Company ("Shares") at a deemed issue price of \$0.52 per Share, as will result in the Senior Lender holding a voting power in the Company of 19.9%;</li> <li>(b) 1,200,000 in SCT Loan Notes; and</li> <li>(c) such number of notes convertible into Shares at a conversion price of \$0.52 per Share each with a face value of A\$1 ("Convertible Notes") as has a value equal to A\$5.18m less the value of Shares issued at Completion (refer to the Schedule for a summary of the material terms and conditions of the Convertible Notes), ("Debt Acquisition Securities").</li> </ul> <p>The Junior Debt will remain in place following Completion and will remain subordinated to the security interest held by the Company under the Senior Debt.</p>



Clause	Summary
	The Company will issue one (1) option, exercisable at \$0.52 on or before 13 June 2026 ("Transaction Options") for each Share issued under the Debt Restructure, including Shares issued on conversion of the Convertible Notes.
<b>Loan Variation and Standstill</b>	<p>The Company has been in discussions with the existing Loan Noteholders and it is expected that, subject to execution of necessary documentation, which is anticipated to occur prior to the General Meeting, with effect from 30 November 2025 ("Effective Date"), the Loan Notes are to be amended as follows:</p> <p>(a) the repayment date will be extended from 28 April 2028 to the date that is 3 years following the Effective Date;</p> <p>(b) the SCT Accrued Interest as of 30 November 2025 will be rolled into principal amount, with the effect of:</p> <p>(i) increasing the number of SCT Loan Notes on issue (prior to the issue to the Senior Lender) to approximately 1.24 million; and</p> <p>(ii) all liabilities under the SCT Loan Notes becoming non-current liabilities;</p> <p>(c) the interest rate will be reduced from 12% to 8%; and</p> <p>(d) no repayments will be required from Scout for the period commencing on the Effective Date and ending on the date that is 12 months following the Effective Date.</p>
<b>Consideration</b>	<p>The consideration payable to the Roo Stockholders by the Company is a sum of \$5,180,000 ("Consideration Value"), less the value of the Senior Debt, which is to be satisfied through the issue of Shares at a deemed issue price of \$0.52 per Share, together with one (1) Transaction Option for each Share issued.</p> <p>As the Consideration Value is less than the value of the Secured Debt, the only consideration payable by the Company for the Acquisition will be the issue of the Debt Acquisition Securities.</p>
<b>Completion</b>	Completion of the Acquisition will occur immediately following satisfaction of the Conditions Precedent, at which time the Company will own 100% of the Roo Stock and will be the sole Senior Lender to Roo.

No changes to the Board or management of the Company will occur as part of the proposed transaction.

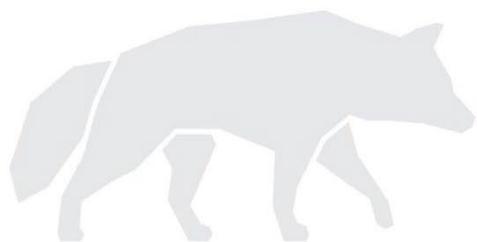
## Capital Structure

Set out below is an indicative capital structure of the Company as a result of the Acquisition.

Director	Shares	Options	Performance Rights	Loan Notes	Convertible Notes
Current	16,177,944	12,663,403	49,441	1,238,373 <sup>1</sup>	-
Acquisition <sup>2</sup>	4,019,240	4,019,240	-	1,200,000	3,089,995
<b>TOTAL</b>	<b>20,197,184</b>	<b>16,682,643</b>	<b>49,441</b>	<b>2,438,373</b>	<b>3,089,995</b>

### Note:

- As noted above, the number of SCT Loan Notes on issued will increase by 304,690 on 30 November 2025 through roll-up of the SCT Accrued Interest.
- The breakdown between Shares (with attaching Transaction Options) and Convertible Notes to be issued under the Acquisition will be determined based on the number of Shares on issue at Completion. In the event that additional Shares are issued between the date of this Announcement and Completion, additional Shares will be issued and the number of Convertible Notes to be issued will reduce in accordance with the terms of the Exchange Agreement.



## Indicative Timetable

Set out below is an indicative timetable in respect of the Acquisition:

Event	Date
Entry into Exchange Agreement	5 November 2025
General Meeting	11 December 2025
Completion of Acquisition	12 December 2025

*The above dates are indicative only and are subject to change at the Board's discretion in accordance with the Corporations Act and Listing Rules.*

## Reinstatement to Trading and Financing

The Company requested a voluntary suspension from trading on 19 April 2024 and ASX subsequently suspended the Company's securities under Listing Rule 17.3 on 27 May 2024. The Company's securities will continue to remain suspended until such time that ASX is satisfied with the Company's compliance with the Listing Rules, including Listing Rule 12.2, and that it is otherwise appropriate for its securities to be reinstated to quotation.

The Company is in the process of formulating a proposal to ASX for its reinstatement to quotation, which is likely to include an additional capital raising and conversion of existing debts to equity, subject to shareholder approval at an extraordinary general meeting to be convened in the coming months. The Company's reinstatement to quotation will be subject to satisfaction of any conditions imposed by ASX and remains subject to ASX's discretion under the Listing Rules, which will include the Company releasing all outstanding periodic reports required under the Listing Rules.

There is a risk that ASX determines that the Company is unable to satisfy any conditions imposed by ASX in connection with the Company's reinstatement to trading and it is possible that the Acquisition completes and the Company is not subsequently re-instated to trading.

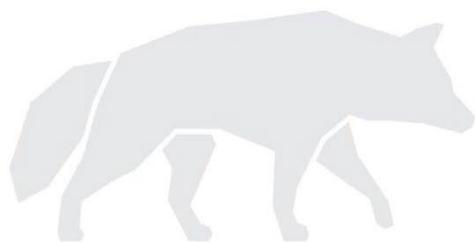
**This announcement has been authorised for release by the Board of Directors.**

**For more information, please contact:**

**Ryan McCall**

**Chief Executive Officer**

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## About Scout Security Limited

Scout Security Limited (ASX: SCT) is a white label security-as-a-service platform and product suite powering recurring revenue for some of the largest security, internet service and telecommunications providers in the world. Scout's simple and affordable DIY approach puts security within reach for millions of residential homes, small-to-medium businesses and multi-tenant buildings.

Scout was recognised as one of Forbes' "Best Home Security Companies of 2025" and was named the "Best Contract-Free Home Security System Provider of 2024" by CBS Essentials. 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.

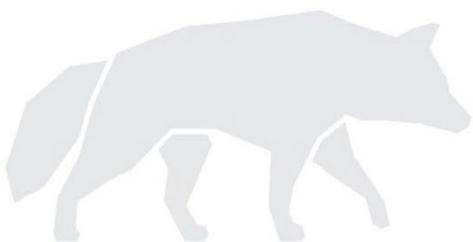
Scout is an official partner of Amazon Alexa and Google's Assistant. Scout is also an Amazon Alexa Fund portfolio company.

## Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which the Company operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside the Company's control.

The Company does not undertake any obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions or conclusions contained in this announcement. To the maximum extent permitted by law, none of the Company, its directors, employees, advisors or agents, nor any other person, accepts any liability for any loss arising from the use of the information contained in this announcement. You are cautioned not to place undue reliance on any forward-looking statement. The forward-looking statements in this announcement reflect views held only as of the date of this announcement.

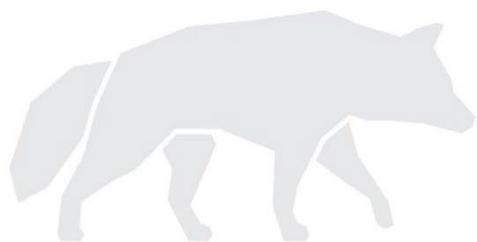
This announcement is not an offer, invitation or recommendation to subscribe for or purchase securities by the Company. Nor does this announcement constitute investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. Investors should obtain their own advice before making any investment decision.



## SCHEDULE – CONVERTIBLE NOTES

A summary of the material terms and conditions of the Convertible Notes to be issued to the Senior Lender (“Notes”) is set out below:

Title	Terms
<b>Issuer or Company</b>	Scout Security Limited (ACN 615 321 189).
<b>Face Value of each Note</b>	AUD\$1.00 (“Face Value”).
<b>Principal Amount</b>	Number of Notes held multiplied by the Face Value (“Principal Amount”).
<b>Maturity Date</b>	18 months following the date of issue (“Maturity Date”).
<b>Security</b>	The Notes will be an unsecured obligation of the Company.
<b>Interest</b>	<p>(a) Other than under paragraph (a) below, the Notes will not accrue Interest.</p> <p>(b) If an event of default occurs, interest shall be payable on the Principal Amount from the date of the event of default until the event of default has been remedied, or the Notes are either redeemed or converted, at the rate of 10% per annum accruing daily and computed on a daily basis on a year of 365 days</p> <p>(c) Interest will be payable in cash on the Maturity Date, or such earlier date on which the Principal Amount has been converted or redeemed in its entirety.</p>
<b>Quotation</b>	The Notes will not be quoted on the ASX or any other financial market.
<b>Conversion Price</b>	Each Note will be convertible into Shares (“Conversion Shares”) at a conversion price of \$0.52 per Share (“Conversion Price”).
<b>Options</b>	For every one (1) Conversion Share issued to the Noteholder, the Noteholder will be issued one (1) Transaction Option (“Conversion Options”).
<b>Compliance with Laws</b>	The Notes may not be converted in accordance if such conversion would cause the Company or the Noteholder to breach the Corporations Act, ASX Listing Rules or any other applicable laws or regulations.
<b>Conversion</b>	<p>(a) Either Party may, at any time from the issue of Notes until the Maturity Date, by providing the other Party with written notice of the conversion (“Conversion Notice”), elect that part or all of the Notes shall convert into Conversion Shares and Conversion Options.</p> <p>(b) The Company shall issue Conversion Shares and Conversion Options to which the Noteholder is entitled upon conversion of the Notes no later than 5 Business Days following the date of a Conversion Notice (Conversion Date).</p>
<b>Redemption</b>	<p>The Company will be required to redeem the Notes for their Face Value (plus any unpaid interest) on the earlier of:</p> <p>(a) the Maturity Date, provided that if either party has issued a Conversion Notice in respect of Notes prior to the Maturity Date and the Conversion Date falls after the Maturity Date, the Company shall only be required to redeem the relevant Notes if conversion does not occur on the Conversion Date; and</p> <p>(b) within 10 business days of a demand by the Noteholder on the occurrence of an Event of Default (as defined below) which has not been remedied within the prescribed time.</p>
<b>Early Redemption</b>	The Company may redeem the whole or part of the Notes for their Face Value (plus any accrued but unpaid interest) on any day prior to the Maturity Date, on giving not less than 14 days prior written notice to the Noteholder (Prepayment Notice), provided that the Noteholder will have a right to issue a Conversion Notice and convert the Notes into Shares prior to repayment.



<b>Reconstruction</b>	If there is a reconstruction, the number of Shares into which each Note is convertible will be adjusted in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of such reconstruction.
<b>Event of Default</b>	<p>It is an event of default, whether or not it is within the control of the Company, where:</p> <ul style="list-style-type: none"> <li>(a) Failure to pay: the Company fails to pay or repay any amount due by it and does not remedy the failure within 7 days;</li> <li>(b) Remediable failure: the Company fails to perform or observe any material undertaking, obligation or agreement and does not remedy such failure within 14 days after receipt by the Company of a notice from the Noteholder specifying the failure;</li> <li>(c) Non-remediable failure: the Company fails to perform or observe any other material undertaking, obligation or agreement and that failure is not remediable;</li> <li>(d) Receiver: a receiver, manager, official manager, trustee, administrator or similar official is appointed, or steps taken for such appointment, over any of the assets or undertaking of the Company; or</li> <li>(e) Insolvency: an event of insolvency occurs in respect of the Company,</li> </ul> <p>(together, "Events of Default").</p>
<b>Voting Rights and Participation Rights</b>	<ul style="list-style-type: none"> <li>(a) The Noteholder will be able to attend general meetings of the Company but is not entitled to vote prior to conversion of the Notes into Shares.</li> <li>(b) Before conversion, the Noteholder is not entitled to participate in rights issues, returns of capital, bonus issues or capital reconstructions of the Company.</li> </ul>

