

A leading provider of security services in Western Australia

For personal use only

SECURITY WITHOUT COMPROMISE

Threat Protect Australia

Business Update

December 2015

Demetrios Pynes, Managing Director



Monitored Security Systems | CCTV and Access Control | Corporate Risk Consultancy | Security Personnel

Threat Protect Australia Limited
ABN 36 060 774 227
www.threatprotect.com.au

Disclaimer

This presentation has been prepared to provide information on Threat Protect Australia Limited. It is not intended as an offer, invitation solicitation or recommendation with respect to the purchase or sale of any securities. This presentation should not be relied upon as the sole representation of any matter that a potential investor should consider in evaluating Threat Protect. Its affiliates or any of its directors, agents, officers or employees do not make any representation or warranty, express or implied, as to or endorsement of, the accuracy or completeness of any information, statements, representations or forecasts contained in this presentation, and they do not accept any liability for any statement made in, or omitted from, this presentation. Prospective investors should make their own independent evaluation of an investment in the Company.

Caution Regarding Forward Looking Information.

This document may contain forward looking statements concerning Threat Protect. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability. Forward looking statements in this document are based on Threat Protect's beliefs, opinions and estimates of Threat Protect as of the dates the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments

For personal use only

Company Overview

- ▶ Profitable security company with significant operating leverage through fixed cost nature of infrastructure already in place
- ▶ Diversified and contracted client base in Australia and New Zealand
- ▶ Strong board and management with skin in the game
- ▶ Management focused on organic growth and attractively priced industry consolidation opportunities
- ▶ Listed through RTO and \$5.5m capital raising in September 2015

Financial Information

Share Price (December 11 th)	\$0.031
Number of shares	602m
Market Capitalisation	\$18.6m
Net Debt	\$1.8m
Enterprise Value	\$20.4m
FY16 EBITDA guidance	\$1.2m
Normalised FY16 EBITDA guidance	\$1.6m

Top Shareholders

Alison Howe	5.15%
Demetrios Pynes (MD)	5.10%
Christina Michael	5.00%
Redun Pty Ltd	4.99%
Paul Ferrara (ED)	4.72%
Top 20 Shareholders	47.6%
Board & Management	10.8%

Board & Management

Derek La Ferla – Non-executive Chairman

- ▶ Experienced corporate lawyer and company director
- ▶ Current directorships include Sandfire Resources and OTOC Ltd

Demetrios Pynes – Managing Director

- ▶ Experienced businessman with specialist finance and security knowledge

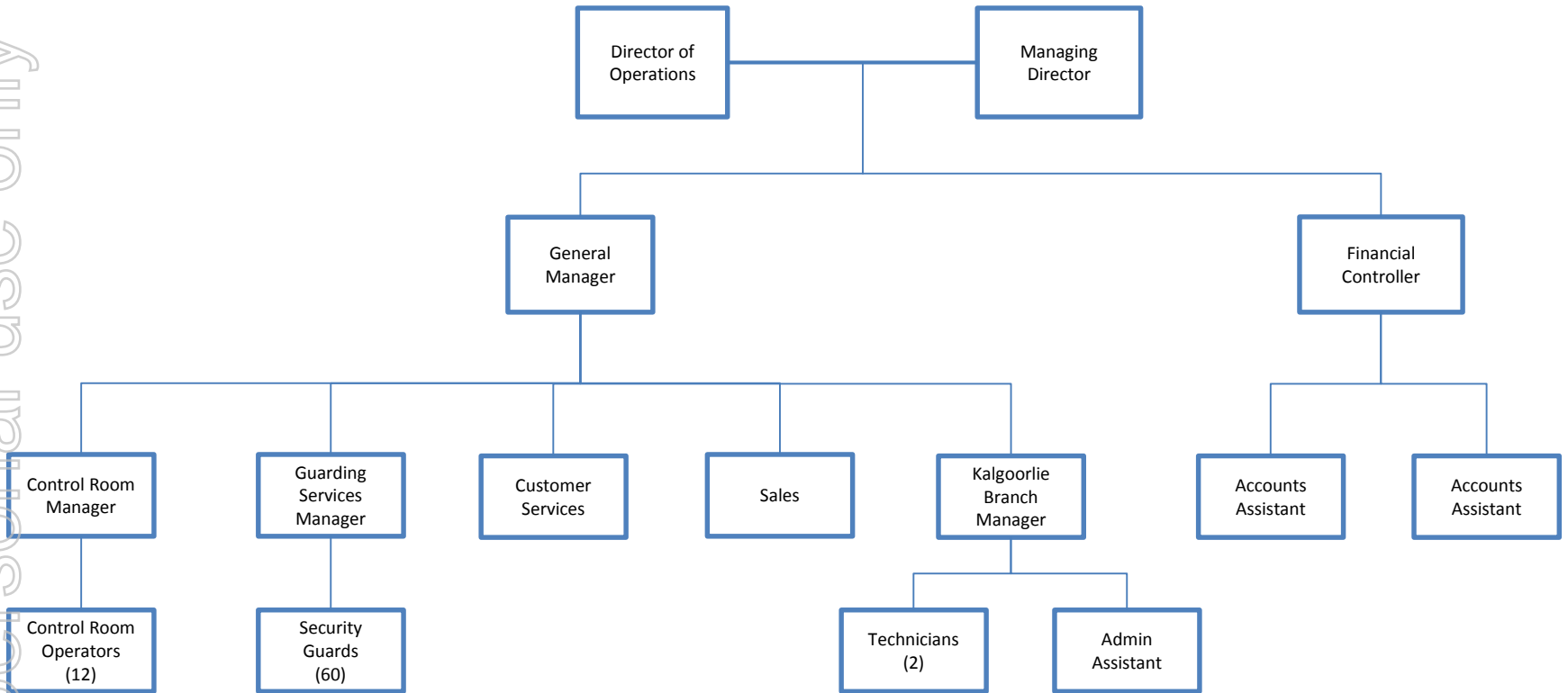
Paul Ferrara – Executive Director, Operations

- ▶ Experienced in management and information systems, specialising in telecommunications

Ian Olson – Non-executive Director

- ▶ Experienced chartered accountant and company director
- ▶ Current directorships include Gage Roads Brewing Co Ltd and Pointerra Pty Ltd

Organisational Structure



For personal use only

Monitoring Market in Australia

The Australian security industry generates in excess of \$6.3 billion in revenue annually, of which alarm monitoring represents \$1 billion

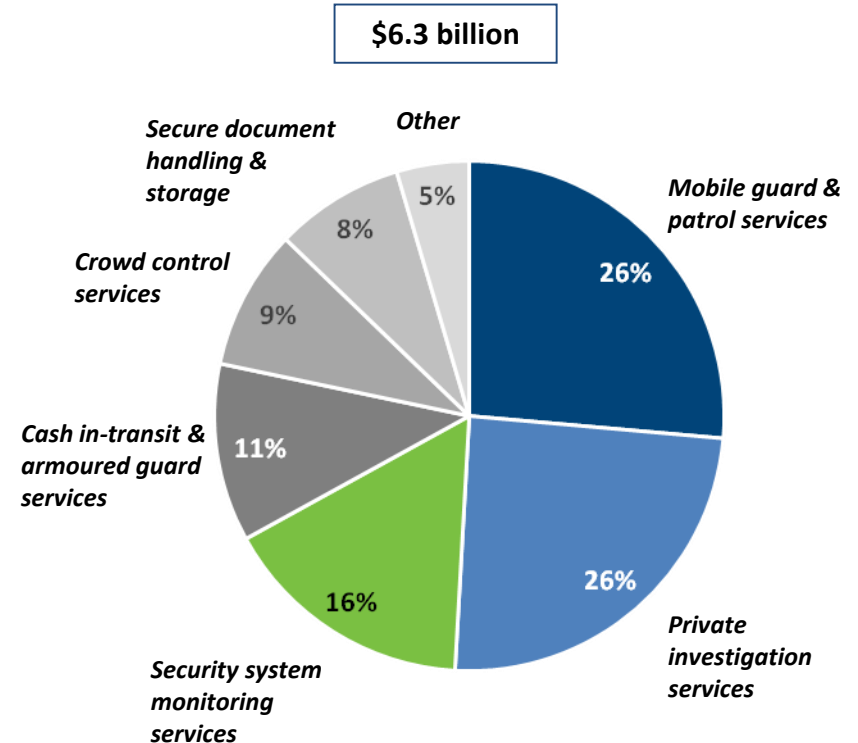
Key Themes

- ▶ The industry is focused on providing security, protection and private enquiry services to the general public
- ▶ Fragmented industry with over 6,500 businesses Australia wide
- ▶ The industry is moving away from labour-intensive guards and patrols to electronic security & monitoring
- ▶ Stable revenue - contracts typically 5 year tenure
- ▶ IBIS World expect 2.2% annualised growth over the five years to 2018-19 in the security industry

Strong Long Term Demand Drivers

- ▶ Criminal Activity
- ▶ Threat of terrorism
- ▶ Requirement of insurance product providers
- ▶ Technological advances
- ▶ Government and large corporate outsourcing

Security Industry Revenue Segmentation



Source: IBIS World

Threat Protect Overview



Threat Protect offers security based services to help protect people, property and enterprise

Monitored Security Systems

- ▶ Alarms, access control, CCTV
- ▶ Tracking and duress



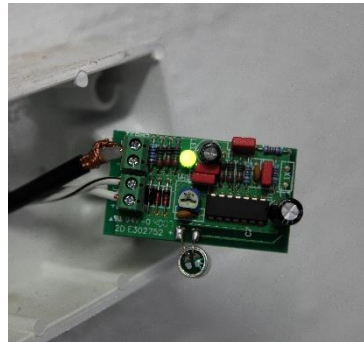
Manpower Services

- ▶ Security officers and advisors



Risk Consultancy

- ▶ Threat Assessments
- ▶ Counter surveillance
- ▶ Investigations

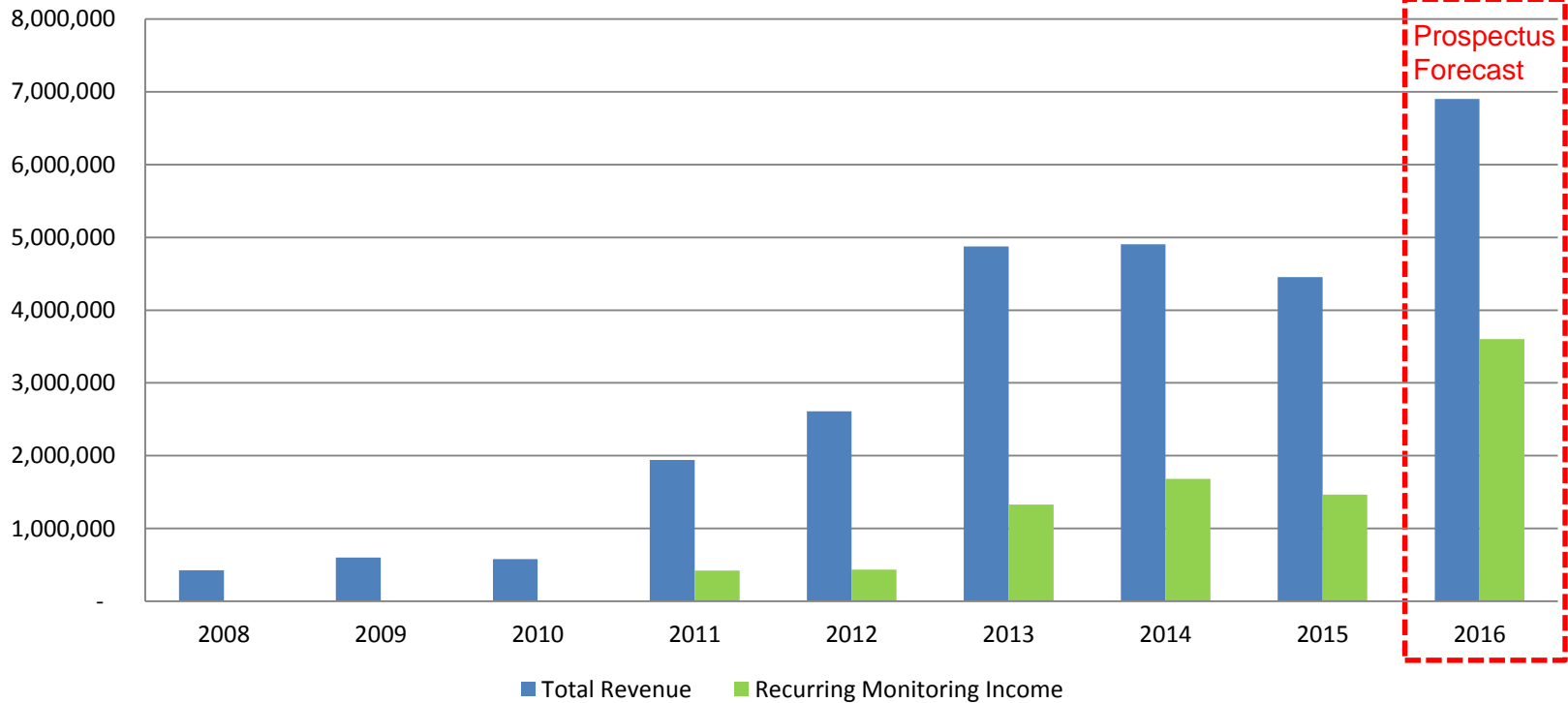


The Threat Protect Growth Story



Threat Protect has a history of acquiring and successfully integrating new security businesses. Two new acquisitions recently completed and fully integrated.

For personal use only

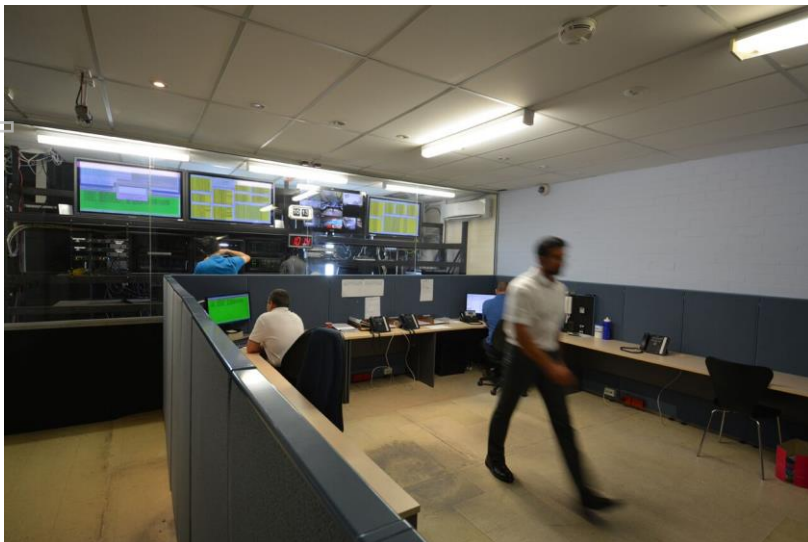


Grade A1 Monitoring Control Room

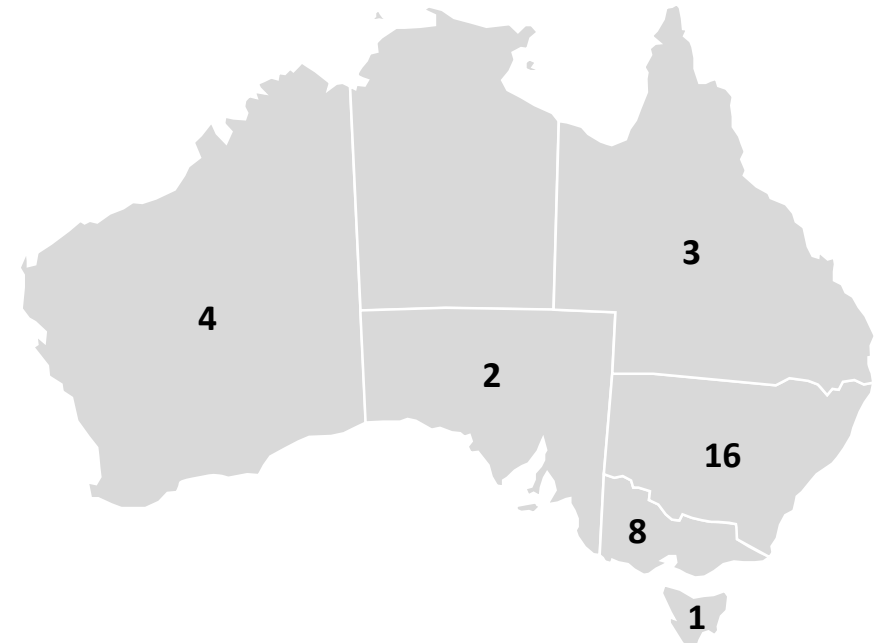
Threat Protect's facility has been graded to the highest level, being "A1" under the Australian Standards

Threat Protect Grade A1 Control Room

- ▶ Grade A1 monitoring centre located in East Perth
- ▶ Under the Security Act, control rooms servicing Australian clients must be located in Australia
- ▶ Control room has the capacity to operate ~100,000 lines across Australia & New Zealand
- ▶ Majority of cost base is fixed with marginal incremental costs to service additional lines
- ▶ Multiple levels of redundancy across power supply & communications



Graded Control Rooms Distribution



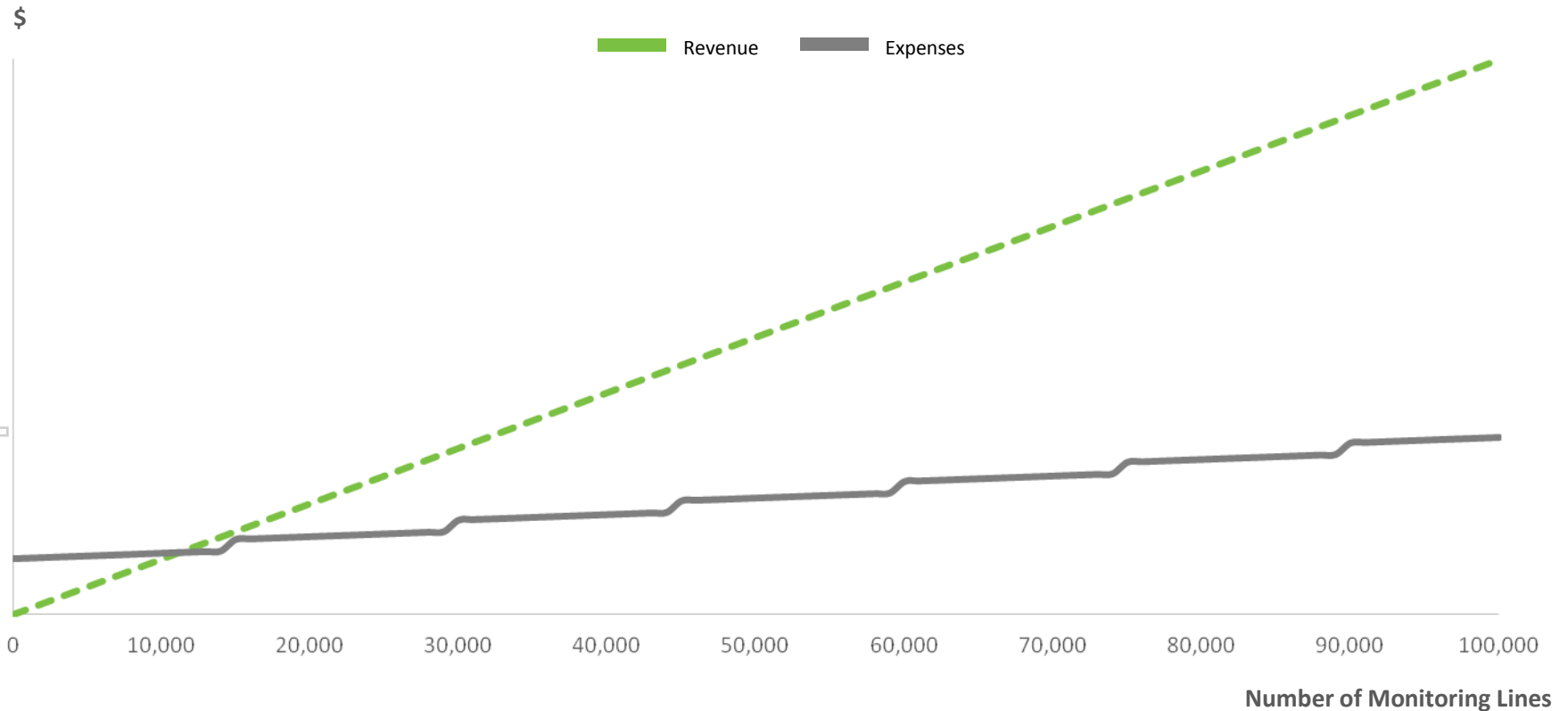
Source: ASIAL

Profit Accretive Business Model

“Alarm monitoring has wide appeal due to its cash flow capabilities. Since alarms are monitored from a central control room, overheads are generally fixed. Also, once a break even number of clients is reached, additional clients are almost totally extra profit.”

IBISWorld Industry Report 07712 – Investigation and Security Services in Australia January 2014

Illustrative Threat Protect Monitoring Control Room Metrics



Strong Growth Pipeline

Threat Protect offers a scalable investment opportunity. A growing customer base should add substantially to enterprise value

Organic Opportunities

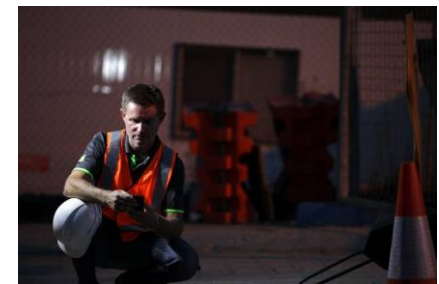
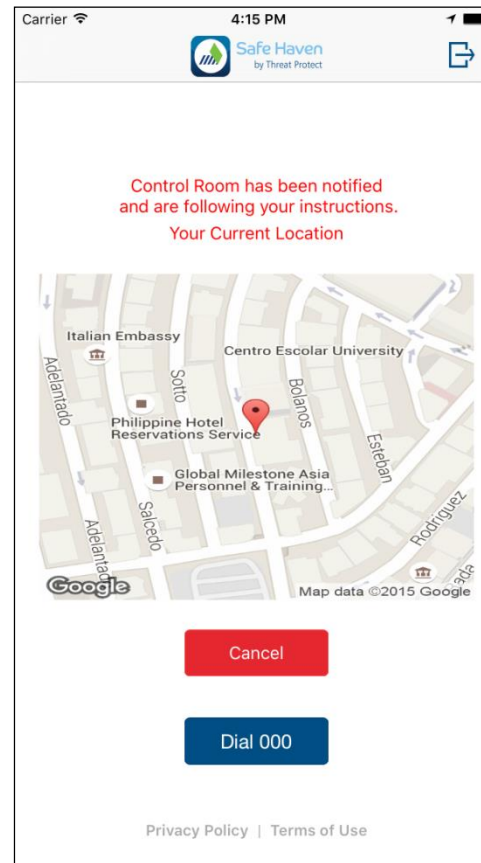
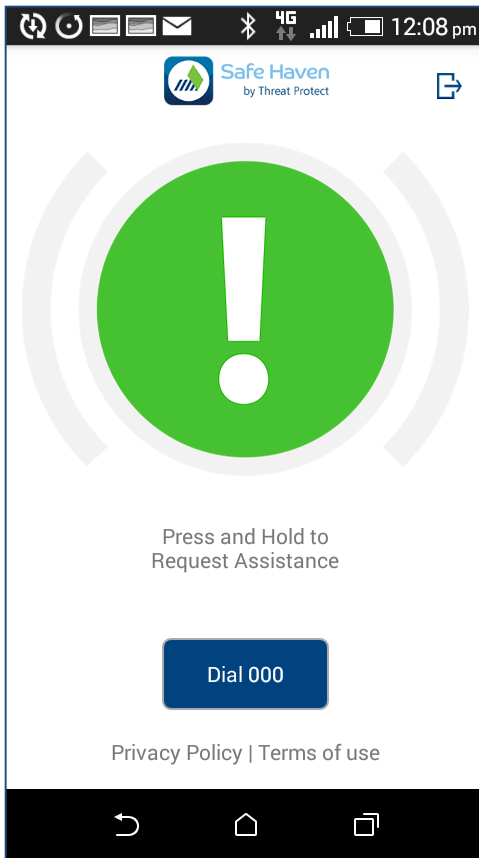
- 1 **Strategic alliances with ISPs to provide security monitoring as a bundled product**
- 2 **Expanding monitoring to people, not just premises, massively increasing potential client base**
 - ▶ Safe Haven
- 3 **Partnerships with other security firms and service providers to use Threat Protect for white labelling**

Acquisitive Opportunities

- 1 **Growth by acquisition of monitored security client bases at defensible valuations**
- 2 **Acquisitions will supply additional revenues without proportionate increases in costs**
- 3 **Expansion of business footprint across Australia & New Zealand**

Human response and management rather than a text message

- ▶ General personal safety & lone worker protection
- ▶ Home alarm system not required with customisable response options available
- ▶ Available for Android and Apple



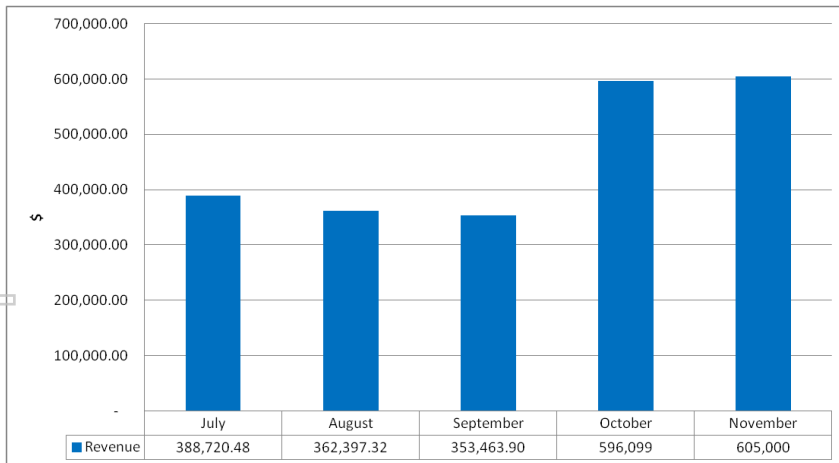
For personal use only

Key Financial Metrics

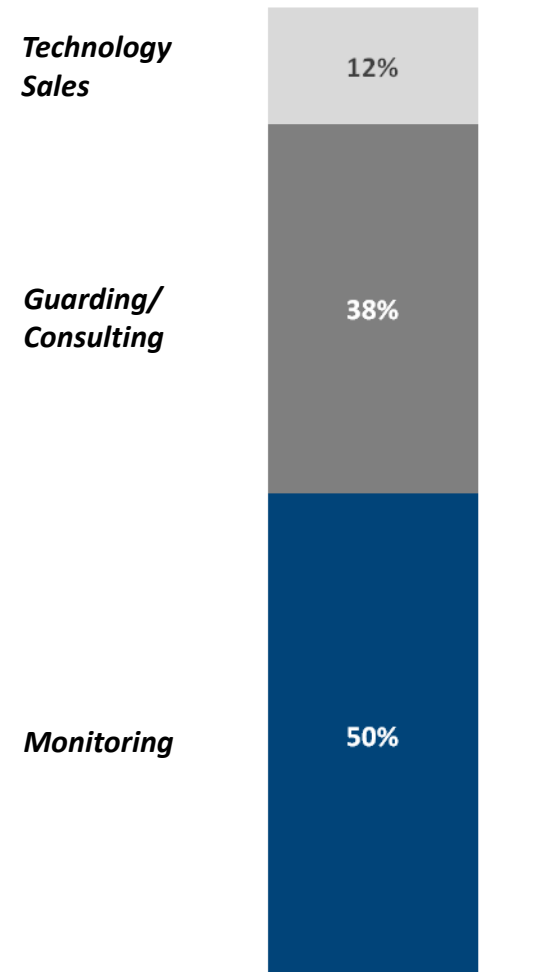
Financial Forecast

FY 16 Revenue	\$6.9 million
FY 16 EBITDA	\$1.2 million
Normalised EBITDA	\$1.6 million

Monthly revenue – FY16 July - November



Revenue Segmentation





Demetrios Pynes

Managing Director

t: +61 8 9322 2922

e: dpynes@threatprotect.com.au

For personal use only