



29 July 2016

ASX Announcement

Appendix 4C & Quarterly Activity Update

Threat Protect Australia Limited (ASX:"TPS") ("Threat Protect") is pleased to provide the following quarterly market activity update.

Activity Highlights

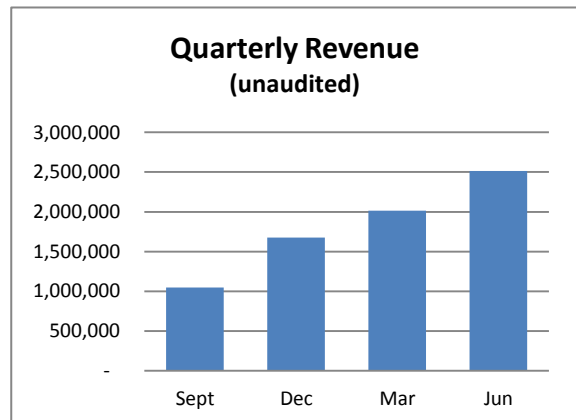
- The Company continues its successful acquisition strategy
- Significant steps have been made to make the business operating cash flow positive
- Threat Protect continues to deliver high quality integrated security services Australia wide

Operating Review

Threat Protect has continued to focus on maximising operational efficiencies and utilisation of its Grade A1 security control room. Following complete integration of the AEP and IRG businesses, revenue for the quarter has been the strongest to date.

As disclosed in the prospectus, a major focus of the Company's overall growth strategy is to convert wholesale clients of the electronic monitoring service to retail clients through acquisition. We have identified several appropriate resellers to acquire, of which the first of these has occurred during the June quarter.

We anticipate further announcements to the market in the coming months as these transactions are completed.



Such acquisitions have virtually no impact on operating expenses or the capacity of the control room which is currently running at 20%, providing ample scope for further acquisitions of monitored clients.

THREAT PROTECT AUSTRALIA LIMITED

ACN 060 774 227 | ABN 36 060 774 227

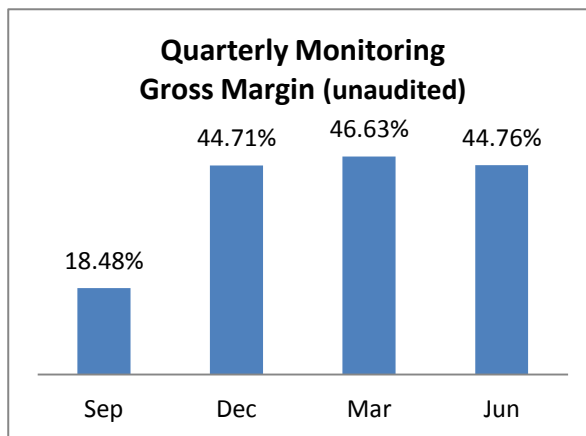
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Website: www.threatprotect.com.au

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Prior to the acquisition of Monitoring Excellence in October 2015, the gross contribution margin of the security monitoring business was 19%.

Following the acquisition and continued cessation of duplicate costs, the gross contribution margin has now risen to over 47% for the month of June 2016, and this figure is expected to continue rising for the coming months as further acquisitions are made.

This is a clear example of the Company focusing on our core monitoring business and utilising the advantages of economies of scale.



The security personnel and technology sales businesses continue to focus on support services to the existing monitored client base, noting that the environment especially in Western Australia is highly competitive. These business units however are imperative for the provision of a complete security solution and the retention of our monitored clients.

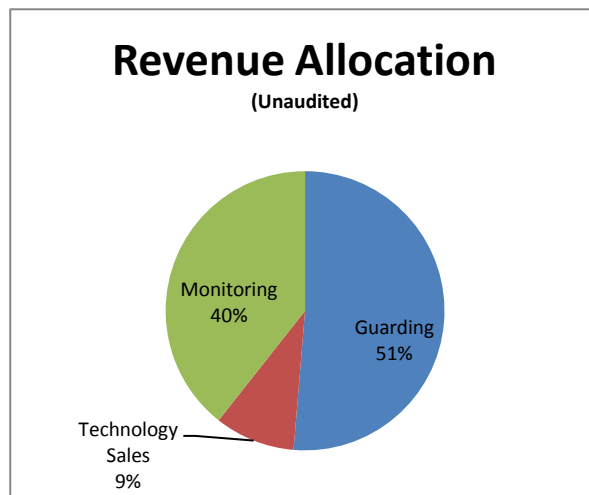
The Safe Haven App has, in the June quarter, secured its first local government client and business development efforts are now focussed towards local and state government organisations who have expressed their interest.

Corporate and Finance Review

During the June 2016 quarter the Company continued with its cost reduction and revenue roll-up initiatives.

The net operating cash flow for the June quarter, excluding payments made for historical liabilities repaid generates a positive cash return for the business.

As at 30 June 2016 the Company has an investment loan facility of \$1.14 million available to maintain the successful acquisition growth strategy.



Mr Simon Whybrow was appointed as Chief Financial Officer and Company Secretary of the Company following the restructure of the Company's finance and accounting function.

Outlook

The outlook for Threat Protect looks very promising over the coming months, with the business anticipated to be consistently returning positive operating cash flows based on the adopted growth strategy.

The Company will continue to explore a number of similar acquisition opportunities within its current reseller base, and with the recent achievement of the New South Wales Security Master Licence the business is commencing its national expansion strategy into the more buoyant East Coast markets.

For further information, contact:

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About Threat Protect Australia Limited

Threat Protect provides monitored security solutions that ensure the safety of Australian homes and businesses 24 hours a day, 365 days a year.

We have the highest security accreditation it's possible to achieve in Australia and use only state-of-the-art technology and equipment.

Our commitment to providing a complete end to end service is second to none, whether you own a small apartment or a giant multi-national headquarters.

- Monitored Security Systems
- Security Personnel
- Corporate Risk Consultancy

We call it “**Security Without Compromise**”.

- Threat Protect is a leading Australian security agency fully licensed by WA and NSW police departments and other national and international bodies.
- We support thousands of residential and business clients in Australia and beyond.
- We'll personally evaluate your security needs.
- All products and services meet Australian Standards.
- 24-hour monitoring from our A1 graded control room in Perth.



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