

A leading provider of security services across Australia

SECURITY WITHOUT COMPROMISE

Threat Protect Australia Limited

Investor Presentation

November 2016

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

This presentation has been prepared to provide information on Threat Protect Australia Limited (“Threat Protect”). 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

Who is Threat Protect?

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

Monitored Security Systems

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



Manpower Services



Risk Consultancy





Growth	Growing security services company with significant operating leverage through fixed cost nature of existing infrastructure
Recurring Earnings Base	Highly diversified recurring security monitoring income streams with very low levels of service cancellation.
Capacity	Existing control room infrastructure at 20% utilisation
Leadership Team	Strong Board and experienced management with significant shareholdings
Acquisition Strategy	Management focused on acquisition growth through consolidation opportunities within a highly fragmented industry
Funding	Funding facilities in excess of \$10 million available for the next phase of acquisition strategy



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

- ▶ Former banking and finance executive with merger & acquisition experience across Australia
- ▶ Experienced business owner and operator in the security industry

Paul Ferrara - Executive Director, Operations

- ▶ Experienced in management and information systems, specialising in telecommunications
- ▶ Business Integration Specialist
- ▶ Extensive security industry knowledge

Ian Olson - Non-executive Director

- ▶ Chartered accountant and company director
- ▶ Current directorships include Gage Roads Brewing Co Ltd and Pointerra Limited

Financial Information (10 November 2016)

Share Price	\$0.022
Number of shares*	752m
Market Capitalisation*	\$16.5m
Net Debt*	\$1.5m
Enterprise Value	\$18.0m
FY16 Revenue	\$7.2m
FY16 Statutory EBITDA**	-\$5.0m
FY16 Normalised EBITDA**	-\$0.5m

Top Shareholders*

Peter Pynes	6.10%
First Samuel Limited	5.80%
Robert Goudie Financial Advisors	4.44%
Alison Howe	4.13%
Demetrios Pynes (MD)	4.08%
Christina Michael	4.00%
Redun Pty Ltd	4.00%
Top 20 Shareholders	54.91%
Board & Management	8.26%

* Including Tranche 1 of up to \$1.5m First Samuel Capital Raising

** FY'16 result impacted by RTO transaction accounting expenses, business acquisition and integration costs

The Monitoring Market in Australia

The Australian security industry generates in excess of \$6.3 billion in revenue annually, Threat Protect participates in the largest three segments, but is focused primarily on monitoring

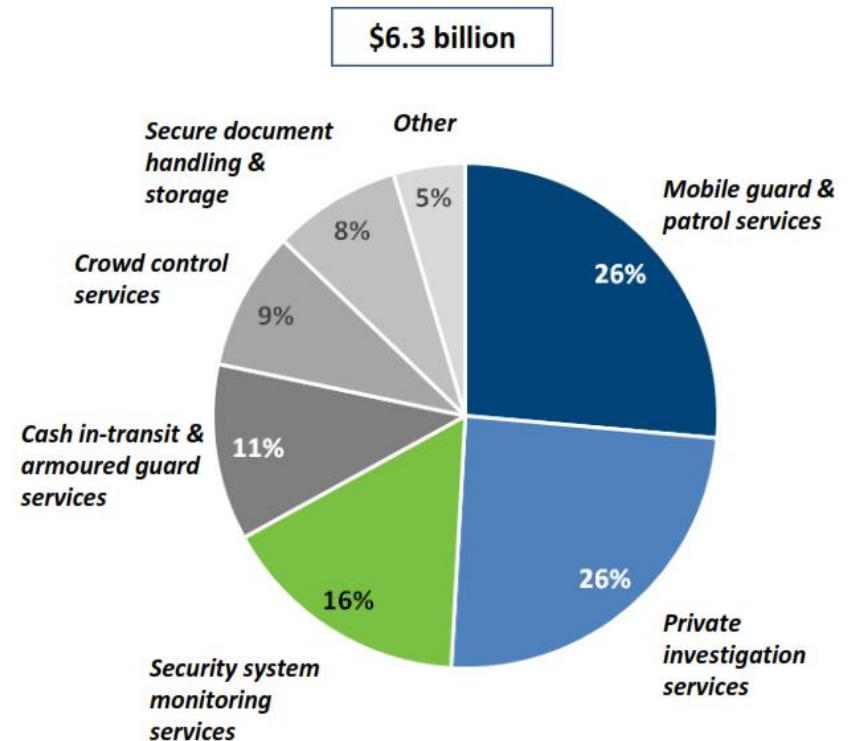
Key Themes

- ▶ 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 6 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

Drive industry collaboration, innovation, and consolidation to build a major professional security services business in Australia

Organic Opportunities

1

Strategic alliances with ISPs to provide security monitoring as a bundled product

2

Expanding monitoring to people, not just premises, substantially 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

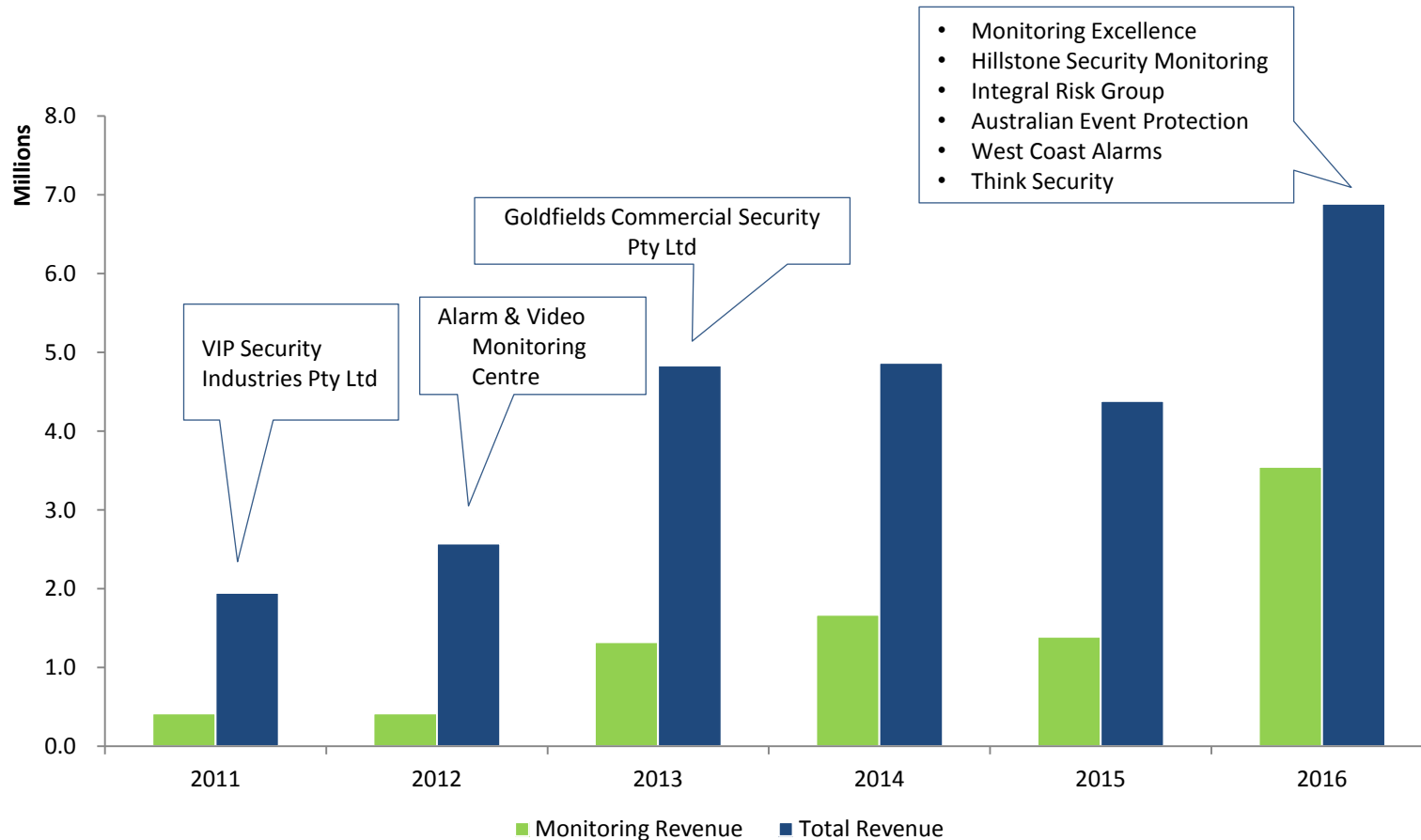
Acquisitions will supply additional revenues without proportionate increases in costs

3

Expansion of business footprint across Australia & New Zealand

The Threat Protect Acquisition Growth Story

- Threat Protect has a history of acquiring and successfully integrating new security businesses.
- Six new acquisitions completed and fully integrated since listing on ASX in September 2015.



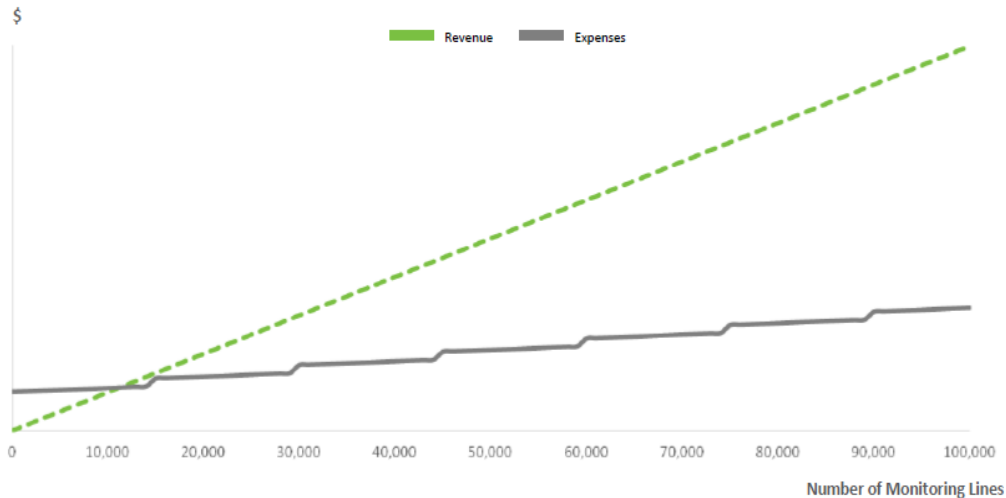
Established Control Room Infrastructure

Leverage existing control room fixed assets to grow revenue, utilisation, and earnings

Grade A1 Control Room

- ▶ Monitoring centre located in East Perth, graded to the highest level “A1” under Australian Standards
- ▶ Multiple levels of redundancy across power supply and communications
- ▶ Significant capacity to operate: ~100,000 lines across Australia & New Zealand, currently ~ 20% utilised
- ▶ Majority of cost base is fixed with marginal incremental costs to service additional lines
- ▶ Newly established presence in Sydney through acquisition of Integral Risk Group

Illustrative Control Room Metrics

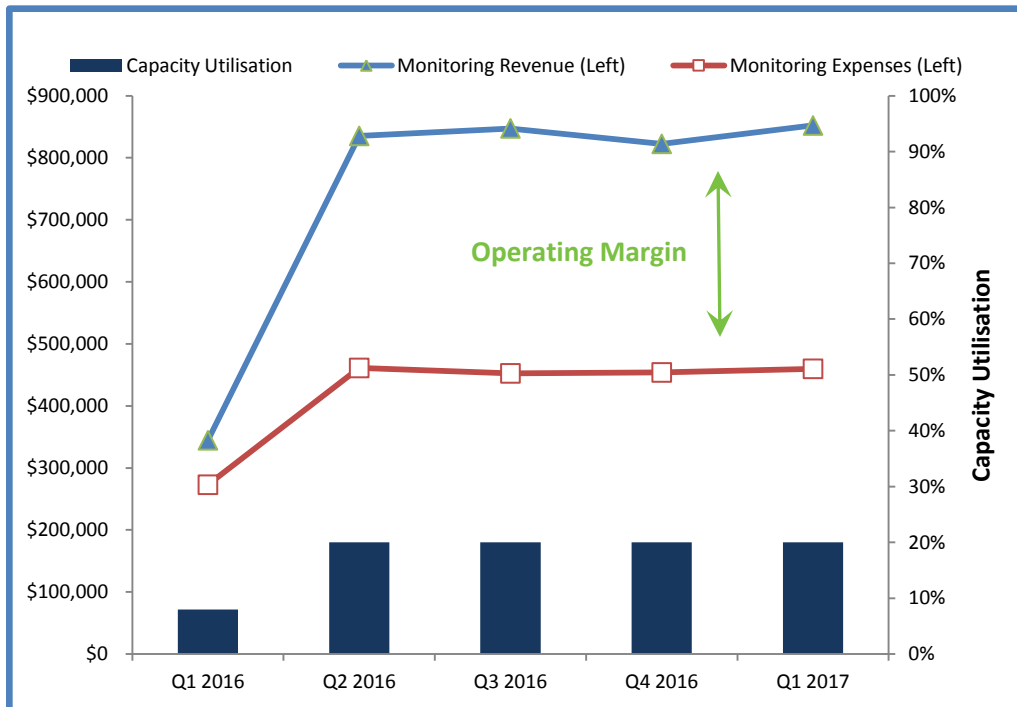


Alarm monitoring has wide appeal due to its cash flow capabilities. Since alarms are monitored from a central control room, overheads are generally fixed. Also, once a break even number of clients is reached, additional clients are almost totally extra profit.”

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


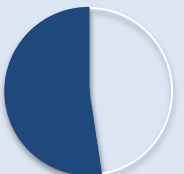

Monitoring - profit accretive business model

Leverage existing control room capacity to grow revenue, utilisation, and earnings



- ▶ Readily scalable business able to generate significant earnings uplift
- ▶ Control room capacity with largely fixed cost base
- ▶ Reliable subscription based monitoring revenue
- ▶ New monitoring revenue generates increased margin, flowing through to bottom line

Security monitoring is now approaching 50% of group revenue following recent acquisitions

<p>Security Monitoring</p> <ul style="list-style-type: none">▶ Security monitoring revenue now equals 45% of total revenue, up from 33% pre-acquisitions▶ Retail clients generally on 36 or 48 month contracts paid via direct debt, quarterly in advance▶ Monthly revenue of acquisitions meeting due diligence expectations▶ Security Monitoring for people – launched innovative Safe Haven App<ul style="list-style-type: none">▶ General personal safety & lone worker protection▶ Home alarm system not required with customisable response options available▶ Available for Android and Apple	<p>45% of Annual Revenue</p> 
<p>Manpower</p> <ul style="list-style-type: none">▶ Generates approx. 53% of annual revenue▶ Obtained NSW Security licence as part of expansion into NSW market▶ 60% of non-monitoring revenue is contracted predominantly with large corporate or government clients.	<p>53% of Annual Revenue</p> 
<p>Risk Consultancy</p> <ul style="list-style-type: none">▶ Generates approx. 2% of annual revenue▶ Demonstrates subject matter expertise and credibility creating a point of difference▶ Diversified offering that facilitates securing additional sales of monitoring and manpower	<p>2% of Annual Revenue</p> 

Funding in place for continued growth

- ▶ Funding package of up to \$10.5 million secured in November 2016 with new cornerstone investor First Samuel Limited
 - \$1.5 million share placement to raise up to \$1.5 million at 3 cents per share, a premium of 69% to Threat Protect's 30 day VWAP on 2 November 2016
 - \$9.0 million three year convertible note to be utilised for future acquisition of monitoring businesses
 - * Unsecured and subordinated to senior debt.
 - * 9,000,000 Notes with face value of \$1.00
 - * Notes may convert to fully paid ordinary shares at a rate equivalent to 3 cents per share
 - * Threat Protect may elect to redeem the Notes at a redemption premium of \$0.67 per Note
 - * Interest rate of 9% per annum, paid bi-annually.
 - First Samuel a significant new cornerstone investor in Threat Protect
- ▶ \$1.2 million currently available Acquisition Facility with National Australia Bank
- ▶ Threat Protect well funded to actively pursue its acquisition growth strategy and continue its consolidation of the Australian security monitoring industry

Organic Growth Plan & Existing Operations

- Delivery of premium integrated security services to large corporate and government clients.
- Growing national presence with operations expanding on eastern seaboard
- White labelling of Threat Protect's monitoring services to smaller security firms (7 completed in FY2016)
- Focused on efficiencies of operations, and restructure of installation and servicing operations
- Continued expansion of the Safe Haven security monitored app

Acquisition Strategy

- Pipeline of targets across Australia, with ongoing discussions currently being held
- Includes focus to convert wholesale clients of monitoring service to retail clients - significant increase in revenue with minimal increase in cost utilising control room capacity
- The company continues to review acquisition opportunities to take advantage of the highly fragmented industry
- New funding facility of up to \$10.5m with cornerstone investor First Samuel Limited for security monitoring acquisitions



Demetrios Pynes

Managing Director

t: +61 8 9322 2922

e: dpynes@threatprotect.com.au