



ASX ANNOUNCEMENT

5 December 2017

Acquisition of two East coast monitoring companies

Highlights:

- Threat Protect has acquired two NSW based security monitoring client bases from within their pool of resellers.
- Converting monitoring revenue from indirect (reseller) to a direct relationship increases the recurring contracted monitoring revenue, with limited increase in operating cost.
- Acquiring additional direct monitored lines from existing resellers is consistent with Threat Protect's business model to deliver high quality integrated security services throughout Australia.

Threat Protect Australia Limited ("**Threat Protect**" or the "**Company**") (ASX:" **TPS**") is pleased to announce it has completed the acquisition of Alpha Alarms Pty Ltd ("Alpha") and Seekers Security Management Pty Ltd ("Seekers").

Acquisition of the two monitoring businesses enhances Threat Protect's presence on the Eastern seaboard, adding over 2,100 residential and commercial customers in New South Wales, Victoria and Queensland.

These acquisitions increase the number of direct lines monitored by TPS by 30% to circa 8,200 from a total of approximately 38,000 lines monitored in total.

In the FY 2017 the recurring monitoring income from both entities contributed approximately \$1.2 million of revenue (unaudited), and an additional \$1.5 million (unaudited) of associated other revenues derived from technology sales and service.

Completion of the transaction is expected to be immediately earnings per share accretive, and to positively contribute to the Company's 2H 2018 earnings.

The agreed acquisition price of approximately \$2.7 million comprises:

- \$2.4 million in cash up front; and
- The balance to be paid 12 months post completion subject to a "true-up" of the Acquisition purchase price based on annualised recurring revenues.

The acquisition will be fully funded by the Company's acquisition funding facility with First Samuel Limited, announced in November 2016. The Company has recently issued 2.7 million Convertible Notes to First Samuel Limited to fund the first tranche of the acquisition. The conversion of the Convertible Notes into shares at a price of 21c will be subject to approval by the Company's shareholders.

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Threat Protect's Managing Director Demetrios Pynes commented, "The acquisition of these two companies continues our growth strategy building on our initial entry into New South Wales in 2016. While retaining focus on our existing operations, we will continue to pursue various acquisition opportunities in a disciplined manner where they make strategic sense and add value" Mr Pynes said.

The Company will continue to identify other similar opportunities to further increase recurring revenue and will update the Market as these progress.

- End -

For further information, contact:

Investors

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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 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 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, NSW, Victoria and Queensland 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 rooms in Perth and Sydney.

