



ASX ANNOUNCEMENT

1 May 2019

Threat Protect completes acquisition of Onwatch Pty Ltd

Threat Protect Australia Limited (“**Threat Protect**” or the “**Company**”) (ASX: “**TPS**”) is pleased to announce it has completed the acquisition of Onwatch Pty Ltd (“**Onwatch**”), as announced to the market on 4 March 2019.

Acquisition of Onwatch is a key step in the continued execution of Threat Protect’s growth strategy and represents the Company’s largest acquisition to date.

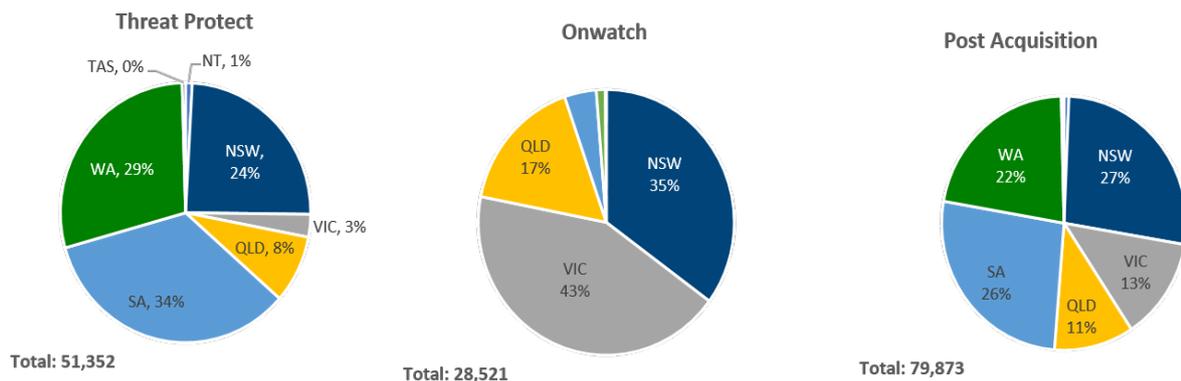
Threat Protect has agreed to pay \$35.8m for the Onwatch business through a combination of cash, equity and the assumption of the existing liabilities of Onwatch.

Onwatch has been a successfully run security monitoring and alarm business since 2005. The business consists of approximately 29,000 accounts:

- 18,000 direct subscribers predominately in the Eastern states, and
- 11,000 bureau subscribers serviced by 158 resellers

Onwatch has two control rooms; one in New South Wales which focuses on direct subscribers, and one in Victoria which services predominantly resellers.

Monitored Accounts by State



The Acquisition will significantly expand Threat Protect’s national presence, adding in excess of \$12.0m in annual recurring revenue, increasing Threat Protect’s monitoring revenue to \$24.0m per annum (or \$2.0m in recurring monthly revenue (**RMR**)).

THREAT PROTECT AUSTRALIA LIMITED

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The Company expects the acquisition to be immediately earnings per share accretive, and to positively contribute to Threat Protect's 2H'19 revenue and earnings.

To facilitate the acquisition, Threat Protect restructured its debt arrangements and entered into a \$36.0 million Note Subscription Agreement arranged by Soliton Capital Partners Pty Ltd (**Soliton**) and has also signed a new \$8.0m unsecured debt facility with First Samuel Limited (**First Samuel**).

In April 2019, Threat Protect completed a \$5.4m underwritten rights issue to all shareholders at a price of \$0.25 per share.

The consideration for the acquisition was the issue of 8,000,000 shares in Threat Protect at an issue price of \$0.25 per share to the vendors of Onwatch, the payment of cash of approximately \$32.2 million and \$1.5 million of deferred consideration, payable 12 months from the date of acquisition.

The Company has converted the \$9.0m convertible notes issued to First Samuel into 42,857,153 shares at an issue price of \$0.21 each, approval for which was granted by shareholders at a general meeting held in July 2018. First Samuel now holds 39.05% of the Company's issued capital.

Following the issue of the above securities, the Company has 203,316,047 shares on issue. Please refer to the attached Appendix 3B for further details.

An updated FY19 Earnings Guidance announcement will be provided to the market in due course.

Threat Protect's Managing Director Demetrios Pynes commented, "The Onwatch acquisition will enable us to capitalise on our previous expansion into the East coast, and by expanding into Victoria we further diversify our connection base and stable of resellers.

New monitoring revenue streams and cost and diversification benefits will add to the bottom line for Threat Protect shareholders whilst the extra funding secured from Soliton will ensure our acquisition path can continue with confidence"

- End -

For further information, contact:

Investors

Demetrios Pynes
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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, Queensland and South Australian police departments, and other national and international bodies.
- We support thousands of residential and business clients in Australia and beyond.
- We will personally evaluate your security needs.
- All products and services meet Australian Standards.
- 24-hour monitoring from our A1 graded control rooms in WA, NSW, SA and Victoria.



Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Threat Protect Australia Limited

ABN

30 060 774 227

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | 1. Fully paid ordinary shares.
2. Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 1. 8,000,000
2. 42,857,143 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | 1. Fully paid ordinary shares.
2. Fully paid ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>1 and 2 - Yes. The fully paid ordinary shares will rank equally with the existing fully paid ordinary shares.</p>
<p>5 Issue price or consideration</p>	<p>1. \$0.25 each 2. \$0.21 each</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>1. Issue of shares in part consideration for the acquisition of Onwatch Pty Ltd. 2. Issue of shares on conversion of convertible notes.</p>
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>Yes</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>22 November 2018</p>
<p>6c Number of +securities issued without security holder approval under rule 7.1</p>	<p>8,000,000 fully paid ordinary shares</p>
<p>6d Number of +securities issued with security holder approval under rule 7.1A</p>	<p>N/A</p>

+ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of +securities issued under an exception in rule 7.2	42,857,143 fully paid ordinary shares – Exception 16	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	7.1	21,297,407
		7.1A	19,531,604
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	30 April 2019	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		203,316,047	Fully paid ordinary shares

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9	9,285,712	33.95 cent Options to acquire 1 share in the Company exercisable on or before 31/10/2020
	1,428,570	26.6 cent Options to acquire 1 share in the Company exercisable on or before 31/10/2020
	1,428,570	32.7 cent Options to acquire 1 share in the Company exercisable on or before 31/10/2020
	1,428,570	35.8 cent Options to acquire 1 share in the Company exercisable on or before 31/10/2020
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	
	N/A	

Part 2 - Pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the +securities will be offered	
14	+Class of +securities to which the offer relates	
15	+Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	

+ See chapter 19 for defined terms.

17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	
19	Closing date for receipt of acceptances or renunciations	
20	Names of any underwriters	
21	Amount of any underwriting fee or commission	
22	Names of any brokers to the issue	
23	Fee or commission payable to the broker to the issue	
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	
25	If the issue is contingent on security holders' approval, the date of the meeting	
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 28 Date rights trading will begin (if applicable)
- 29 Date rights trading will end (if applicable)
- 30 How do security holders sell their entitlements *in full* through a broker?
- 31 How do security holders sell *part* of their entitlements through a broker and accept for the balance?
- 32 How do security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Issue date

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ⁺Securities described in Part 1

(b) All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

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39 +Class of +securities for which quotation is sought

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40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

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41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

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	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

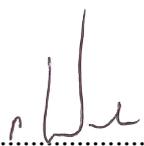
- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: 
.....
(Joint Company secretary)

Date: 1 May 2019

Print name: Peter Webse

+ See chapter 19 for defined terms.

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital		
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated		
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	111,631,634	
Add the following:	14,285,703	Exercise of Options 17/09/18 – LR 7.2 Exception 4
<ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 	21,779,662	Issued pursuant to rights issue 04/04/19 – LR 7.2 Exceptions 1 and 2
<ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval 	4,761,905	Issued 14/01/19, shareholder approval 18/04/19
<ul style="list-style-type: none"> Number of partly paid +ordinary securities that became fully paid in that 12 month period 	42,857,143	Issued 30/04/19, LR 7.2 Exception 16
<i>Note:</i>		
<ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 		
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil	
“A”	195,316,047	

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	29,297,407
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	8,000,000 fully paid ordinary shares issued 30/04/19
“C”	8,000,000
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	29,297,407
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	8,000,000
<p>Total [“A” x 0.15] – “C”</p>	<p>21,297,407</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	195,316,047
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	19,531,604
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“E”	Nil

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	19,531,604
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	Nil
Total [“A” x 0.10] – “E”	19,531,604 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.