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ASX confirms the release to the market of Doc ID: 1923711 as follows:

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Related ASX Codes:

Announcement Title: Cleansing Prospectus

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Quarterly Activities Report and Appendix 4C

Quarter ended: 31 March 2019

About Threat Protect

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"**.

GROWTH STRATEGY

The Australian security industry is highly fragmented and Threat Protect believes is conducive to consolidation, given its stable revenue streams and fixed infrastructure cost model.

Threat Protect's growth strategy is focused on leveraging the largely fixed cost infrastructure and significant capacity of its existing extensive security control room through acquisition of monitored security client bases across Australia.

Threat Protect Activities Report for March 2019 Quarter

Threat Protect Australia Limited ("**Threat Protect**" or "**Company**") (ASX:" **TPS**") is pleased to provide its quarterly market activity update.

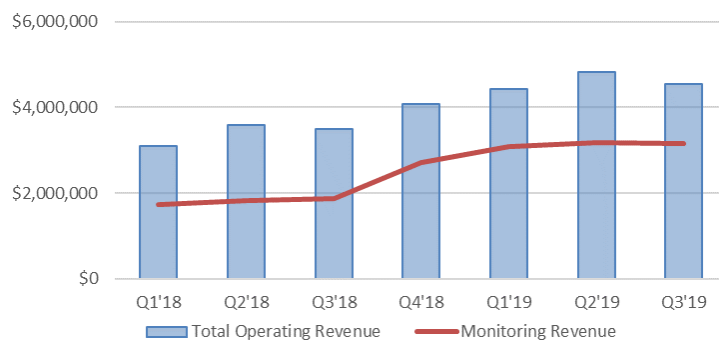
HIGHLIGHTS

- Completion of \$1.0m Placement to Sophisticated investor in January 2019.
- \$49.0m funding package announced in relation to the proposed acquisition of Onwatch Pty Ltd ("Onwatch"), a successful Eastern States monitoring alarm security business.
- \$5.4m fully underwritten rights issue successfully completed in early April 2019.
- Operating revenue for March quarter of \$4.5m, slightly down on last quarter, with a YOY total revenue growth increase of 30.6%.
- Monitoring revenue for March quarter of \$3.2m, in line with the last quarter result, and showing a YOY total revenue growth increase of 69.1%.
- Cash at bank of \$1.2m (excluding a further \$800k in escrow retention).

OPERATING REVIEW

The Company's operating revenue was slightly lower in the March quarter. Monitoring was steady, with a drop in Protective Services revenue.

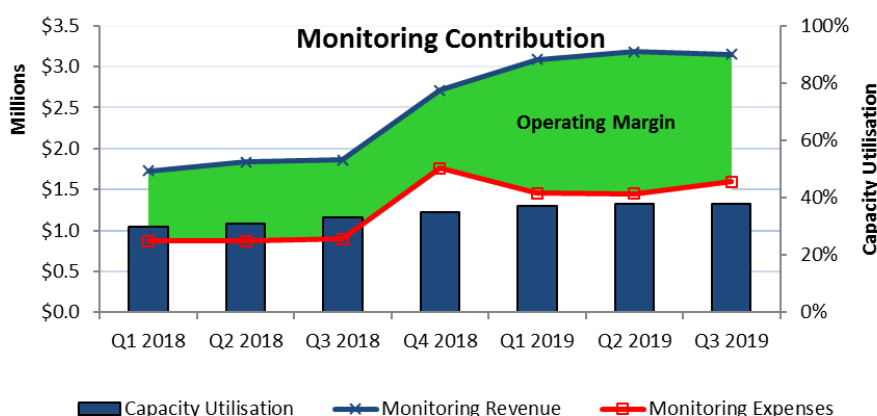
TPS Quarterly Operating Revenue



Monitoring revenue continues to produce RMR in excess of \$1.0m. With the anticipated completion of the Onwatch transaction in late April 2019 the RMR will be substantially higher in the coming months. Compared with the March 2018 quarter the Company's recurring monitoring revenue growth has increased 69.1%.

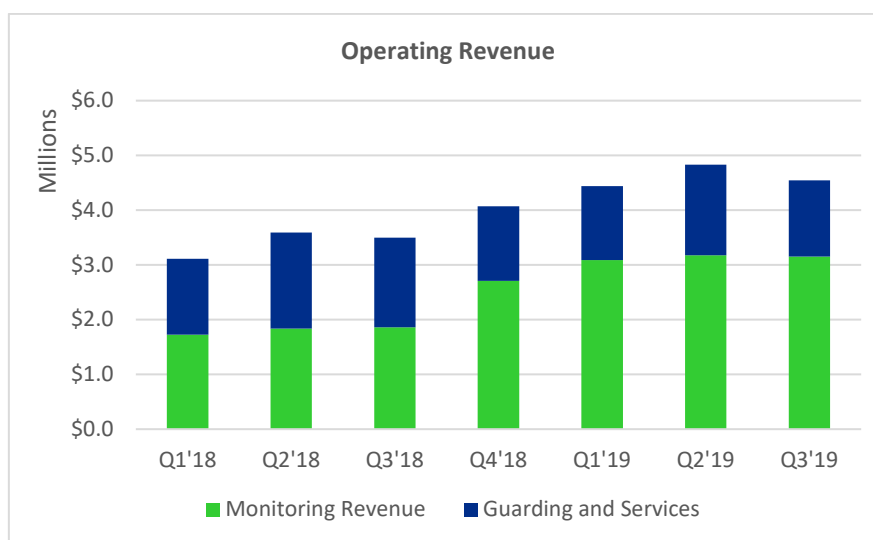
The Company has focused this quarter on the Onwatch transaction, but still has identified several other significant acquisition opportunities both externally and within its reseller network with a view to further increasing scale and margin uplift further and is actively conducting due diligence on these prospective acquisition targets.

Maximising the fixed cost nature of our security control room infrastructure is the core of our business, and accordingly, Threat Protect continues to focus on increasing efficiencies within the business to increase operating margin. Additional strategies to increase the Operating Margin have continued in the June 2019 quarter.



Security Manning and Consulting Services

Manning and consulting revenue for the March 2019 quarter was lower with the Company's focus on consolidating the existing service contracts, and training initiatives with larger commercial clients. The sources of revenue for the quarter reflect the continued focus of the business unit towards contracts with a greater component of recurring work and security consultancy.



CORPORATE AND FINANCIAL

On 14 January 2019 the Company announced that it had completed a capital raising of \$1.0m through the placement of 4,761,905 fully paid ordinary shares in the Company at an issue price of \$0.21 each to First Samuel Limited under the Company's placement capacity. The Placement Shares are being held in voluntary escrow for 12 months from the date of issue, and funds raised under the Placement were applied towards general working capital.

On 4 March 2019 the Company announced that it had acquired the necessary funding and reached an agreement to acquire Onwatch, a successful Eastern States monitoring alarm security business for approximately \$36.0m. The Company also announced a new \$49.0m funding package, which is a mix of debt and equity.

Key aspects of the Onwatch acquisition include:

- Additional recurring monitoring revenue ~ \$12.0m
- Increases utilisation of Threat Protect's excess capacity
- Significant synergy and cost saving opportunities in excess of \$2.0m
- EPS accretive post normalisation for acquisition and integration costs

The acquisition will be funded by a combination of debt and equity:

- \$36.0m Secured Debt Facility arranged by Soliton Capital Partners Pty Ltd
- \$11.5m of the funding will retire the existing Macquarie debt facility
- \$8.0m Unsecured Debt Facility from First Samuel Limited
- \$2.0m of scrip issued to the Vendors at \$0.25 per share on completion of the acquisition

A further \$5.4m was raised from Shareholders through a fully underwritten Rights Issue completed early April 2019 at \$0.25 per share to provide for transaction and integration costs and working capital.

The existing \$9.0m convertible notes held by First Samuel Limited will be converted into equity under the existing terms on completion of the acquisition on 30 April 2019.

The Company recorded a net cash inflow from operating activities of \$338k during the quarter, which increases to \$942k after adding back \$604k for one-off business acquisition and integration activities and costs of due diligence activity on the Onwatch acquisition to the end of the March 2019 quarter.

Cash at bank at the end of March was \$1.2 million, not including an amount of \$800k that has been set aside in a bank account under escrow.

- End -

For further information, contact:

Investors

Demetrios Pynes

Managing Director

Threat Protect Australia Limited

+ 61 414 984 806

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Threat Protect Australia Limited

ABN

36 060 774 227

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,545	15,198
1.2 Payments for		
(a) research and development	-	-
(b) operating costs	(1,563)	(5,812)
(c) advertising and marketing	(53)	(142)
(d) leased assets	-	-
(e) staff costs	(2,143)	(6,322)
(f) administration and corporate costs	(312)	(976)
1.3 Dividends received	-	-
1.4 Interest received	1	4
1.5 Interest and other costs of finance paid	(533)	(1,309)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
- Business acquisition & integration costs	(604)	(1,400)
1.9 Net cash from / (used in) operating activities	338	(759)

Consolidated statement of cash flows	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(31)	(49)
(b) businesses, net of cash acquired	-	(492)
(c) investments (financial assets)	-	(22)
(d) intellectual property	-	-
(e) intangible assets	(624)	(3,426)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other – Government Grants Received	-	926
2.6 Net cash from / (used in) investing activities	(655)	(3,063)
3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1,681	1,681
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	2,400
3.4 Transaction costs related to issues of shares, convertible notes or options	(19)	(102)
3.5 Proceeds from borrowings	-	10,679
3.6 Repayment of borrowings	(337)	(10,756)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	1,325	3,902
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	211	1,139
4.2 Net cash from / (used in) operating activities (item 1.9 above)	338	(759)

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(655)	(3,063)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,325	3,902
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,219	1,219

5. Reconciliation of cash and cash equivalents	Current quarter	Previous quarter	
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	\$A'000	\$A'000	
5.1	Bank balances	1,219	1,219
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,219	1,219

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

295

-

Directors' fees, salaries and superannuation.

During the quarter the Company also paid an amount of \$167,650 to Tactical Conflict Solutions Pty Ltd, an entity controlled by Directors Demetrios Pynes and Paolo Ferrara. This was a prepayment of related party fees for 3 years as required by the \$36m secured debt facility agreement announced on 4 March 2019.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$A'000

-

-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1. 14,000 2. 800	10,667 799
8.2 Credit standby arrangements	-	-
8.3 Other	3. 9,000 4. 8,000	9,000 4,000
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured.		

1. Macquarie Bank Secured Revolving Line of Credit. Current Interest Rate 5.64% pa.
2. Macquarie Bank Overdraft Facility. Current Interest Rate 6.75% pa.
3. Unsecured Convertible Note (issued by First Samuel Limited on behalf of its MDA clients). Current Interest Rate 9.0% pa.
4. Unsecured Note (issued by First Samuel Limited on behalf of its MDA clients). Current Interest Rate 8.37% pa.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Operating costs	(2,992)
9.3 Advertising and marketing	(33)
9.4 Leased assets	-
9.5 Staff costs	(1,905)
9.6 Administration and corporate costs	(193)
9.7 Interest payments	(370)
9.8 Repayment of borrowings	(266)
9.9 Purchase of intangible assets	-
9.10 Purchase of property, plant & equipment	(20)
9.11 Total estimated cash outflows	(5,779)

Cash outflows for next quarter excludes any estimated operating cash inflows.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: 
Joint Company Secretary

Date: 29 April 2019

Print name: Simon Whybrow

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.