

RIGHTCROWD LIMITED – ANNUAL GENERAL MEETING PRESENTATIONS

Tuesday, 15 November 2022: In accordance with the ASX Listing Rules, the Chairman’s address and the presentation by the Chief Executive Officer to the Annual General Meeting (“AGM”) is appended.


This announcement has been approved for release by the Board of Directors.

Investor contact:

PETER HILL

Chief Executive Officer


 peter.hill@rightcrowd.com

 +61 7 5593 2581

JAMES STEWART

Chief Financial Officer

 james.stewart@rightcrowd.com

 +61 7 2113 4238

Chairman's Address

At the time of last year's AGM, the world was in the grip of COVID related restrictions which, whilst negatively impacting the growth prospects of our Workforce Management solutions, was a strong tailwind for our Presence Control contact tracing solution. At the same time, we were executing our previously announced strategy of investing in global channel partnerships, boosting our presence in the North American market and investing in our presence control and access analytics solutions.

In early 2022, the unexpectedly swift removal of COVID related restrictions globally immediately and significantly reduced demand for our contact tracing solutions. This is the reason for the large impairment expense included in our FY22 result.

For RightCrowd, the pandemic created significant turbulence as most major enterprise customers and prospects found their workforce absent from the workplace. This contributed to the delayed sale of new, and deployments of existing, large projects in the Company's primary revenue generation area of Workforce Management. It also resulted in a long delay in the commercial launch of the Cyber-Physical product, RightCrowd Access Analytics, as technical resources from this team were required to support the rapid growth of RightCrowd's Presence Control solutions which related to COVID-19 contact tracing within the enterprise.

As a result, the Company recorded Sales Revenue of \$15.1m in FY22, a reduction of 1% from the prior year.

Pleasingly, Annual Recurring Revenue, or ARR, increased 5.1% to \$8.5m and now makes up a higher proportion of Sales Revenue. Whilst investing in both capability and product, we were able to restrict cost increases to 4.2% year on year. Cash at the end FY22 was \$4.7m

The Company has focused on increasing ARR as a proportion of total sales revenue. The compound ARR growth rate over the period FY17 to FY22 was 37.9%.

North America remains our largest region for revenue, which reflects the success of RightCrowd's Workforce Management Solutions in assisting very large multinational corporations manage their workforce physical security risks. Pleasingly, Sales Revenue from Asia and Oceania grew strongly during the year, reflecting in part the sales of contact tracing solutions in Q1 & Q2 of FY22.

Workforce Management solutions remains our largest source of Sales Revenue, with Presence Control Solutions providing 29% of Sales Revenue in FY22. RightCrowd Access Analytics was only just launched as FY22 ended.

Recurring Revenue was our largest revenue by type and grew during FY22. License and hardware revenue declined 47% from FY21 levels reflecting the significant reduction in demand for contact tracing and the delay in sales of Workforce Management solutions.

Commencing in the second half of FY22, RightCrowd has considered the most appropriate strategy to achieve cash positive operations given the current market conditions and its financial position. Our Managing Director, Peter Hill, will outline our approach to the market and our expectations for FY23.

Before handing over to Peter, I would like to acknowledge the ongoing support we receive from our RightCrowd team, our shareholders and stakeholders, our customers and our partners and particularly during the recent turbulent market conditions.

Thank you, and I now invite Peter to address you.

Chief Executive Officer

Thanks Rob and thanks to everyone that has joined RightCrowd's Annual General Meeting.

I'm going to start by recapping on the major tailwinds for RightCrowd from a 2018 presentation, which was obviously prior to the pandemic. As you can see the major market drivers for RightCrowd at that time, were physical and cyber security threats, the safety of people, privacy and compliance and the commercial benefits of business automation. Some of these market drivers were greatly diminished due to work-from-home mandates, and in turn created very difficult trading conditions for many companies, including RightCrowd. Not only are we now experiencing all these drivers return as the pandemic subsides, but we are also seeing a new wave of market drivers for RightCrowd solutions.

Let me cover six new additional market drivers for RightCrowd as the pandemic fades. The first and possibly the most dramatic change to the way the world works, is hybrid work. Microsoft has recognised this once in a generation shift with the launch of Microsoft Places planned for next year. Microsoft has partnered with RightCrowd and other leading companies as part of their Connected Workplace ecosystem to launch a better hybrid work experience. The next two drivers, although quite different, create similar problems for large organisations. The great resignation or the great reshuffle, now coupled with the potential of recessionary times driving employee and contractor reductions, make it difficult for companies to easily reconcile who has access to their logical systems and physical places and whether that access is appropriate. These two drivers, significantly increase "insider threat" and new "outside threats" performed by what should be "former insiders" that may still have access rights enabled in corporate systems.

The 4th driver centres around supply chain constraints. With the amount of hardware supply disruption experienced across the world, it has become increasingly difficult for customers to switch from one physical security system to a potentially more modern physical security system. This is creating an environment where companies look for intelligent software solutions, like RightCrowd, to modernise their ageing hardware infrastructure.

The last two drivers are currently at the forefront of major news cycles, where recent data losses have highlighted a lack of cyber resilience. Organisations are now understanding that one of the core foundations of cyber resilience is knowing who has access to what IT system and physical place, with RightCrowd starting to benefit from this trend with its Access Analytics cyber-physical cloud solution.

The Company has recently completed a strategic review to evaluate and respond to the changed market conditions introduced by the COVID-19 pandemic. RightCrowd is now experiencing higher engagement levels with customers and prospects as they encourage people back to the workplace and deal with these latest trends which are driving what RightCrowd refers to as "Access Chaos".

The outcome of the strategic review is that RightCrowd is anticipating a return to revenue growth in FY23. To support this growth, the Company has been reorganised and refocused to align with the changed revenue-generating opportunities that have recommenced from the fading pandemic, whilst also reducing the overall cost base to provide a shorter path to cashflow breakeven.

The Company's focus has shifted back to its primary growth engine (which stagnated during the pandemic) of large enterprise Workforce Management sales and implementations, the commercialisation of the Cyber-Physical product; RightCrowd Access Analytics, and a decrease in spending on Presence Control engineering, as this product has been proven in the Contact Tracing market and now has the features added to support sales into the wider security use cases over the longer term.

Now moving onto our financial outlook for FY23. We expect revenue growth to return and our cost base will be reduced.

The Company has had a strong start to FY23 with new enterprise sales and a strong pipeline developed, particularly

for enterprise Workforce Management and Access Analytics solutions. We saw this resumption of growth firsthand during the last quarter with several large wins which increased our ARR by 32% from \$8.5m to over \$11m.

So to detail RightCrowd's FY23 outlook forecasts, they are as follows:

- 40% plus growth in Annual Recurring Revenue (ARR) to greater than \$12m (even after expected Contact Tracing ARR reduction). This ARR revenue growth is being driven by new enterprise customers for workforce management, and acceleration of new Access Analytics sales:
- We also expect year-on-year growth in overall sales revenue, despite the forecast reduction in Contact Tracing sales and delays in revenue recognition arising from our change in focus from perpetual licenses to annual software subscriptions;
- A \$2.5m reduction year-on-year in total costs (which is greater than 10%) bringing our cost base down to \$22m; and
- And finally, with expected revenue growth and cost reductions, the second half of FY23 is expected to trade at close to breakeven.

To finish, I would also like to quickly outline RightCrowd's longer-term outlook.

With additional market drivers including the shift to hybrid work and increased cyber and physical threats accelerated by major employee disruption, RightCrowd sees itself in an excellent position to benefit.

These are our 3 products, and over the last 3-5 years we have seen the benefits of each of these firing individually at various points in time. Prior to the pandemic, we had consistently grown our Enterprise Workforce Access business and we are now seeing a return of significant opportunities in this space with our ARR expected to benefit. We also experienced the sudden rise of our Presence Control solution to address Contact Tracing requirements in the depths of the pandemic. This has provided us with proof of the platform's scalability, ease of deployment, and strong profit margins. We believe that this solution will find its place in the broader Presence Control security space and when it does, it will return to growth at that point.

And with the amount of news coverage on the lack of cyber resilience, we are currently seeing the direct impact with strong opportunities being created for our Cyber centric product RightCrowd Access Analytics. This product is a result of 18 years of experience managing the provisioning and deprovisioning of people's "access rights" in physical security systems for very sophisticated, global organisations. This experience has enabled RightCrowd to marry its physical and cyber-related skills to develop a patented, cloud solution, that provides a new, simple way to map identities across all systems. It also helps clean the "access rights" across all systems daily, enabling companies to have total visibility very quickly, of "who has access to what" and ensure they are "audit ready" at any time. Customers are seeking the solution due to its ability to quickly and easily identify who shouldn't be in systems at a relatively cost-effective price point.

With the pandemic fading, and the additional market trends providing tailwinds for RightCrowd, our expectation is that we will capitalise on Workforce Management and Access Analytics sales acceleration in the short term, and all 3 of our products successfully growing at the same time in the medium and long terms.

- END -

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FY23 Annual General Meeting (AGM)

RightCrowd (ASX:RCW)

15 November 2022



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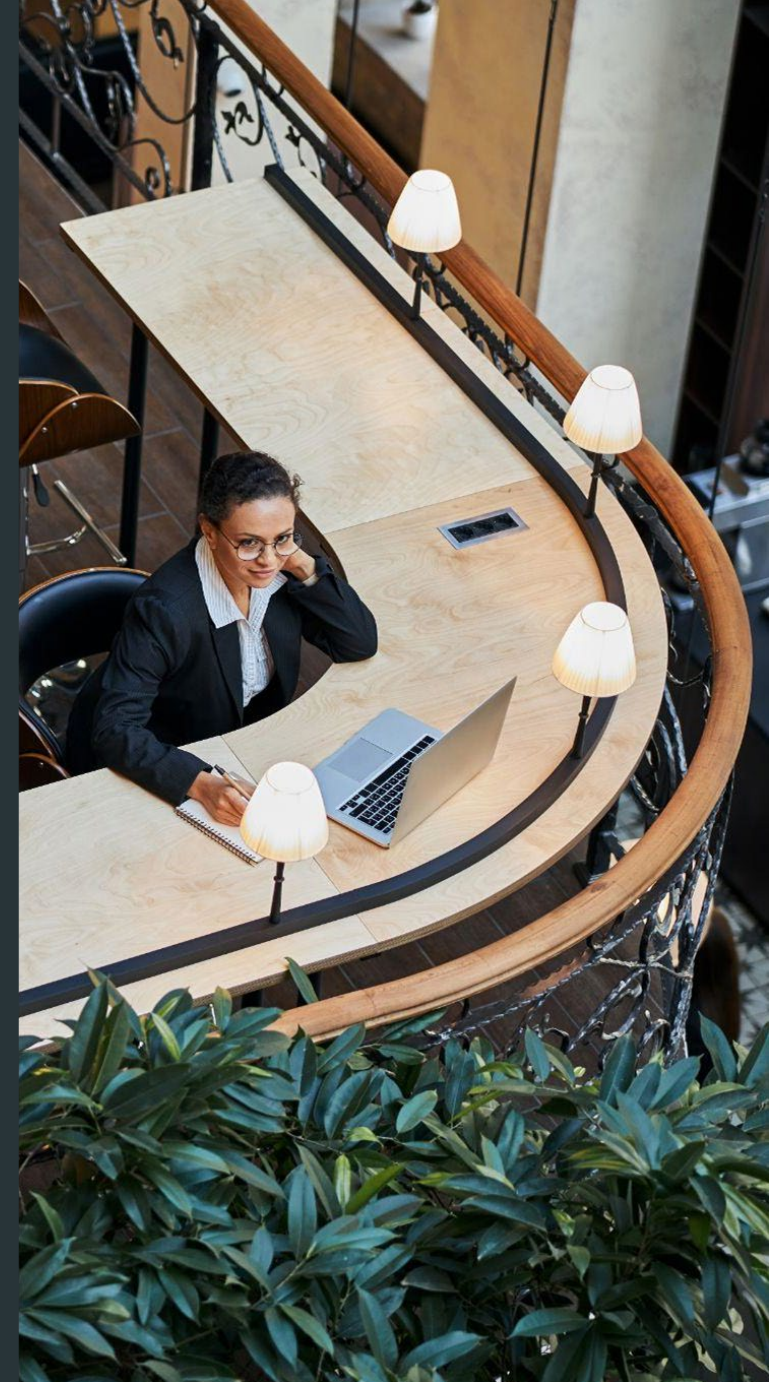
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Authorised for release by the Board of RightCrowd.



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02 Company Strategy & FY23 Outlook

03 Resolutions

04 Appendices

Chairman's Address & FY22 Financial Highlights



\$15.1m

Sales Revenue

-1% on FY21 (\$15.2m)



\$8.5m

ARR

+5.1% YoY Growth



4.2%

YoY Cost Increase

Excludes impairment exp.



\$4.7m

Cash Balance

-53% on FY21 (\$9.9m)



+19

ARR Customers

Added during FY22



\$18.4m

Total Income

-5% on FY21 (\$19.4m)

Chairman's Address & FY22 Financial Highlights

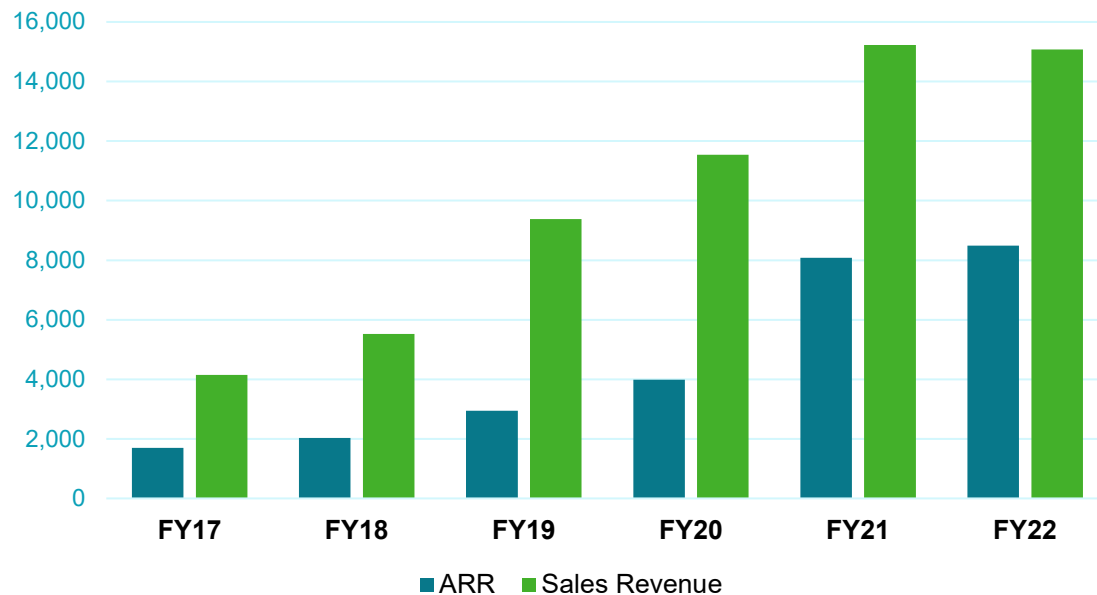
ARR & Sales

Compound ARR growth of 37.9% (FY17 to FY22) and compound annual sales revenue growth of 29.5% (FY17 to FY22)

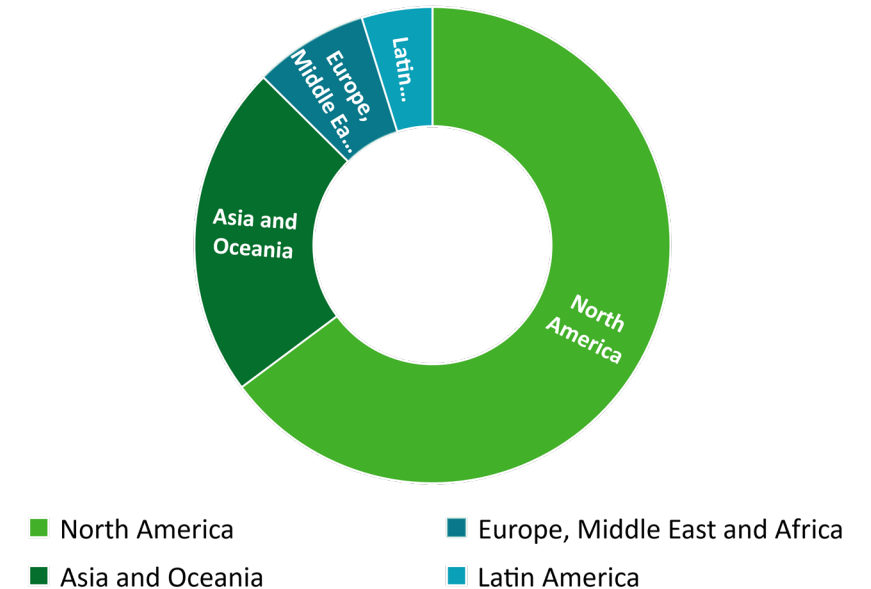
Region

North America continues to generate most revenue (65% of total FY22 sales revenue) but strong growth also in Asia & Oceania during FY22 (23% - up from 16% in FY21).

ARR & Sales Revenue (\$'000s)



FY22 Revenue by Region (\$'000s)



Chairman's Address & FY22 Financial Highlights

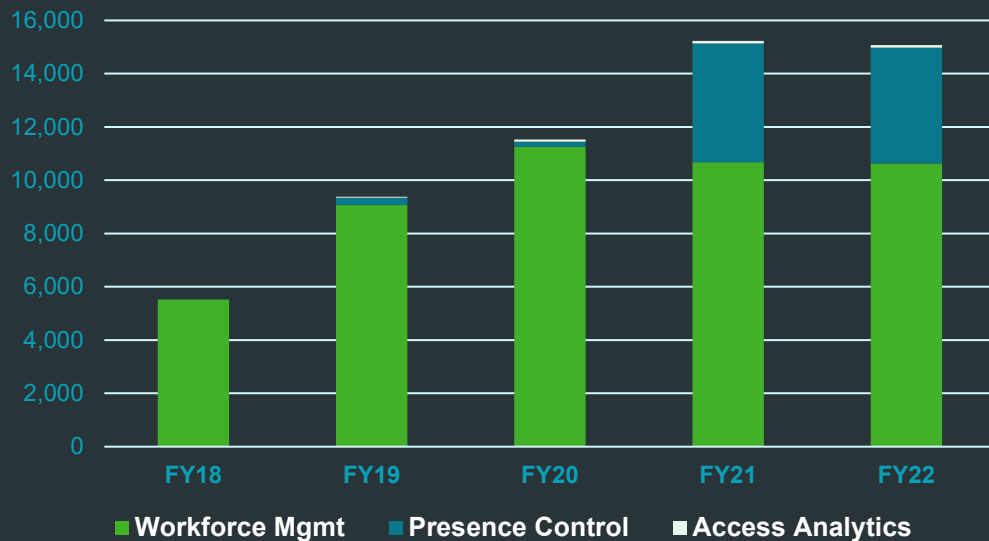
Business Unit Results

Workforce Management revenue was stable at about 70% of total revenue, while Presence Control was 29% of revenue with Access Analytics in early growth phase.

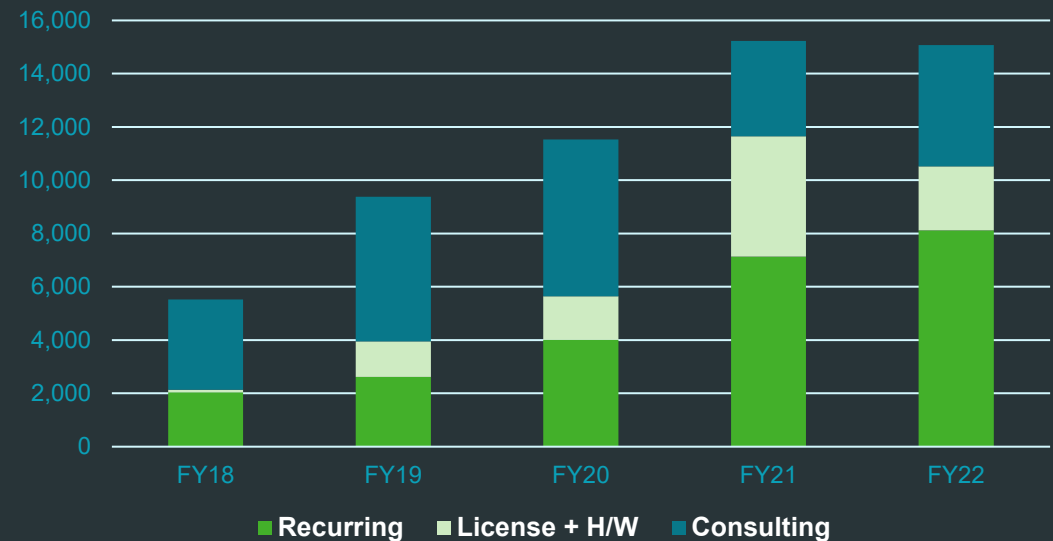
Revenue by Type

Strong growth in recognized recurring revenue to \$8.1m (up 14% on FY21). Consulting revenue up 27% to \$4.6m, offset by drop in Perpetual License and HW which was down 47% to \$2.4m.

Revenue by Business Unit (\$'000s)



Revenue by Type (\$'000s)



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01 Chairman's Address and FY22 Highlights

▶ **02** Company Strategy & FY23 Outlook

03 Resolutions

04 Appendices

Market Drivers – Prior to Pandemic (FY18)



CYBER SECURITY

- Increasing insider threats
- Frequency and complexity of cyber attacks



PHYSICAL SECURITY

- Terrorism concerns
- Increasing perimeter protection
- Growing insider threats



SAFETY

- Protection of people, assets and reputation



PRIVACY

- Maintaining intellectual property integrity



COMPLIANCE

- Satisfying increasing regulatory requirements



COMMERCIAL BENEFITS

- Automated contract administration and compliance
- Mitigating risk of litigation



BUSINESS AUTOMATION

- Reduction in employee expenses
- Enables new business processes

Additional FY23 Market trends overall positive for RightCrowd



Return to the workplace – Hybrid Work

The easing of the pandemic is driving new work behaviours, leading to a surge in demand for solutions to support hybrid work.



Recessionary Times

Likely reduction in workforce creates major offboarding headaches for enterprise systems, in addition to creating significant “insider” or “former insider threats” and also increased physical threats.



Increasing Insider and Identity Threats

Recent data losses have highlighted a lack of cyber resilience, with a major upturn in associated spending likely. All these issues outlined compound to increase every organisation’s cyber and physical risks.



Great Resignation/Reshuffle (Access Chaos)

The Great Resignation or the Great Reshuffle has generated huge onboarding and offboarding load for most organisations, with most not being able to easily reconcile all access rights across physical and logical systems.



Supply Chain Constraints

Physical security market relied on convincing customers to migrate to a “better” Physical Access Control System. Very difficult for customers to commit when hardware supply is not available, driving customers to modernise with intelligent software solutions.



Identity is a foundation of cyber resilience

Many companies are now understanding that a foundation of cyber resilience is knowing “who has access to what system or place”. This issue is very difficult to solve in a simple way.

Company Strategy



Return of enterprise sales

Leverage Company strength's, securing further enterprise deals with global multi-nationals through strict adherence to Ideal Customer Profile (ICP) guiding marketing and sales efforts.



Cost reductions

Reducing external costs and non-essential headcount through role closures and select staff attrition to reduce costs by 10% relative to FY22.



Organisational adjustments

Consolidation of all delivery resources into customer centric teams to generate greater efficiencies and better customer delivery and servicing. Redeployment of some skilled engineers from product to delivery teams to help accelerate project completion.



Cyber and Physical Opportunities

Continued growth of the Access Analytics customer base with focus across both physical and logical applications of the solution. The Company has forecast to accelerate revenue.



Strategic Partnerships

Pursue strategic partnerships to help leverage channels for future sales. RightCrowd recently signed a partnership with MSFT for the Microsoft Places program supporting the future of work.



Presence Control

RightCrowd will continue to focus on this market, albeit with a lower level of investment given that the product has now been fully developed and all use-cases are now production ready.

Company FY23 Outlook

Revenue growth to return while reducing cost-base

The Company has had a strong start to FY23 with new enterprise sales and a strong pipeline developed, particularly for enterprise Workforce Management and Access Analytics solutions.

RightCrowd's FY23 outlook forecasts:

- 40% plus growth in Annual Recurring Revenue (ARR) to greater than \$12m, (even after expected Contact Tracing ARR reduction), driven by new enterprise customers for workforce management, and acceleration of new Access Analytics sales.
- Expect YoY growth in overall sales revenue, despite the forecast reduction in Contact Tracing sales and delays in revenue recognition arising from our change in focus from perpetual licenses to annual software subscriptions.
- \$2.5m reduction YoY in total costs (>10%).
- With expected revenue growth and cost reductions, FY23 H2 to trade close to breakeven.



40%+

FCST ARR Growth in
FY23



\$12.0m+

FCST ARR by end of
FY23



\$2.5m

FCST Cost Savings
YoY



\$22.0m

FY23 FCST Total
Costs*

* Excludes impairment expense

Summary

Safety, security and compliance across the entire physical identity lifecycle for every employee, contractor and visitor.

Proven Deployments Across:



Banking & Financial Services



Manufacturing



Pharmaceuticals



Healthcare



Mining & Resources



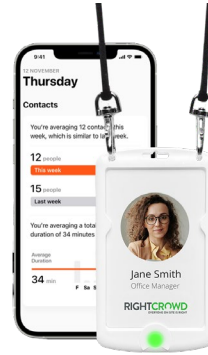
Critical Infrastructure



Technology



Logistics

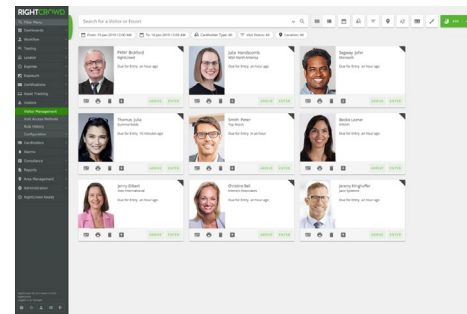
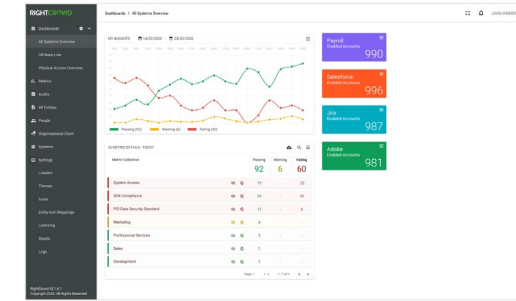


Presence Control

Enforcing safety, health and security policies and enabling presence control through security wearables that leverage existing access badges

Access Analytics

Provide insight into access rights across the workforce and allow for analytics to identify anomalies and areas of risk



Workforce Management

Automating physical access control rules and workflows based on input from HR and business systems and pushing the resulting access rights dynamically into the existing Physical Access Control System (PACS)

Appendix: FY22 Financial Statements

Sales revenue reduced by 1% in FY22 due to a reduction in new sales of Presence Control for contact tracing

Other income down 22% due to impact of COVID19 subsidies received in FY21 that were not available in FY22

Employment benefits expense up 7% reflecting new executive and commercial hires made into North American and European markets

Impairment expense reflects write-down in goodwill on Ticto NV investment made in 2019.

PROFIT OR LOSS (AUD'000s)	FY22	FY21	% Change
Revenue	15,077	15,225	-1%
Other income	3,290	4,201	-22%
Cost of goods sold	(2,031)	(2,355)	-14%
Impairment Expense	(8,259)	(40)	20537%
Employee benefits expense	(18,039)	(16,919)	7%
Depreciation and amortisation expense	(973)	(1,060)	-8%
Finance Costs	(137)	(159)	-14%
Foreign exchange gains and losses	15	(5)	-415%
Other expenses	(3,877)	(3,540)	10%
Loss before income tax	(14,934)	(4,652)	-221%
Income tax expense	(5)	(12)	-60%
Net Loss for the year	(14,939)	(4,663)	-220%

Appendix: FY22 Financial Statements

Reduction in cash reflects operating cash burn and repayment of borrowings. Focus is on accelerating revenue to become cashflow positive during FY23.

Goodwill written down by 70% due to impairment of Ticto NV investment

Contract liabilities have dropped 29% reflecting churn on Presence Control portfolio

BALANCE SHEET (AUD'000s)	30-Jun-22	30-Jun-21	% Change
Cash and cash equivalents	4,684	9,873	-53%
Trade and other receivables	4,579	6,946	-34%
Inventories	1,346	980	37%
Financial assets	69	120	-43%
Other current assets	1,376	1,869	-26%
Total Current Assets	12,053	19,788	-39%
Property, plant & equipment	1,912	2,094	-9%
Intangible assets	985	1,214	-19%
Goodwill	3,688	12,490	-70%
Total Non Current Assets	6,585	15,797	-58%
TOTAL ASSETS	18,638	35,585	-48%
Trade and other payables	(736)	(1,506)	-51%
Borrowings current	(526)	(664)	-21%
Contract liabilities	(2,915)	(4,122)	-29%
Current tax liabilities	5	(2)	-417%
Provisions current	(2,070)	(1,739)	19%
Total Current Liabilities	(6,242)	(8,032)	-22%
Borrowings non-current	(1,122)	(1,516)	-26%
Provisions non-current	(119)	(153)	-22%
Total Non Current Liabilities	(1,241)	(1,669)	-26%
TOTAL LIABILITIES	(7,483)	(9,701)	-23%
Issued capital	56,133	56,133	0%
Reserves	103	(96)	-208%
Retained earnings	(45,082)	(30,154)	50%
TOTAL EQUITY	11,155	25,884	-57%

Appendix: FY22 Financial Statements

REVENUE BY BUSINESS UNIT (AUD'000s)	Workforce Mgmt (WM)	Presence Control (PC)	Access Analytics (AA)	WM Growth %	PC Growth %	AA growth %
FY17	4,147	0	0			
FY18	5,521	0	0	33%		
FY19	9,065	274	40	64%		
FY20	11,257	192	85	24%	-30%	113%
FY21	10,677	4,461	87	-5%	2219%	2%
FY22	10,624	4,354	98	0%	-2%	13%
CAGR (FY17-FY22)	20.7%	746.8%	296.5%			

Workforce Management impacted by slippage of key enterprise deals into FY23. Strong pipeline in place for FY23 execution.

Presence Control saw a material slow-down in new sales in H2 FY22. Pipeline build underway for broader use-case sales.

Access Analytics added 3 new customers on subscription contracts in H2 – recurring revenue growth will start to show in FY23.

Appendix: Glossary

Term	Definition
Annualised Recurring Revenue (ARR)	ARR is measured as the total annualised value of active customer contracts for subscription, support & maintenance, and software as a service as at a given reporting date.
CAGR	Compound Annual Growth Rate.
Workforce Management	In house developed enterprise software for workforce and visitor management solutions targeted at large multi-nationals.
Presence Control	Acquired Presence Control software which comprises of hardware (wearables) and software to meet a variety of security use-cases
Access Analytics	Acquired Access Analytics software which provides customers with controls to pro-actively monitor potential access and cyber security risks through identification of incorrect access rights.