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RIGHTCROWD

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INVESTOR PRESENTATION

FY21 HALF YEAR RESULTS
26 FEBRUARY 2021

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FY21 H1 HIGHLIGHTS & FULL YEAR OUTLOOK

FY21 H1 HIGHLIGHTS

BUILDING A PATH TO
PROFITABILITY

-  **RightCrowd adds more than 50 customers H1 FY21, it's fastest rate of customer acquisition to date.**
-  **RightCrowd completes integration of acquired companies and upgrades system infrastructure and ERP systems**
-  **RightCrowd continues to build on existing channel partnerships and adds new resellers**

 **\$7.0m**

Record Half-Year Sales Revenue

+17% on H1 FY20 (\$6.0m)

 **\$2.2m**

New Products Business Unit Sales Revenue takes off

+2162% on H1 FY20 (\$0.1m)

 **\$6.1m**

Substantial growth in Annual Recurring Revenue

+53% since 30-Jun-20

 **\$9.4m**

Increase in total Income supported by government stimulus

+52% on H1 FY20 (\$6.2m)

 **\$2.8m**

Recurring Revenue driving growth

+66% on H1 FY20 (\$1.7m)

 **\$11.1m**

Prudent management of overall costs*

+3% on H1 FY20

* Excludes Cost of Sales

FULL YEAR OUTLOOK

ACCELERATION OF SALES IN Q3
& Q4 OF FY21



ARR

Reach \$8.0m of ARR at 30-Jun-21

Revenue growth will be driven by large new enterprise deals in Core business unit and acceleration of RightCrowd Presence Control solution sales.



Revenue

Accelerate revenue in 2H to achieve 40% growth YoY (\$16m for FY21)

Major deals forecast to close for Core division in overseas markets.



Partnerships

Expand existing channel partnerships in H2

Leverage partnerships to access broader market for H2 solution sales



Innovation

Key product releases in H2 and acceleration of manufacturing

Enhancements to be released across all product lines in H2 with additional capacity for badgeholders manufacturing added.



Profitability

Make significant strides towards profitability in Core and New Products business units in H2

Forecast to accelerate sales on a stable cost base in H2.



Operations

Improvements to infrastructure, systems and processes

Achieve ISO27001 compliance and extend functionality of new ERP systems across all entities.

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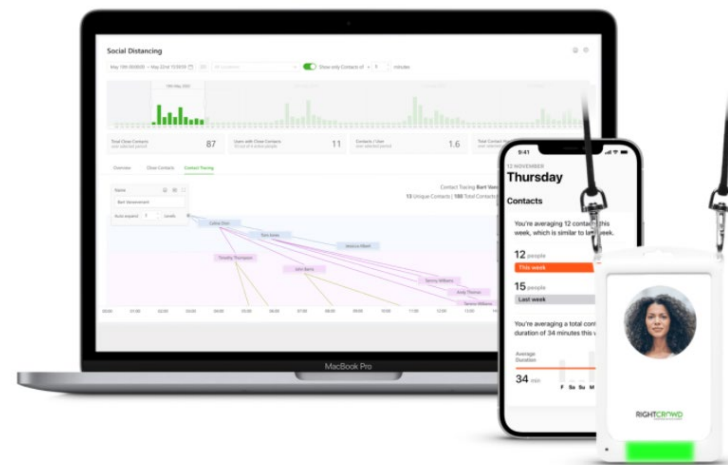
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COMPANY OVERVIEW

Company Overview

RIGHTCROWD SPECIALIZES IN TECHNOLOGY SOLUTIONS FOR THE WORLD'S MOST COMPLEX SAFETY, SECURITY, AND COMPLIANCE CHALLENGES

Founded in 2004 and listed on the ASX in 2017, RightCrowd's mission is to help our customers create a safe, secure and compliant workplace, through innovative products that manage the access and presence of people



85%

of revenue generated from outside of Australia in FY20

153

staff across 5 international offices

40.6%

sales revenue compound annual growth rate (FY17-FY20)

\$100m

market capitalisation as @ 25 February 2021

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H1 FY21 FINANCIAL RESULTS

FINANCIAL RESULTS

P & L

COMMENTARY

- Sales revenue increased by 17% in FY21 H1 driven by an increase in recurring revenue and strong sales of presence control annual software subscriptions and hardware.
- Other income totalled \$2.5m in FY21 H1 due to an accrual of the R&D rebate claimable under the rules of the R&D incentive scheme and subsidies received from Australian and US government COVID-19 related stimulus.
- Cost of sales increased during the period as a direct consequence of the ramp up in hardware sales (security wearables) for presence control solutions.
- Operating expenses remained relatively stable in FY21 H1 with small increase in employee related expenses driven by the impact of additional hiring made in prior periods and a non-cash expense relating to the share-based payment incentive scheme.

HALF-YEAR PROFIT OR LOSS (AUD'000s)	31-Dec-20	31-Dec-19	% Change
Revenue	6,956	5,967	17%
Other income	2,487	260	856%
Cost of sales	(1,251)	(81)	1453%
Employee benefits expense	(8,491)	(7,940)	7%
Depreciation and amortisation expense	(526)	(515)	2%
Finance Costs	(96)	(30)	217%
Foreign exchange gain (loss)	(396)	14	-2887%
Other expenses	(1,572)	(2,240)	-30%
Loss before income tax	(2,891)	(4,564)	37%
Income tax expense	(3)	(31)	-89%
Net Loss for the half year	(2,894)	(4,595)	37%

FINANCIAL RESULTS

FINANCIAL POSITION

COMMENTARY

- Cash and cash equivalents increased to \$3.8m at 31st December 2020 having increased from \$1.5m at the end of FY20.
- Trade and other receivables stood at \$4.4m at 31st December 2020 having reduced from \$5.1m at the end of FY20. The prior period balance included a large receivable related to the R&D rebate (\$2.9m) which was received during H1 FY21.
- Additional orders of hardware for presence control sales led to increases in the inventory balances, other assets (which includes \$0.9m of inventory prepayments) and trade and other payables.
- Borrowings, excluding lease liabilities, totalled \$1.2m at 31 December 2020 which increased slightly from prior period (30 June 2020: \$1.1m).
- Issued capital increased due to a capital raise in August 2020 of \$4m and the conversion of performance rights into shares as part of the staff share-based incentive scheme.

BALANCE SHEET (AUD'000s)	31-Dec-20	30-Jun-20	% Change
Cash and cash equivalents	3,767	1,472	156%
Trade and other receivables	4,426	5,132	-14%
Inventories	219	112	96%
Financial assets	120	120	0%
Other current assets	1,486	424	250%
Total Current Assets	10,017	7,259	38%
Property, plant & equipment	1,734	1,864	-7%
Intangible assets	1,423	1,622	-12%
Goodwill	12,658	12,946	-2%
Total Non Current Assets	15,815	16,432	-4%
TOTAL ASSETS	25,832	23,692	9%
Trade and other payables	(1,639)	(1,078)	52%
Borrowings current	(1,276)	(1,256)	2%
Other liabilities	(3,755)	(3,188)	18%
Provisions current	(1,611)	(1,549)	4%
Total Current Liabilities	(8,281)	(7,071)	17%
Borrowings non-current	(1,275)	(1,353)	-6%
Provisions non-current	(116)	(92)	26%
Total Non Current Liabilities	(1,391)	(1,445)	-4%
TOTAL LIABILITIES	(9,672)	(8,516)	14%
Issued capital	44,177	40,089	10%
Reserves	367	727	-49%
Retained earnings	(28,384)	(25,640)	11%
TOTAL EQUITY	16,160	15,175	6%

FINANCIAL RESULTS

BUSINESS UNIT PERFORMANCE

HALF-YEAR PROFIT OR LOSS (AUD'000s)	CORE Business Unit		New Products Business Unit		Offsite Business Unit	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Revenues	4,749	5,800	2,159	95	48	72
Segment profit (loss) before tax	(1,677)	(2,550)	(455)	(1,419)	(759)	(595)

COMMENTARY

- The CORE Business Unit continues to generate strong recurring revenue from its existing client-base and it added a major new Fortune 50 customer during the first half of FY21. The pandemic did impact performance with delays in sales pipeline execution and project milestone completion resulting in a reduction in revenue to \$4.7m versus the prior year (FY20 H1: \$5.8m).
- The New Products business unit generated revenue of \$2.2m during the half year (FY20 H1: \$0.1m) registering significant growth of 2,162% as RightCrowd moved quickly to seize the market opportunity to support companies safely managing the return of their workforce. RightCrowd added over 50 new customers during the first half of FY21 with sales in the New Products business unit representing the fastest rate of new customer acquisition in the Company's history.
- The Offsite business unit continued to be heavily impacted by COVID-19, particularly given that its operations are in the Northeast corridor of the United States where COVID-19 lockdowns were particularly prevalent. Offsite generated revenue of \$48k during the half year (FY20 H1: \$72k).