

ASX Announcement: RightCrowd successfully raises \$12.5 million to drive further global growth

Highlights:

- Strong demand, new products, and enhanced distribution partnerships mean that RightCrowd aims to achieve \$30m annual sales and P&L profitability in FY23.
- RightCrowd closes an institutional and sophisticated investor placement, raising \$12.5m.
- RightCrowd received requests for participation at higher levels than what was available.
- Several new institutional investors were added to the share register through the Placement, deepening the register which contains a mix of high quality, tech-focussed institutional investors.
- Additional funding to be used to invest in channel partnerships, RightCrowd's US based operations, Presence Control inventory and future product releases, and commercialisation of the Company's cyber security product, RightCrowd IQ.

RightCrowd aims to maintain a 40% annual compound growth rate to reach \$30m revenue in FY23. This will be driven by accelerated underlying demand for its core products, enhanced partnerships with major distributors, and strong uptake of new products. A combination of increased sales and prudent cost management means that RightCrowd expects this capital raise to fund the business through to P&L profitability in FY23.

RightCrowd is seeing accelerated demand for its solutions, as companies seek to manage the safety and security of their people as they "Return to the Workplace". Recovering US and European markets are driving the enhancement of physical access controls to prevent the spread of the virus and improve workplace security and compliance. The Company is seeing increasing demand both from existing clients and channel partners, and a growing pipeline of new opportunities. This significant market opportunity requires further investment to deliver on strategic objectives and increase market penetration of RightCrowd's solutions.

Commenting on the Placement, RightCrowd CEO, Peter Hill said:

"We are very pleased to announce this successful placement. We would like to thank our existing shareholders for their continued confidence in and support of RightCrowd and we extend a warm welcome to the new institutional and sophisticated investors. As the founder and a major shareholder of RightCrowd, I am excited to have you investing along with us."

With the US and European economy well placed for a rapid recovery from the pandemic, RightCrowd has taken the opportunity to ensure it is able to capitalise on the expected growing demand. Companies of every size and scale will need to modify the way they manage the ongoing safety, security, and compliance of their people and RightCrowd sees a significant market opportunity as companies change the way they operate and digitize processes at rates never seen before.

RightCrowd aims to maintain a 40% compound annual growth in sales revenue leading to profitability in FY23. To achieve these strategic objectives, the Company will appropriately invest in channel partnerships, the US based

operations of RightCrowd, Presence Control inventory and future product releases, plus commercialisation of the Company's cyber security product, RightCrowd IQ. RightCrowd is also excited to commence the process of listing on the US OTC market in response to demand from US investors.

A strong balance sheet helps when working with Fortune 500 customers and RightCrowd is now better placed to acquire more of these customers."

Placement:

RightCrowd Limited (**RightCrowd** or **RCW**) is pleased to announce that it has finalised a placement of approximately 37.9 million fully paid ordinary shares (**Shares**) to institutional and sophisticated investors at an issue price of \$0.33 per share for a total consideration of approximately A\$12.5 million (**Placement**).

The Placement was significantly oversubscribed with demand exceeding the amount the Company sought to raise. The Placement adds a number of institutional and sophisticated investors as shareholders, significantly increasing the depth of RightCrowd's share register. The Placement was considered the best option for achieving the Company's funding objective given the often-low liquidity of the Company's securities.

The funds raised under the Placement will be deployed over a targeted 30-month horizon to:

- a) **Accelerate global sales through channel partnerships:** Existing channel partners have tens of thousands of physical access control system deployments (with only a very small fraction currently as RightCrowd clients). RightCrowd's partnership channel currently delivers <20% of annual revenues. These channel partners, including Honeywell, require additional RightCrowd support to meet strong customer demand. RightCrowd will be able to leverage global distribution agreements from established partnerships with some of the largest companies in the world. Investment will be made to build and extend the effectiveness of the RightCrowd channel partner program to support sales of RightCrowd solutions across existing and new partner networks.
- b) **Strengthen and extend capabilities in the US market:** RightCrowd is positioning itself for a likely robust rebound of the US economy and the wave of opportunity in "Return to Workplace" programs. RightCrowd generates approximately 70% of total revenue in the North American market. The Company will invest for further growth into this market whilst continuing to provide optimal customer service to existing customers including its US based Fortune 50 enterprise customers. RightCrowd will focus on adding local executive, sales, support, and implementation resources within its US business. Furthermore, RightCrowd intends to list on the US OTC Market to cater for the needs of its growing base of US investors.
- c) **Scale RightCrowd's Presence Control solutions:** RightCrowd will support rapid sales growth with additional investment into the New Products business to meet current demand. RightCrowd expects sales of more than 25k badge holder units by June 2021. ARR generated from the 17k badges sold to date is currently \$1.3 million, with expectations this will grow substantially over the next 12 months. The Company will scale Presence Control to support future sales pipeline of +100k badge holder units. Investment will include a ramp-up of product inventory and future product releases which add compelling new solution features and enhancements in response to customer feedback.
- d) **Commercialise cyber security analytics:** RightCrowd's cyber security product, RightCrowd IQ, has been successfully deployed at a major Australian financial institution and the Australian operations of a global insurance company. The software is now ready for broader commercialisation, particularly in the US and European markets. RightCrowd IQ solves security issues by rapidly identifying physical and logical security vulnerabilities and providing daily compliance checks across a customer's entire

workforce. RightCrowd has an opportunity to leverage its growing global client base, as well as leverage existing and new channel partner networks, including the IT channels.

Issue of Placement shares and disclosures under listing rule 7.1 and 7.1a

RightCrowd provides the following information pursuant to Listing Rule 3.10.5A.

- Approximately 37.9 million Shares will be issued under RightCrowd's 15% placement capacity under Listing Rule 7.1 and 10% placement capacity under Listing Rule 7.1a.

The shares issued under Listing Rule 7.1 / 7.1a results in the following dilution to existing holders of ordinary shares:

	Shares (millions)	% of total number of ordinary shares on issue following the Placement
Number of ordinary shares on issue prior to the Placement	222.2	85%
Dilution as a result of issue under Listing Rule 7.1 & 7.1a	37.9	15%
Number of ordinary shares on issue following the Placement	260.0	100%

About RightCrowd:

Founded in 2004, RightCrowd is a leading global developer of safety, security, and compliance software solutions to some of the world's largest companies. RightCrowd is headquartered on the Gold Coast (Australia) and has offices in Seattle (US), New Jersey (US), Ghent (Belgium), and Manila (Philippines). RightCrowd's award-winning solutions have helped businesses of all sizes to redefine their security and compliance programs, delivering improved productivity, at a lower cost.

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This announcement was authorised for release by RightCrowd's Board of Directors.

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