

RightCrowd FY22 Q1 Quarterly Activities Report and Appendix 4C:

RightCrowd delivers Q1 sales revenue of \$3.6m, up 25% on prior year.

RightCrowd Limited ("RightCrowd") or ("Company"), a leading global developer of physical security, safety, and compliance software, is pleased to provide its Quarterly Activities Report in conjunction with the release of the Appendix 4C - Quarterly Cash Flow Report for the period ended 30 September 2021.

Highlights: (All figures are unaudited and are expressed in Australian dollars unless stated otherwise):

- Quarterly revenue of \$3.6m in Q1 FY22, up 25% versus prior comparison period (Q1 FY21: \$2.8m) driven by new sales and customer renewals.
- Contracted Annual Recurring Revenue (ARR)¹ as at 30 September 2021 closed at \$8.7m, up 58% versus prior comparison period (Q1 FY21: \$5.5m)
- As of 30 September 2021, RightCrowd's cash and cash equivalent balance closed at \$8.0m with a further \$5.8m due in accounts receivable.
- Net operating cash outflows were \$1.4m. Outflows were driven by staff costs and further investments into product inventory, offset by robust cash receipts during the Quarter, which are projected to be strong again next Quarter.
- RightCrowd Workforce Management (formerly known as CORE) is seeing growth in pipeline and enquiries as companies continue to return to work internationally.
- RightCrowd Presence Control sales continued with 7k badge holder units sold during Q1 with growth split between new sales and existing customers extending the solution across their operations.
- COO and CTO hires completed to strengthen the executive team and build a market profile in the North American and European markets.

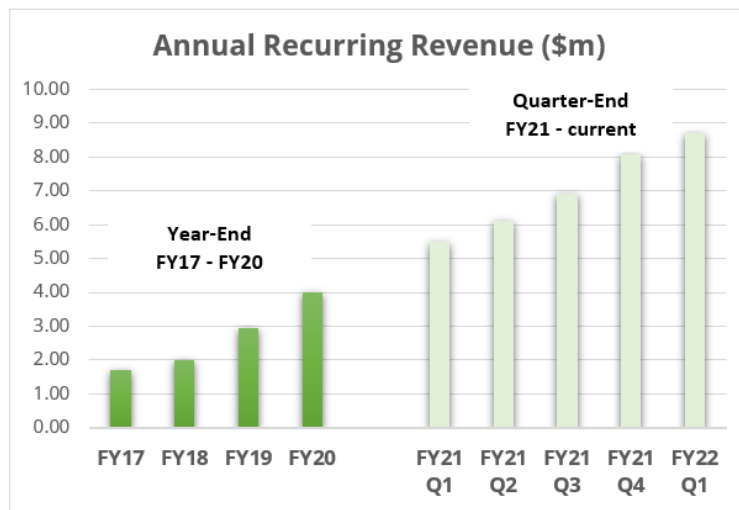
Financial Commentary:

Revenue & Annual Recurring Revenues (ARR): RightCrowd generated \$3.6m of revenue in Q1, 25% growth on the prior year corresponding period (FY21 Q1: \$2.8m).

Revenue growth was driven by a further 7k of badge-holder hardware and SaaS software sales to both new and existing customers. The Company also completed some new Workforce Management enterprise license sales with strong upsell opportunities, and several existing customer contract renewals during the Quarter.

¹ ARR is measured as the total annualised value of active customer contracts for annual subscription, support, and maintenance services as at 30th of September 2021.

These sales have also contributed to further growth in Annual Recurring Revenues to \$8.7m which represents growth of 58% on prior year (FY21 Q1: \$5.5m) and 8% growth on prior Quarter (FY21 Q4: \$8.1m).



Graph: Annual Recurring Revenue as at end of reporting period

Cash: RightCrowd closed the Quarter with a cash & cash equivalent balance of \$8.0m which excludes a further \$5.8m² inflow due in accounts receivable and \$1.4m outflow due in accounts payable as at the end of September.

Operating cashflow in Q4 resulted in a net cash outflow of \$1.4m. The result was driven by an increase in manufacturing cash outflows of \$0.8m during the Quarter to support future Presence Control sales. Tempering the net cash outflows was the growth of receipts from customers to \$4.5m in the Quarter, up 34% from prior Quarter (FY21 Q4: \$3.3m) and up 90% from prior comparison period (FY21 Q1: \$2.4m). The Company also repaid select loan facilities during the Quarter which resulted in financing outflows of \$0.3m and net outstanding debt of \$0.2m at the end of the Quarter.

Operating cash outflow is forecast to reduce during the next Quarter driven by customer receipts and receipt of the R&D tax incentive grant.

Operational Commentary:

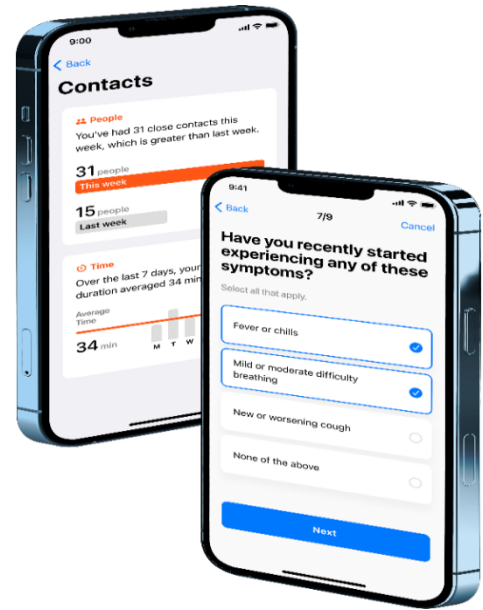
Workforce Management (formerly known as CORE): Q1 saw encouraging growth in pipeline as companies seek to address workforce access and visitor management, particularly in North America. Consulting activity is also picking up with good progress being made in the implementation of solutions at US Fortune 500 enterprise customers won during FY21.

² This includes the R&D incentive rebate relating to R&D expenses incurred in FY21.

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Presence Control: RightCrowd sold a further 7k Presence Control badgeholders in Q1 which was broadly in line with prior Quarter badge holder sales (7.6k) and 38% higher than prior year corresponding period (FY21 Q1: 5k). A total of 35k badge holder units have been sold since the start of FY21 with several new customers added in North America, Asia, and Australia during the Quarter. Existing customers also added a further 3.2k badge holders to their implementations during the Quarter.

The RightCrowd App is a new application built to support multiple RightCrowd solutions through a modern, extensible interface. The initial release will support Contact Tracing and Questionnaire capability focusing on the return to the workplace customer scenarios. The application works seamlessly with the Presence Control wearables and provides the end user tailored feedback on their usage and actions. The application is in final testing and will be available on iOS & Android devices.



Access Analytics: RightCrowd Access Analytics (formerly RightCrowd IQ) releases a product upgrade (version 1.8.0) which supports several key Physical Access Control Systems (PACS) data loaders. Access Analytics pipeline is also starting to build with an expectation of first sales to come through in Q2.

Channels and Alliances: RightCrowd continues to focus on developing partner channels making progress on training several partners. RightCrowd was due to join Honeywell, a major strategic partner, at their booth at the annual Global Security Exchange (GSX) conference in Florida USA during the Quarter, however unfortunately the event was cancelled due to COVID. Work continues on joint marketing and nurturing specific partner led opportunities.

Executive Appointments: As reported in RightCrowd's recent Investor Presentation, the Company added Brian McIlravey as Chief Operating Officer based in Canada, and Bryan Jones as Chief Technical Officer based in Switzerland. Both executives will officially start in November and will help drive forward commercialisation of the RightCrowd portfolio. These two executives bring a great deal of market experience and connections in the North American and European markets and will help cement RightCrowd's position as a market leader in the global workforce security software market.

RightCrowd CEO and Managing Director, Peter Hill, said:

"After a record Q4, RightCrowd again delivers solid year-on-year growth in the first Quarter of FY22. Although total revenue was lower than the prior Quarter, which was a record for RightCrowd, it is encouraging to see that the pipeline is continuing to build, and investments made by RightCrowd since the capital raise in March 2021 are accelerating our strategic plan. RightCrowd is confident that its work in generating new leads and building sales channels will result in an acceleration of revenue growth during the remainder of FY22."

Related Entities: Payments to related entities during the Quarter was \$0.1m which represented fees paid to the Board of Directors and Managing Director of RightCrowd.

Note to Market:

None of the information included in this announcement should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis.

This Company presentation may include certain statements, estimates or projections with respect to the anticipated future performance of the Company, the projects or both. Those statements, estimates or projections are based on assumptions about future events and management actions that may not necessarily take place and are subject to significant uncertainties, many of which are outside the control of the Company. Those assumptions may, or may not, prove correct. No representation is made as to the accuracy of those statements, estimates or projections.

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The release of this announcement was authorised by the Board of Directors.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

RightCrowd Limited

ABN

20 108 411 427

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4,483	4,483
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(835)	(835)
(c) advertising and marketing	(82)	(82)
(d) leased assets	(139)	(139)
(e) staff costs	(4,322)	(4,322)
(f) administration and corporate costs	(707)	(707)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	(32)	(32)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	186	186
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,445)	(1,445)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(79)	(79)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	1	1
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(78)	(78)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(328)	(328)
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	(328)	(328)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,872	9,872
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,445)	(1,445)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(78)	(78)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(328)	(328)
4.5	Effect of movement in exchange rates on cash held	6	6
4.6	Cash and cash equivalents at end of period	8,027	8,027

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,027	8,027
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)	8,027	8,027

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(117)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	240	240
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		0
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>Outstanding loan facilities at quarter end relate to the following:</p> <p>1. Insurance premium funding – \$21k. The group has an annual arrangement whereby the total cost of all insurance premiums is funded through a financial institution. The interest rate on the facility is 2.15% per annum and the maturity date is 30 October 2021. The group intends to renew the facility upon expiry.</p> <p>2. Payroll protection program loan – \$155k. The Payroll Protection loan was granted to the Group's U.S. based entities, the purpose of which was to provide assistance in meeting payroll obligations during the COVID-19 pandemic. The loan has an interest rate of 1% p.a. The Group expects to receive forgiveness from the U.S. government for most of the outstanding balance. The loan otherwise has a 30-year repayment term.</p> <p>3. Small Business Administration loan – \$64k. The SBA loan was taken out for the Group's U.S. operations to provide further assistance during the COVID 19 pandemic. The loan has a 30-year repayment term with interest at the rate of 3.75% per annum.</p>		
8.	Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,445)	
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,027	
8.3	Unused finance facilities available at quarter end (item 7.5)	0	
8.4	Total available funding (item 8.2 + item 8.3)	8,027	
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	5.55	
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:		
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?		
	N/A		

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

29 October 2021

Date:

Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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