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RIGHTCROWD
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FY22 Investor Presentation

RightCrowd (ASX:RCW)

25 August 2022

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01 FY22 Highlights

02 Company, Market and Product

03 Company Strategy

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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)

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FY22 Financial Highlights

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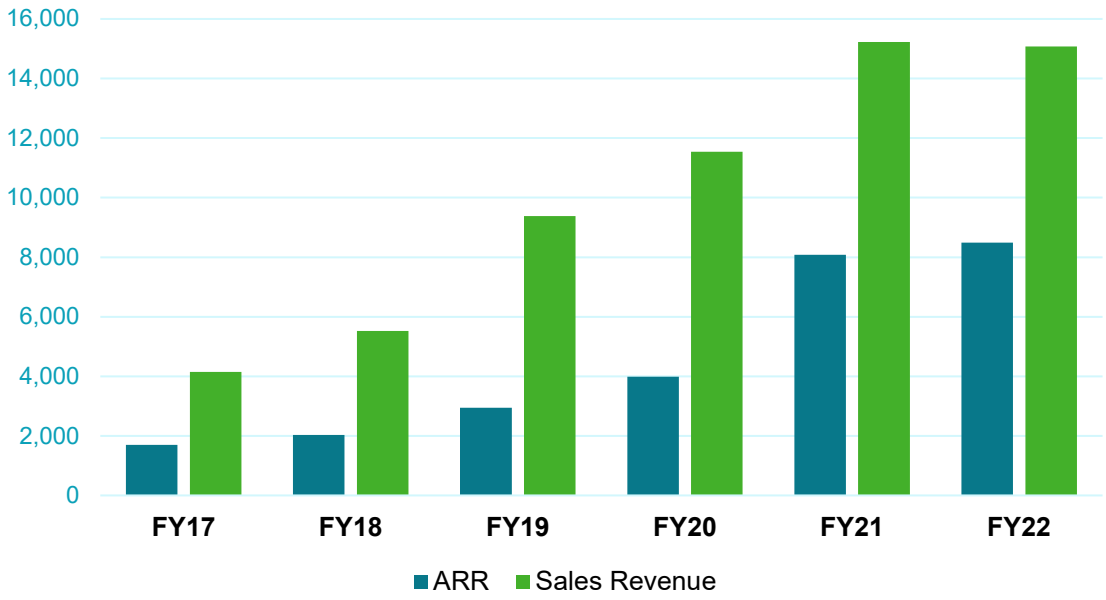
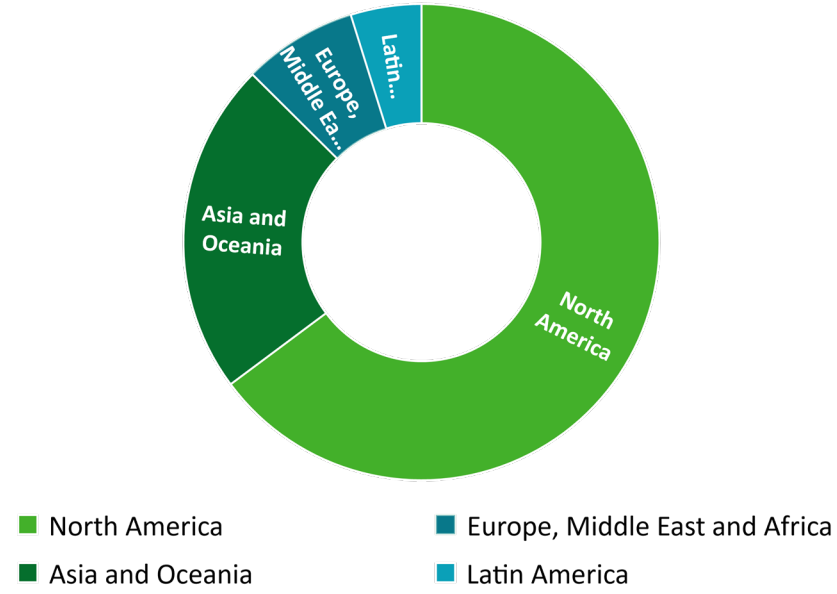
ARR & Sales
Compound ARR growth of 37.9% (FY17 to FY22) and compound annual sales revenue growth of 29.5% (FY17 to FY22)

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)



FY22 Financial Highlights

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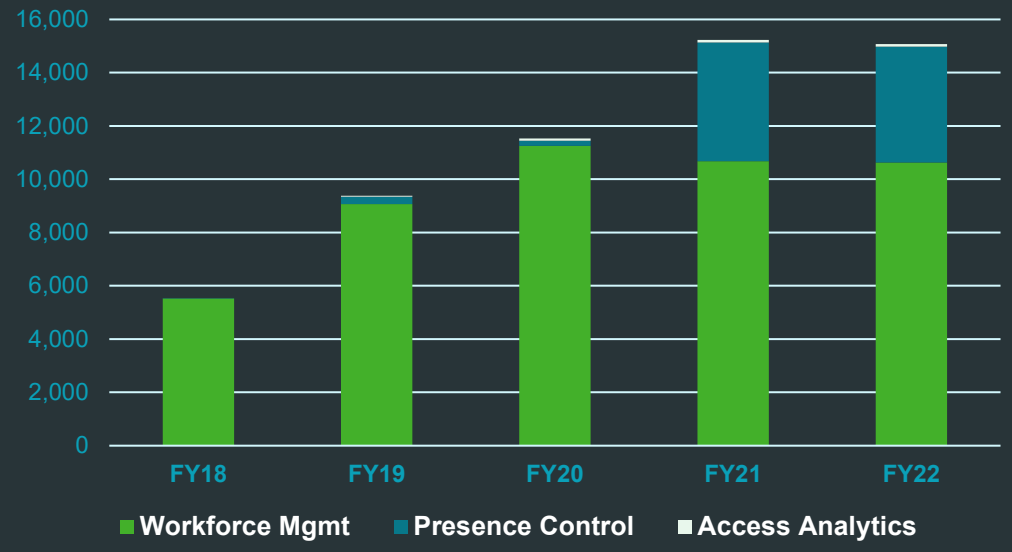
Business Unit Results

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.

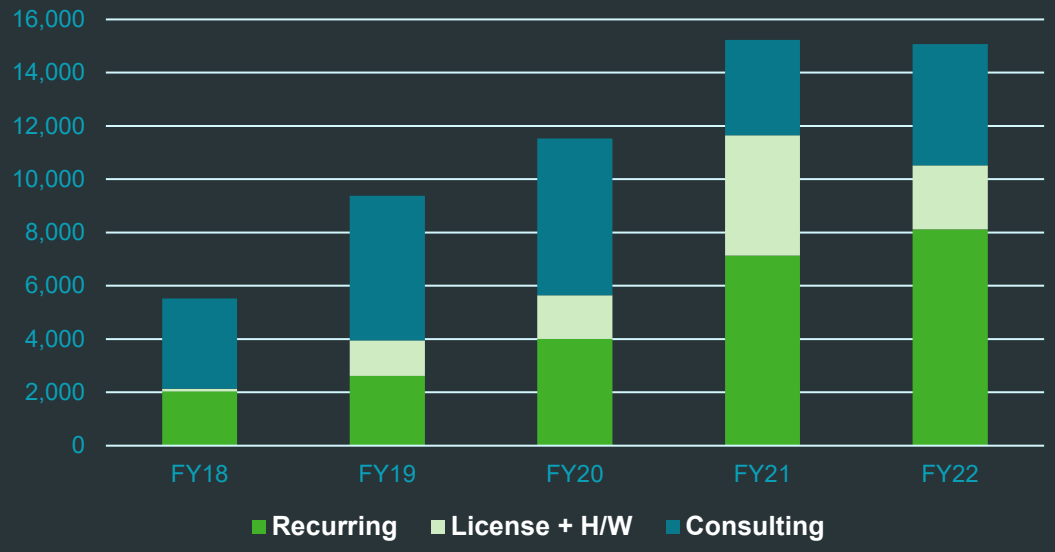
Revenue by Type

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)



FY22 Operational Highlights

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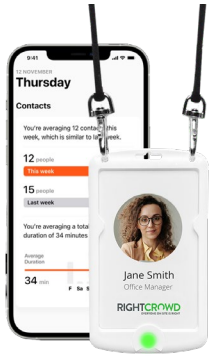
Organisational Changes

RightCrowd has re-structured its business units to align with its three key products that cover the full physical security lifecycle. They are:

- Workforce Management
- Presence Control
- Access Analytics

Evacuation Management products have been consolidated within Presence Control which has allowed for re-structuring of the Offsite Vision business unit generating annual savings of $1m.

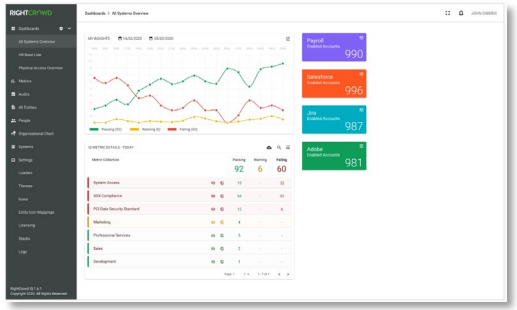


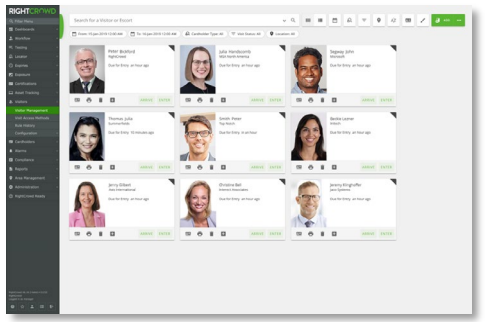
Presence Control

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)

FY22 Operational Highlights

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Key Executives Hired

RightCrowd has added executives to build its international presence including Brian McIlravey (COO, based in North America) and Bryan Jones (CTO, based in Europe) and appointed Bart Vansevenant to Chief Product Officer (based in Europe).

Customer Growth

Despite a slowdown in customer acquisition in FY22, the Company still managed to add 19 new customers, including 3 for its newly released Access Analytics product, during FY22.

Marketing Initiatives

RightCrowd has partnered with LRG, a US-based marketing agency specializing in the Security Industry to build brand awareness and augment lead generation. The Company is seeing good early wins, particularly in public relations which includes winning best new product for Access Analytics at the ISC West show in FY22.

Cyber Studio

Government funded program nearing completion of 1st year with 8 graduates completing RightCrowd internship. The program has been very successful in meeting government outcomes as well as contributing to RightCrowd projects.

North American Presence

RightCrowd established its Canadian entity and is now building a stronger presence covering the North American East Coast.

Cloud Solutions

RightCrowd successfully provided cloud-enabled solutions of its product suite as companies begin to rely less on on-premise deployments.

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Company

Our Mission Statement

To help our customers create a safe, secure and compliant workplace through innovative products that manage the access and presence of people.

$17m
Market Capitalisation (ASX: RCW)*

161
Total Staff*

7
Global Top 100** as Customers

29.5%
Sales Revenue CAGR (FY17-FY22)

* *As at 22-Aug-22*
** *PWC: Global Top 100 Companies – May 2022 update*

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Product

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

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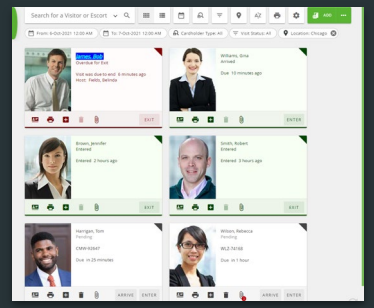
Product

Scalable access and presence management solutions that can adapt to changing business and policy requirements.

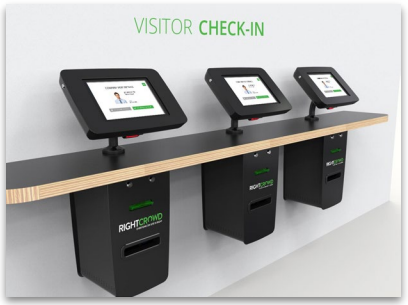


Optimising & Analytics

- On-boarding & off-boarding
- Access requests & approvals
- Access attestation and auditing
- Automated daily compliance controls

Before Work

- Request access for the day
- Complete health questionnaire on phone
- Receive safety & health notifications
- Receive access confirmation or denial



Arriving at Work

- Visitor check-in & visitor tethering
- I forgot my badge
- Random screening
- Fitness for work

While at Work

- Social distancing
- Contact tracing
- Presence control
- Restricted area control

Evacuating

- Automated check-in at mustering points
- Visual validation of people accounted for
- Live ‘Last Seen’ presence reporting
- Detailed evacuation reporting

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Company Strategy

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Leverage Global Partnerships

- Two new partner agreements were signed during FY22 and RightCrowd partnered with industry leading organizations at trade shows to demonstrate the latest innovations in the security software industry.
- Overall, the Company has not yet seen the desired a growth in partner generated revenue.
- A VP Partners and Alliances is being added in FY23. Partner training portals have also been built and made available to on-board new partners quickly.

Market Leading Innovation

- Presence Control and Access Analytics generated $4.4m, or 29% of total sales revenue in FY22 (FY21: $4.5m).
- Access Analytics has added 3 new customers in FY22 helping them to manage their ongoing access control compliance. The solution leverages market leading analytic capability and is quick to deploy.
- Presence Control has added a new Visitor Tethering feature and has successfully rolled out its evacuation management module with a major global resources company.

Boost Presence in US Market

- Revenue from North America decreased by 8% to $9.8m in FY22 (FY21: $10.6m).
- Key hires have been made in the United States to support increased revenue from sales and consulting activities during FY22. An entity in Canada has also been established.
- Ongoing investment is being made into Support, Customer Success, and Professional Services in the US to build further engagement in RightCrowd's largest geographical market.

P&L Profitability

- The Company was impacted by COVID-19 in FY22 resulting in a correction to the trend towards P&L profitability. The FY22 P&L result is heavily impacted by an impairment expense included in the FY22 accounts.
- The Company has restructured its operations and continues to focus on building successful customer and partner relationships to make strong inroads towards profitability in FY23.

Company Strategy

Senior executive hires to help build market presence and execute on Company strategy

Bart Vansevenant

Chief Product Officer

Bart is responsible for Product Innovation at RightCrowd. He has spent 15 years in the cyber security market and was CMO at cybersecurity start-up Catbird. He was also Executive Director of the Global Security Organization at Verizon, responsible for strategy and product management. Bart is based in Ghent, Belgium.

Brian McIlravey

President/Chief Operating Officer

Brian joins RightCrowd as an established Customer Success Senior Executive with a specific focus on increasing customer engagement and operational efficiencies in our US and North American markets. Brian is the former CEO of security incident management software company PPM 2000 and is based in Toronto, Canada.

Bryan Jones

Chief Technology Officer

Bryan joins RightCrowd as CTO after 18 years in senior executive positions with Honeywell. Bryan is a thought leader in the security industry, having registered several patents during his career around the physical access control space. Bryan is based in Lausanne, Switzerland.

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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%***

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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%**

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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.

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Glossary

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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.

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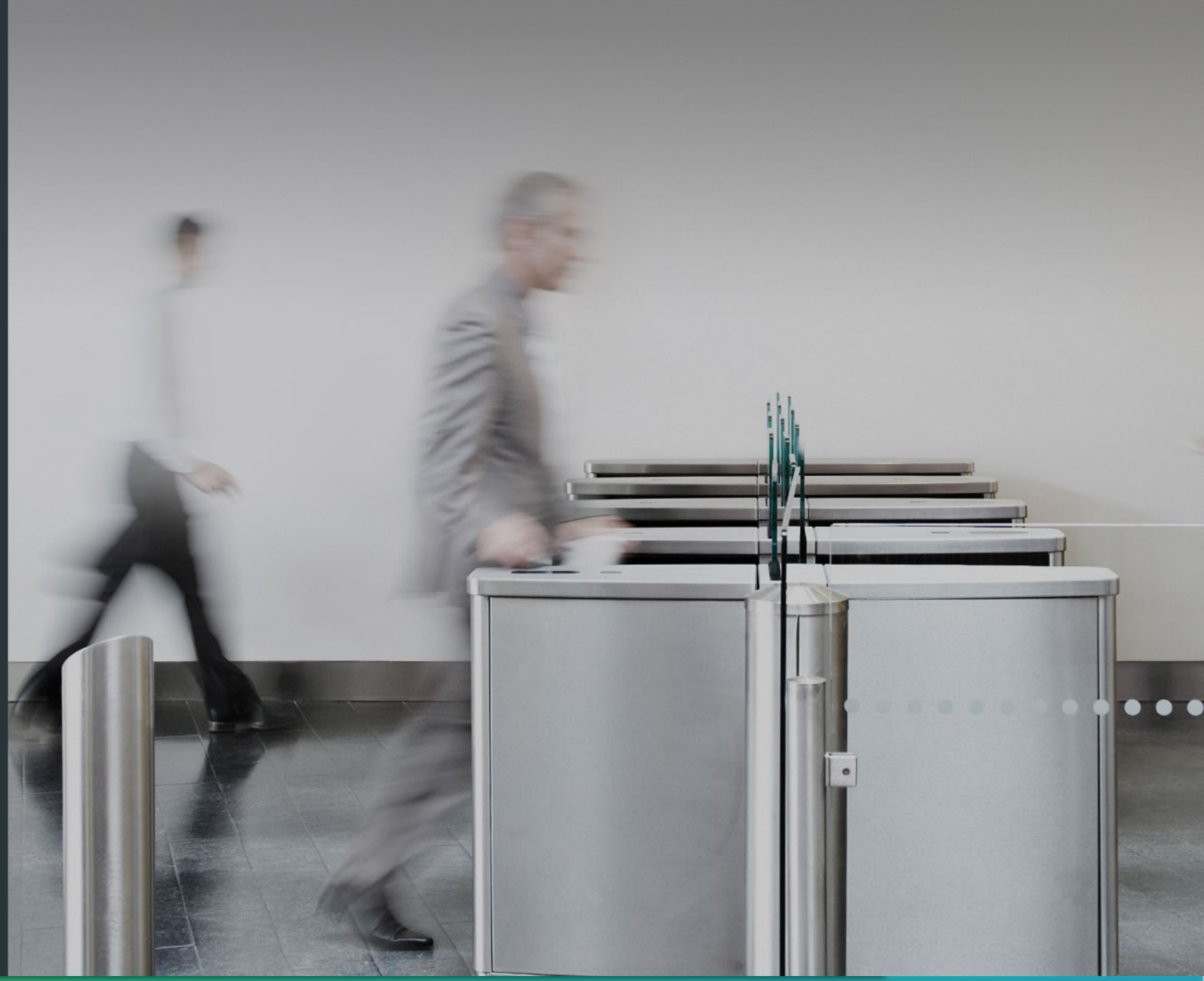
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