

RightCrowd FY23 H1 Half Year Results and Market Update:

RightCrowd increases ARR by 26% during the half-year to \$10.7m (\$8.5m @ 30 June 2022)

RightCrowd Limited ("RightCrowd") or ("Company") is a global provider of safety, security and compliance solutions that manage the access and presence of people. RightCrowd are specialists in technology solutions for the world's most complex safety, security, and compliance challenges. The Company is pleased to provide its FY23 half year report inclusive of Appendix 4D for the period ended 31 December 2022.

Summary:

(All figures are audited and expressed in Australian dollars unless stated otherwise)

- The Company's revenue for the half-year period ended 31 December 2022 was \$6.9m, a decrease of 11% on prior corresponding period (H1 FY22: \$7.7m). The decline was due to a decrease in new client sales and renewals for Presence Control as demand for contact tracing solutions was lower relative to prior year.
- Contracted Annual Recurring Revenue (ARR)¹ on 31 December 2021 closed at \$10.7m, up 17% versus prior comparison period (H1 FY22: \$9.1m), and up \$2.2m, or 26%, since the end of FY22 (Q4 FY22: \$8.5m).
- Churn during H1 was 6.1% (calculated based on total ARR) mainly due to Presence Control customers not renewing their annual SaaS subscriptions for contact tracing solutions. Excluding Presence Control, annual churn on the remainder of the portfolio remains below 1%.
- Net loss for the half-year period ended 31 December 2022 was \$6.3m, an increase of 86% on prior comparison period (H1 FY22: \$3.4m loss). The increase in net loss was solely due to the write down of \$3.7m in remaining goodwill related to the 2019 Ticto acquisition. Excluding the impact of impairment, the half year net loss was \$2.7m, reducing by 22% compared to the previous period driven by a 12.6% drop in overall costs relative to prior period.
- As of 31 December 2022, RightCrowd's cash and cash equivalent balance closed at \$3.9m, a decrease of 17% since the end of fiscal year 2022 (30 June 2022: \$4.7m). RightCrowd continues to work with external advisors to secure additional funding to support revenue growth activities and to ensure adequate resources for ongoing operations.
- During the first half of the year, RightCrowd added 3 new customers for its Workforce Management solutions and agreed a large uplift to recurring revenue for another strategic customer during the period. This has resulted in a strong increase in recurring revenues to \$5.3m for the period, up 34% on prior year (H1 FY22: \$3.9m).
- RightCrowd also added 2 more recurring revenue customers for Access Analytics during H1, growing ARR for the Access Analytics product to \$250k. Pipeline continues to build strongly with further sales forecast to close in H2.
- RightCrowd underwent restructuring during the period to lower its overall cost base. Total headcount has reduced from a peak of 165 full-time equivalent employees to 147 at the end of the reporting period.

¹ ARR is measured as the total annualised value of active customer contracts for annual subscription, support, and maintenance services as at 31st of December 2022.

External fees are also being reduced as the Company aims to reduce full-year costs by over 10% by the end of fiscal year 2023 compared to the previous financial year.

- The Company has continued to invest in marketing and attended the Global Security Exchange (GSX) trade show in September. Additionally, further investments have been made into public relations and marketing efforts to raise brand awareness, particularly in North America.

FY23 Outlook:

- RightCrowd communicated its FY23 outlook at the Company's AGM in November, targeting positive YoY revenue growth, ARR growth of 40% or more to over \$12m, and a YoY decrease in overall costs by 10%.
- The first half-year performance has shown a strong growth in recurring revenue, and the Company remains on track to achieve its FY23 targets given a strong pipeline and good progress in cost restructuring completed thus far.
- Although sales during the first half of the year were lower than the previous period, the Company has a strong second-half pipeline, including several significant new enterprise customers, and expects to see growing sales success of its Access Analytics product.
- The Company maintains its guidance on the objectives and targets communicated at the FY23 AGM.

Note to Market:

None of the information included in this announcement should be considered individually material, unless specifically stated.

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