

ersonal use only

RIGHTCROWD
EVERYONE ON SITE IS RIGHT

Investor Presentation: **FY23 H1 RESULTS**

RightCrowd (ASX:RCW)

21 February 2023



Disclaimer

The information in this Company presentation has been prepared by RightCrowd Ltd ("RightCrowd" or the "Company") for the exclusive use of the party to whom the Company delivers this presentation ("Recipients"). The purpose of this presentation is to provide the Recipient with general information concerning the Company.

This Company presentation is confidential. Its disclosure, use, reproduction, storage and transmission is not permitted without the written consent of the Company.

The Company and the Company's advisors (including their respective directors, partners, consultants and the employees, related bodies corporate, the directors, shareholders, managers, partners, employees or agents of them) (Information Providers) are not under any obligation to correct, update or revise this Company presentation or any written or oral communications transmitted to the Recipient.

This presentation is provided to the Recipient for information only. It is not to be considered as a recommendation by the information providers that a Recipient invest in the Company or acquire an asset of the Company, or that the investment is a suitable investment for the Recipient.

This Company presentation does not constitute investment, accounting, financial, legal or tax advice.

The Information Providers do not make any representation or warranty (express or implied) as to the accuracy, reliability, reasonableness or completeness of the contents of this presentation. To the maximum extent permitted by law, the Information Providers expressly disclaim all liability, and the Recipient releases them from any claim, (whether arising from negligence or otherwise) for, or based on, or relating to information (including any estimates) contained in this presentation, or for any errors in, or omissions from, this presentation or for any written or oral communications transmitted to the Recipient, except for any liability which cannot be excluded as a matter of law.

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. Each Recipient should make its own enquiries and investigations regarding the assumptions, uncertainties and contingencies which may affect the future operations of the Company, and the impact that different future outcomes may have on the Company.

Authorised for release by the Board of RightCrowd.



FY23 H1 Highlights



\$6.9m

Sales Revenue

-11% on H1 FY22 (\$7.7m)



\$10.7m

Annual Recurring Revenues

+17% YoY Growth



12.6%

Reduction in Expenses

Excl. impairment expense



\$3.9m

Cash Balance

-17% on FY22 (\$4.7m)



+3

ARR Enterprise Customers

Added YTD FY23



\$8.6m

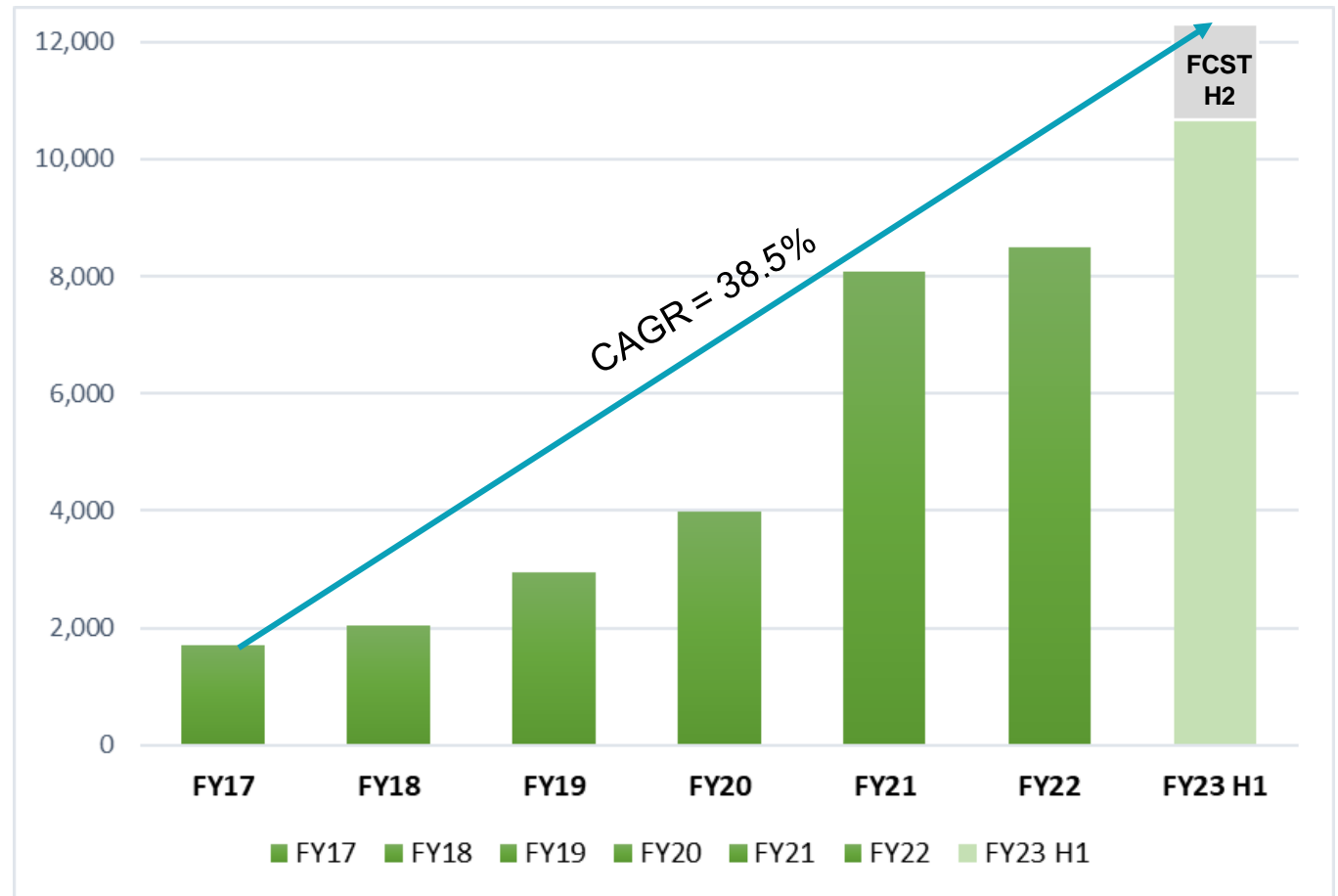
Total Income

-9% on H1 FY22 (\$9.4m)

FY23 H1 Highlights

Annual Recurring Revenues (AUD\$'000s)

- ARR at end of FY23 H1 of \$10.7m.
- Forecast for ARR to be \$12m+ by end FY23
- Compound ARR growth of 38.5% from 2017 to 2023
- Growth driven by focus on subscription / recurring revenue over perpetual license sales



Company Strategy



Return of enterprise sales

Leverage Company strength's, securing further enterprise deals with global multi-nationals through strict adherence to Ideal Customer Profile (ICP) guiding marketing and sales efforts.



Cost reductions

Reducing cost of sales, external costs and non-essential headcount through role closures and select staff attrition to reduce costs by 10% relative to FY22.



Organisational adjustments

Consolidation of all delivery resources into customer centric teams to generate greater efficiencies and better customer delivery and servicing. Redeployment of some skilled engineers from product to delivery teams to help accelerate project completion.



Cyber and Physical Opportunities

Continued growth of the Access Analytics customer base with focus across both physical and logical applications of the solution. The Company has forecast to accelerate revenue.



Strategic Partnerships

Pursue strategic partnerships to help leverage channels for future sales. RightCrowd recently signed a partnership with MSFT for the Microsoft Places program supporting the future of work.



Presence Control

RightCrowd will continue to focus on this market, albeit with a lower level of investment given that the product has now been fully developed and all use-cases are now production ready.

FY23 Outlook

Revenue growth returning while reducing cost-base

The Company has had an encouraging first half of FY23 with new enterprise sales and a strong pipeline developed for enterprise Workforce Management and Access Analytics solutions.

RightCrowd maintains FY23 outlook of:

- 40% plus growth in Annual Recurring Revenue (ARR) to greater than \$12m (even after additional expected Contact Tracing ARR reduction), driven by new enterprise customers for workforce management, and acceleration of new Access Analytics sales.
- YoY growth in overall sales revenue, despite the forecast reduction in Contact Tracing sales and delays in revenue recognition arising from the migration from perpetual licenses to annual software subscriptions.
- A \$2.5m reduction YoY in total costs (>10%).
- Achieving expected revenue growth and cost reductions, FY23 H2 to trade close to breakeven.



40%+

FCST ARR Growth in
FY23



\$12.0m+

FCST ARR by end of
FY23



\$2.5m

FCST Cost Savings
YoY



<\$22.0m

FY23 FCST Total
Costs*

* Excludes impairment expense

FY23 H1: Profit or Loss

Sales revenue reduced by 11% in H1 FY23 due to a reduction in revenue from Presence Control for contact tracing

Cost of Goods Sold has reduced by 78% in line with reduced sales of Presence Control for contact tracing

Employment benefits reduced by 5% following restructuring completed during H1 FY23

Impairment expense reflects write-down in remaining goodwill of the Ticto NV investment made in 2019.

PROFIT OR LOSS (AUD'000s)	FY23 H1	FY22 H1	% Change
Revenue	6,898	7,747	-11%
Other income	1,669	1,663	0%
Cost of goods sold	(304)	(1,353)	-78%
Impairment Expense	(3,690)	-	
Employee benefits expense	(8,731)	(9,175)	-5%
Depreciation and amortisation expense	(472)	(497)	-5%
Finance Costs	(61)	(67)	-9%
Foreign exchange gains and losses	75	(42)	-280%
Other expenses	(1,714)	(1,685)	2%
Loss before income tax	(6,330)	(3,411)	-86%
Income tax expense	(20)	(2)	860%
Net Loss for the year	(6,349)	(3,413)	-86%

FY23 H1: Balance Sheet

Reduction in cash reflects operating cash burn and repayment of borrowings. Focus is on accelerating revenue and managing costs to become cashflow positive.

Trade and other receivables have reduced due to receipt of R&D rebate in FY23 H1 (\$2.8m)

Contract liabilities have increased by 7% reflecting new customer contracts with upfront payments for subscription periods.

Borrowings relate to lease liabilities for rental premises and insurance funding. Aside from these, the Company has no other debt.

BALANCE SHEET (AUD'000s)	31-Dec-22	30-Jun-22	% Change
Cash and cash equivalents	3,893	4,684	-17%
Trade and other receivables	3,089	4,579	-33%
Inventories	1,431	1,346	6%
Financial assets	128	69	87%
Other current assets	1,560	1,376	13%
Total Current Assets	10,102	12,053	-16%
Property, plant & equipment	1,709	1,912	-11%
Intangible assets	879	985	-11%
Goodwill	-	3,688	-100%
Total Non Current Assets	2,588	6,585	-61%
TOTAL ASSETS	12,690	18,638	-32%
Trade and other payables	(613)	(736)	-17%
Borrowings current	(769)	(526)	46%
Contract liabilities	(3,106)	(2,915)	7%
Current tax liabilities	(6)	5	-210%
Provisions current	(1,956)	(2,070)	-6%
Total Current Liabilities	(6,450)	(6,242)	3%
Borrowings non-current	(944)	(1,122)	-16%
Provisions non-current	(109)	(119)	-8%
Total Non Current Liabilities	(1,053)	(1,241)	-15%
TOTAL LIABILITIES	(7,503)	(7,483)	0%
Issued capital	56,133	56,133	0%
Reserves	484	103	368%
Retained earnings	(51,431)	(45,082)	14%
TOTAL EQUITY	5,186	11,155	-54%

FY23 H1: Revenue Analysis

- *Workforce Management growing with some key new enterprise contracts signed during H1 FY23.*
- *Presence Control demand has reduced resulting in limited new sales in H1 FY23.*
- *Access Analytics added 2 new recurring revenue customers in H1 FY23 helping to drive strong growth, albeit off a low-base.*

REVENUE BY BUSINESS UNIT (AUD'000s)	Workforce Mgmt (WM)	Presence Control (PC)	Access Analytics (AA)	WM Annual Growth %	PC Annual Growth %	AA Annual 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%
FY23 H1	5,917	908	73	11%	-58%	49%
CAGR (FY17-FY22)	20.7%	746.8%	296.5%			

Recurring Revenue	FY23 H1	FY22 H1	%Δ YoY
Sub, SaaS, SMA	5,272	3,941	34%
License + Hardware	151	1,797	-92%
Consulting	1,476	2,009	-27%
Total	6,898	7,747	-11%

- *Recurring revenue grew by 34% driven by new subscription contracts signed during the period.*
- *License and Hardware reduced with the Company no longer offering perpetual licenses, and a drop in hardware sales for Presence Control*
- *Consulting revenue slowed with conversion of certain support activities into recurring subscription contracts*

Appendix: Glossary

ersonal use only

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.

RIGHTCROWD
EVERYONE ON SITE IS RIGHT

+61 7 5593 2581

info@rightcrowd.com

www.rightcrowd.com

ASX:RCW | OTCQB:RCWDF | rightcrowd.com



ersonal use only