

RightCrowd proposes divestment of the physical security businesses for \$13.5 million and repositions into the Identity and Cyber Security Markets.

- Binding Share Purchase Agreement with Bloom RC Holdings, Inc. ("**Bloom**") for the sale of Workforce Access, Visitor Management and Presence Control businesses for AUD \$13.5 million.
- RightCrowd to retain SaaS-based Access Analytics business.
- Bloom appointed as an Access Analytics OEM partner for physical security uses.
- Transaction subject to shareholder approval.

RightCrowd Limited (**ASX:RCW**) ("**RCW**") has signed a conditional Share Purchase Agreement ("**SPA**") to divest its physical security-related Workforce Access, Visitor Management and Presence Control businesses to Bloom, a New York based technology investment firm. RCW will focus on the rapidly growing global Identity Governance and Cyber Security Markets and accelerate its earlier stage, SaaS-based, Access Analytics business. Bloom will be appointed an Access Analytics OEM partner for physical security uses.

The RightCrowd Board recently conducted a thorough review of the company's operations given the significant change in investment market conditions over the last 18 months and the greatly escalated cost of capital to support the growth of all RightCrowd's product lines. While all the product lines hold genuine market potential, the board determined to prioritise allocation of capital to growth of the Access Analytics business after negotiations progressed with an interested buyer for the established physical security business line.

A purchase price of AUD \$13.5 million has been agreed with Bloom to purchase the physical security-related businesses, which include the Workforce Access, Visitor Management, and Presence Control product lines. The sale is subject to shareholder approval under ASX Listing Rule 11.2.

The leadership group and staff of the Workforce Access, Visitor Management, and Presence Control businesses will remain with the businesses being acquired by Bloom. The existing Access Analytics team will remain with the listed entity led by RightCrowd CEO, Peter Hill and CFO, Leslie Milne.

RightCrowd CEO Peter Hill added: "As founder and CEO of RightCrowd, working with our incredibly talented team for many years at the top end of the global physical security market, I am extremely proud of our many achievements. The innovation required in both the early days and still today has seen our solution deployed in globally significant enterprises and are now among the largest deployments of their type in the world.

I am personally very appreciative of the support we have received from our shareholders and believe this significant decision is in the best interests of all stakeholders. As the largest shareholder, I have made a deliberate decision to maintain alignment with all RightCrowd shareholders and lead the listed company to commercialise Access Analytics in the faster-moving,

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Identity and Cyber Security Markets. Even though Access Analytics is in its early stages, ARR had grown relatively quickly over the last year, and based on the current pipeline is showing all of the hallmarks of a highly scalable business.”

Bloom Equity Partner’s Managing Partner, Bart Macdonald, adds: “We are excited to acquire RightCrowd’s physical security solutions, and commit to continued investment in technology R&D and delivering world-class service to RightCrowd’s global roster of customers. We thank RightCrowd’s Board in entrusting Bloom to navigate the next chapter of RightCrowd’s journey, including the establishment of the OEM partnership to grow the Access Analytics product in the physical security segment.”

Sale Price

The purchase price of AUD \$13.5 million for the physical security-related businesses is a significant premium to the company’s current market capitalisation. The final purchase price is dependent on calculations of working capital and debt at completion.

Completion of the proposed sale is subject to normal market conditions including:

- RCW shareholder approval, by a simple majority, which will be sought at a general meeting of shareholders, to be held in the second half of August 2023.
- No material adverse change occurring in the disposed businesses between the date of the agreement and transaction completion.

Unanimous Board Recommendation

The Directors unanimously approve the proposed divestment to Bloom and will recommend that shareholders vote in favour of the transaction in the absence of a superior competing proposal. Each Director, who is also a shareholder, intends to vote in favour of the proposed transaction in the absence of a superior competing proposal.

Use of Proceeds

Subject to the completion of the proposed transaction, the Company will pay all costs associated with the transaction and intends to retain sufficient funds from sale proceeds to accelerate the growth of the Access Analytics business. The board also intends to consider other capital management initiatives.

Intentions for RightCrowd Post Transaction

The divested business lines will retain the RightCrowd brand and trademarks. Following completion of the proposed transaction, RCW will be renamed and will seek to remain an ASX-listed company subject to any requirements from the ASX, with its Access Analytics product then forming the main undertaking of the group.

Notice of Meeting

In due course, RightCrowd shareholders will be provided with a Notice of Meeting and an accompanying Explanatory Memorandum which will contain full details of the proposed

transaction and next steps. The company intends to hold an investor briefing call closer to the issue of the notice of meeting. Further details will be provided when dates are confirmed.

- END -

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

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About RightCrowd

Founded in 2004, RightCrowd (ASX: RCW) is a global provider of security, safety and compliance solutions that manage the access and presence of people. RightCrowd has offices in Seattle, Belgium, Manila, and the Gold Coast, with over 140 employees across a range of specialisations. Combined with long-standing alliances with major security and business systems vendors, RightCrowd delivers world-class solutions to meet clients' most difficult security and compliance challenges. RightCrowd has invested over 19 years working with the best of the best in the physical security industry and has successfully optimised business functions in major global organisations and industry verticals, including Fortune 50 and ASX 10 companies.

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