

## RIGHTCROWD LIMITED – EXTRAORDINARY GENERAL MEETING PRESENTATIONS

**Thursday, 24 August 2023:** In accordance with the ASX Listing Rules, the Chairman's address and the presentation to the Extraordinary General Meeting ("EGM") are appended.

**This announcement has been approved for release by the Board of Directors.**

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### Investor contact:

#### PETER HILL

Chief Executive Officer



[peter.hill@rightcrowd.com](mailto:peter.hill@rightcrowd.com)



+61 7 5593 2581

#### LESLIE MILNE

Chief Financial Officer



[leslie.milne@rightcrowd.com](mailto:leslie.milne@rightcrowd.com)



+61 7 2113 4238

## Chairman's Address

Shareholders, despite Rightcrowd achieving growth in both Total Sales Revenue and Annual Recurring Revenue from FY18 to FY23, and despite that growth leading to reduced operating losses over that time, the company's market capitalisation fell from over \$80m in FY21 to approximately \$3m in FY23. This fall in market capitalisation made it impossible to source either equity or appropriate debt funds at the level required to fund the continued growth and existing operations of the Company. Multiple options for funding were pursued, and the best option to crystallise was the sale of the Company's Physical Access business (**Sale Business**).

In considering the business or businesses to be sold, the Board had regard to the amount of cash required to fund future growth and the solutions that had the best chance of providing shareholders with value in the future.

These considerations led to the negotiation of a Share Purchase Agreement for the sale of the Sale Business for \$13.5m.

Approval of this sale by Shareholders and its subsequent completion will result in the company being well funded to focus on its early-stage Access Analytics business. The Board believes the Access Analytics business is highly scalable as it is a subscription model business and has a lower customer price entry point, shorter sales cycle and lower labour intensity deployment than the Sale Business solutions.

As part of the sale, the Company has entered into an OEM Agreement with the purchaser for the resale of Access Analytics for physical security applications.

The Notice of Meeting outlined perceived disadvantages of selling the Physical Security Businesses, which include the risk of delisting if the Company cannot satisfy the ASX by 4 January 2024 that its operations are sufficient to warrant continued listing on the ASX. In addition to having no exposure to the future growth of the Sale Business, the Access Analytics business is at a much earlier stage of development than the sale business which means there are inherent risks in terms of being able to grow customer numbers and revenues, and the funding of necessary future R&D.

Should the sale be approved by shareholders, upon completion of the sale the Company intends to change its name to Gathid Ltd. The name Gathid reflects Access Analytics function of gathering identities from all enterprise systems and analysing them.

The Board unanimously recommends shareholders vote in favour of both resolutions.

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# RightCrowd EGM

August 2023



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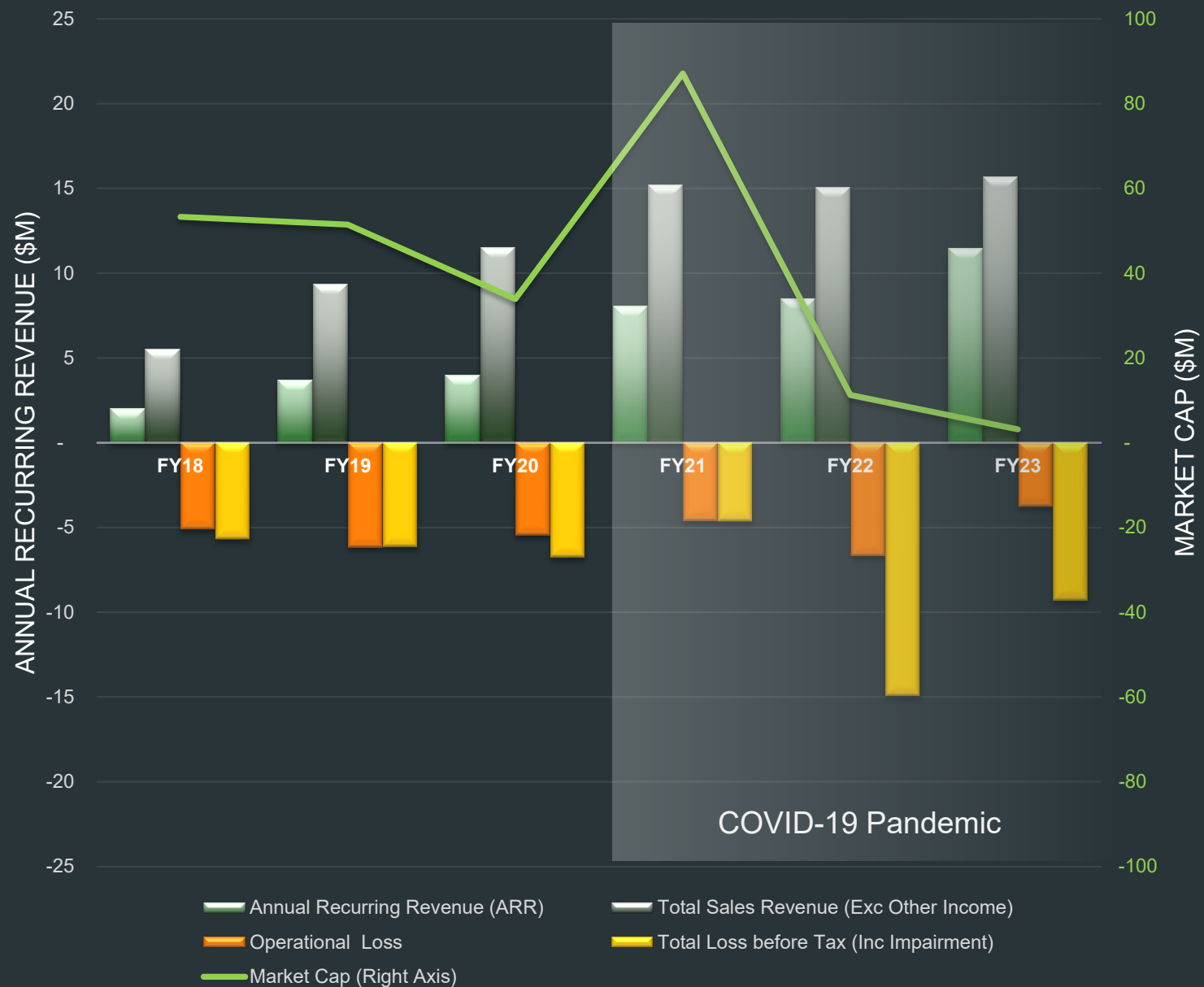
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Authorised for release by the Board of RightCrowd

# RightCrowd Financials Vs ASX Market Cap



# Transaction Rationale

- Improving fundamentals, but significantly lower Market Cap. Continuing losses and solution growth need to be financed via sale of assets, capital raise or debt facilities.
- Sufficient capital raise or appropriate debt facilities not available. Best option found is the one presented - \$13.5m for sale of the Physical Security businesses.
- Early-stage Access Analytics identity business retained - seen as best chance to generate additional value for shareholders.
- Unanimously recommended by Board - best for Shareholders, Staff and Customers.



# Advantage of the Sale

## Outlined in Notice of Meeting:

- Significantly reduce the Company's operational expenditure.
- Cash proceeds allows the Company to fully capitalise and focus on the Access Analytics business.
- Access Analytics business is anticipated to be more highly scalable and therefore more value accretive for Shareholders in the long-term.
- The Access Analytics solution has a lower customer price entry point than the solutions of the Sale Business.
- Access Analytics is a subscription model, has shorter sales cycles and has a low labour intensity deployment.
- The Company has entered into an OEM agreement with the purchaser for the reselling of Access Analytics within their portfolio of physical security. This gives the Company continuing access to the physical security market.

# Disadvantages of the sale of the Subsidiaries (and voting in favour of Resolution 1)

## Outlined in Notice of Meeting:

- Company required to demonstrate to ASX by no later than **4 January 2024**, that the Company's level of operations is sufficient to warrant the continued quotation of the Company's securities on ASX and its continued listing on ASX.

If the Company cannot convince the ASX its operations are suitable for continued listing on ASX, trading in the Shares on ASX will be suspended. If (and while) the Shares are suspended from trading, Shareholders will not be able to dispose of the Shares on ASX. If the Company is not able to meet the ASX's requirements within a reasonable time following suspension, the Company may be delisted.

- The Access Analytics business is at a much earlier stage of development than the Businesses being sold and has the risk inherent in the conduct of a business at a much earlier stage of its development including being unable to grow its customer or revenue base, or fund any necessary future research and development.
- The Company will have no exposure to the future growth of the Sale Business operated by the Subsidiaries.

# Gathid & Directors Recommend

## Outlined in Notice of Meeting:

- If the sale of the Physical Security business is approved, the company will be renamed Gathid Ltd.
- Gathid alludes to Access Analytics core capability of gathering identities from all enterprise systems and analysing them.
- The Directors unanimously recommend voting in favour of both resolutions.

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(07) 5593 2581



info@rightcrowd.com



www.rightcrowd.com

