

## **ASX Announcement**

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### **FY20 Q2 QUARTERLY UPDATE**

#### **RightCrowd delivers robust December quarter Q2 results with new sales into North America and strong cash inflows**

RightCrowd Limited ("RightCrowd") is pleased to provide its quarterly update in conjunction with the release of the Appendix 4C – Quarterly Cash Flow Report for the period ending 31 December 2019.

RightCrowd founder and CEO, Peter Hill, said that "The Q2 results highlight that RightCrowd continues to deliver strong growth with accelerating commercial success on the back of extensive R&D investment. The prospects for the company are very positive as we continue to transition from R&D to full scale global commercialisation".

#### **Q2 Highlights**

- Quarterly revenue was \$3.1m in Q2, in line with a record Q1 result. This performance has delivered a strong start to FY20 with growth of 36% for 1H FY20 on the previous corresponding period. The Company affirms that it remains on track for annual sales revenue to exceed \$13m, which represents an annual growth rate of greater than 40%, as communicated at its AGM in November 2019.
- Revenue was mainly generated through the delivery of major project milestones at a number of the world's leading banking and technology companies. New client wins in the quarter are based in North America, further cementing RightCrowd as a leading provider of physical access control automation software in the world's largest market.
- RightCrowd has enabled in-depth integrations with the leading physical access control systems, as well as commercial collaboration with their vendors. RightCrowd's vendor partners have their hardware-centric solutions installed across a vast global client base, providing RightCrowd with a significant pipeline as these partnerships develop on the back of successfully delivered projects which currently represent only a negligible proportion of the addressable market.
- RightCrowd's first major client for Presence Control (formerly Ticto) was successfully launched in December in Europe at the Securitas HQ in Belgium, representing an important milestone in the growth of the business. RightCrowd received very valuable user feedback from this first commercial deployment which has now been incorporated into the latest product release. With Securitas as both the first major successful customer and a well-established commercial distribution partner, business development

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activity is now accelerating in the European market on the back of this delivery.

- Fundamental strategic and commercial preparatory work was done for our cyber related product, RightCrowd IQ. This solution is focussed on the growing need for IT security audits and continuous compliance checks in the ever-growing cyber-security market. The product has received further investment to support new features requested by initial early adopter clients. The successful early adopter deployments have been very well received, and full commercialisation is now being accelerated with the appointment RightCrowd's first dedicated sales resource for this product. The cyber-security market continues to grow and is an extremely exciting opportunity for RightCrowd to both sell into new clients and importantly cross-sell into existing blue-chip customers.
- The cash position stands at \$3.84m as at 31-Dec-20 with a further \$2.1m due from accounts receivable. The overall cash position has remained relatively stable through Q2 (\$4.15m as at end Q1'20) courtesy of customer receipts and receipt of the R&D tax incentive rebate. The business anticipates that the projected balance of cash and cash equivalents, including inflows from signed purchase orders and qualified sales pipeline, remain sufficient to sustain operations through to at least the end of FY20.
- The company has finalised its Long-Term Incentive plan for staff which will result in the issuance of Performance Rights to staff. RightCrowd values it's people's expertise and contributions to the success of the business and the plan aligns staff incentives with shareholder objectives.

### **Note to Market**

None of the information included in this announcement should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis.

**This announcement is authorised for release by the Board of Directors.**

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