

# ASX Release

22 November 2018

## RightCrowd executes agreement to acquire unique security wearables business in Europe and raises approximately \$4 million



**RightCrowd Limited (ASX:RCW):** RightCrowd today announced it has executed an agreement to acquire 100% of the shares of Belgian-based, security wearables vendor, Ticto N.V. (Ticto), as well as its fully-owned US subsidiary Ticto Inc. The completion of this transaction, which is subject to RightCrowd shareholder approval, is expected in January 2019.

Ticto wearables allow a person to instantly see whether people or objects are authorized to be at a specific location or event, or to use a specific tool or vehicle. Its unique technology, patented in the USA and with patents pending in Europe and China, significantly improves the security level of existing access control deployments by eliminating existing problems like tailgating through doors, or badges being shared, expired or falsified. Whereas most existing physical security solutions focus on controlling access at the point of entry, Ticto focuses on actual authorized presence. Ticto's solution turns people – often considered the weakest link in security – into a strong first line of defence by engaging them in protecting an organization's assets.

The acquisition further supports RightCrowd's vision of deploying its products to enable an organisation to adopt new forms of frictionless and continuous risk-based access and presence control, substantially increasing RightCrowd's addressable market.

Ticto will immediately benefit from RightCrowd's global sales and marketing operations to expand its addressable market. RightCrowd will benefit by extending its core product offering with security wearables that enforce the safety, security and compliance policies defined in its core software platform. The Ticto product is also able to operate independently of RightCrowd's software, thereby broadening the product suite available to the RightCrowd sales team. The acquisition will also provide a physical base for RightCrowd in Europe.

RightCrowd has acquired Ticto for 14,200,000 EUR (\$22,903,226 at an exchange rate of 0.62 EUR for \$1 AUD), stipulated to be payable in fully paid shares in RightCrowd Limited, to be issued to the vendors at the equivalent of \$0.50 per share.

### About RightCrowd®

RightCrowd software transforms the business impact of safety, security and compliance programs. RightCrowd solutions enable organisations to integrate business, operational and security systems, and automate the management of critical safety, security and compliance processes.

Founded in 2004, RightCrowd has spent 14 years working with the best of the best in the physical security industry, in deep research and development. RightCrowd is successfully deployed in large global organisations, including Fortune 50 and ASX 10 companies.

[www.rightcrowd.com](http://www.rightcrowd.com)  
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EVERYONE ON SITE IS RIGHT

RightCrowd anticipates the proposed acquisition to add a product suite with the potential for very significant recurring revenue growth as it sets about transforming how security is viewed within the enterprise environment.

RightCrowd's integration and expansion plan for Ticto will see an estimated \$2.5m of RightCrowd's working capital used to cover accelerated sales and marketing, current project delivery and further R&D over the next 12 months.

In addition to this news, RightCrowd also announced it has completed a share placement to raise \$4 million, to fund working capital required for accelerated commercialisation and integration of the Ticto and, recently acquired New York based, OffSite Vision products into the RightCrowd product suite. The placement was partially subscribed by various Belgian-based funds and individuals connected to Ticto, showing ongoing support for the acquired company and the RightCrowd group. Rob Baker, RightCrowd's Chairman, also subscribed for \$100,000 of shares in the placement, subject to shareholder approval.

The placement will comprise the issuance of approximately 13.3 million fully paid ordinary shares at a price of \$0.30 per share. RightCrowd had approximately \$4.6 million in cash and equivalents at the end of September, 2018. With this \$4 million placement in addition to existing cash, RightCrowd considers that it has the sufficient funding to accelerate the sales and marketing of Ticto and perform the initial integration of the technologies.

In commenting on today's news, RightCrowd CEO Peter Hill said, "The acquisition of Ticto will be a major milestone in executing RightCrowd's goal to transform physical security from an isolated practice to a business-driven operation that defines, automates and enforces safety, security and compliance policies that are fully linked up with HR and IT systems. We are very pleased to welcome Ticto shareholders on our register as a result of the transaction and the placement."

Hill also said, "Security wearables will literally transform how security is viewed within an organisation. Our customers have been seeking ways to weave security deeper into their organisation, making it more visible and aiming for more frictionless security interactions. Ticto's technology is truly unique and will enable RightCrowd to fundamentally change the physical security space by offering solutions that provide continuous visibility of security, safety and compliance. Ticto also provides RightCrowd with a significant European base from which it can now deliver current and future projects within this region"

### **Key Terms of the Acquisition**

- The issue of 45,806,452 fully paid ordinary shares in RightCrowd Limited at a deemed issue price of \$0.50 per share, subject to approval by RightCrowd shareholders in January 2019.
- The majority of the consideration shares will be subject to escrow periods between 12 and 24 months. The management team and key employees of Ticto have agreed to escrow 75% of their shares for 24 months from completion of the transaction and 25% for 12 months from completion of the transaction.

## **Opportunities from the Acquisition of Ticto**

Ticto is an early-stage company developing security wearables based on unique and patented intellectual property related to visualizing authentication and authorization. The company is set up for significant revenue growth off the back of successfully completed Proof of Concepts and a first set of fully operational deployments with large strategic customers in both the United States and Western Europe.

The acquisition of Ticto will result in a number of important synergies. In combination with RightCrowd's recent acquisition of New York based, OffSite Vision, the company now possesses unique technology that enables the enforcement of safety, security and compliance policies and allows tracking of people and assets. This combined RightCrowd portfolio connects physical security to the business, reduces risks by enforcing policies and engaging the workforce, and saves money by automating many physical security processes.

Ticto has a recurring revenue model, which will immediately contribute to RightCrowd's growing recurring revenue streams. The acquisition also broadens RightCrowd's senior management team, with EMEA based resources and strong existing security industry relationships.

## **Extraordinary General Meeting (EGM)**

Given the size of the Ticto acquisition, shareholders will be asked to approve the issue of the consideration shares to the Ticto shareholders at an EGM to be held on or around 14th January 2019.

## **About OffSite Vision**

Founded in 2010, New York-based, OffSite Vision, offers real-time security and life safety solutions, working with organisations who are looking to protect their employees, assets and intellectual property. OffSite Vision's cloud-based, highly scalable evacuation and response software identifies the location of people and high value assets using low-cost, cutting-edge sensors and RF technologies to provide full accountability of movements in and out of facilities. The software platform provides organisations with immediate access to the critical location intelligence they need during emergency and other operational facility events.