

30 January 2018

December 2017 Quarterly Activity Report - RightCrowd Limited ASX: RCW

The following report details the operating and corporate activities of RightCrowd Ltd (Company or RightCrowd) for the quarter ended 31 December 2017.

At the end of the second quarter of the financial year the Board of Directors is pleased to provide the Activity Report evidencing solid progress against the plans detailed in the IPO Prospectus and at the Company's AGM in November 2017.

During the quarter the enhancement and re-organisation of the Executive Management team has been completed, allowing the team to focus on the substantial growth opportunity that has been identified in the market. Key roles have been filled by experienced RightCrowd staff who possess the knowledge of RightCrowd technology solutions and how they intersect with the emerging global security market opportunity. In addition to these internal appointments, RightCrowd has recruited one additional senior executive with extensive related technical experience to lead the growing engineering activities.

RightCrowd divided the sales and marketing functions and appointed dedicated individuals to these roles. Fred Rey is now the Vice President of Sales focussing on the execution of the Company's revenue growth pillar and will spearhead the sales effort across all geographies. Fred successfully led RightCrowd's professional services and pre-sales support activities over the past 6 years and has more than 20 years' experience in the sale and implementation of enterprise software, and has extensive expertise in solution development, sales and project delivery.

Justin Kerr is now Vice President of Marketing and brings his extensive experience executing integrated business to business sales and marketing campaigns and scaling marketing organisations to this role.

It also includes the appointment of Chip Pessa as Manager, Corporate Services. In this new role, Chip will be leveraging his 40 years' industry experience, much of it from Silicon Valley, as well as his deep knowledge of the RightCrowd technology stack, to focus on the identification and delivery of strategic corporate projects and opportunities

Damien Cunningham has been appointed Vice President of Professional Services and provides proven experience delivering complex project portfolios. Damien provides specific expertise managing diverse multi-disciplinary teams and complex project outcomes.

The one external recruit to the executive team is David MacKenzie who has been appointed Vice President, Engineering. David will lead the operational scaling of the Engineering team across all regions and drive the execution of the engineering program, with a strong focus on R&D and the delivery of our existing project pipeline. David brings exceptional technical management expertise, having previously led a product development team at IBM that delivered key security components across mobile, cloud and on premise solutions. He also provides enormous experience in enterprise software development, driving process improvement across a global team. David's previous roles include development management roles for IBM Security Systems products and senior development release management roles for IBM. .

As previously announced to the market, the Company already has a number of contracts in place for the 2018 financial year including support and maintenance and subscription revenue as well as project delivery work. The executive team is highly satisfied with the pace of delivery of the project activity through the first half of the financial year.

The Board is also pleased with the rates of renewal by existing clients for subscriptions and support and

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maintenance agreements during the quarter.

During the Quarter the Company received the tax payment from the ATO in relation to the R&D Tax Incentive application referred to in the Company's IPO prospectus. The amount received was \$1,647,084.

At the AGM in November 2017, the Company advised of the increased interest in RightCrowd solutions generated from ASIS 2017 in Dallas and the sales pipeline momentum from the exhibition has continued through this Quarter. The sales cycle for RightCrowd's Enterprise Solutions can be long and complex and the Board is pleased to note that several opportunities continue to progress through that cycle and the revenue outlook previously advised should be achieved.

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Appendix 4C
Quarterly report for entities subject to Listing Rule 4.7B

Name of Entity

RightCrowd Limited

ABN

20 108 411 427

Quarter ended ("current quarter")

31 December 2017

Consolidated statement of cash flows	Current quarter \$A	Year to Date (6 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	1,388,116	2,937,061
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(18,565)	(60,981)
(d) leased assets	-	-
(e) staff costs	(2,597,320)	(5,023,859)
(f) administration and corporate costs	(878,099)	(1,169,148)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	36,358	36,358
1.5 Interest and other costs of finance paid	0	(24,122)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,647,084	1,647,084
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(422,425)	(1,657,606)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant & equipment	(189,927)	(210,043)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant & equipment	-	20,877
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(189,927)	(189,166)

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3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	(0)	9,250,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	(100,254)	(1,020,374)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(2,020,871)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	(100,254)	6,208,755
4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	10,208,150	5,177,761
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(422,425)	(1,657,606)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(189,927)	(189,166)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(100,254)	6,208,755
4.5 Effect of movement in exchange rates on cash held	44,200	-
4.6 Cash and cash equivalents at end of quarter	9,539,744	9,539,744

5. Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
	\$A	\$A
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the bank account		
5.1 Bank balances	9,539,744	10,208,150
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,539,744	10,208,150

6. Payments to directors of the entity and their associates	Current quarter
	\$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	119,765
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Payments of salary and superannuation contributions made to and on behalf of Board of Directors including Non-Executive Directors.
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7. Payments to related entities of the entity and their associates
7.1 Aggregate amount of payments to these parties included in item 1.2
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Nil.

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8. Financing facilities available

- 8.1 Loan facilities -
- 8.2 Credit standby arrangements -
- 8.3 Other (please specify) -

8.4 Income below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

The Group currently has no financing facilities and does not foresee a requirement for these.

	Current quarter \$A
9. Estimated cash outflows for the next quarter	
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	99,000
9.4 Leased assets	
9.5 Staff costs	2,894,000
9.5 Administration and corporate costs	606,000
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	3,599,000

**10. Acquisitions and disposals of business entities
(items 2.1(b) and 2.2(b) above)**

	Acquisitions	Disposals
10.1 Name of entity	n/a	n/a
10.2 Place of incorporation or registration	n/a	n/a
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	n/a	n/a

Compliance Statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



 (Company secretary & CFO)

Date: 30 January 2018

Notes:

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report,
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

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