

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Appendix 4D Report for the Half-Year Ended 31 December 2017**

Results for Announcement to the Market

| Key Information | \$ | Up/Down | Movement % |
|---|-------------|----------------|-------------------|
| Revenue from continuing operations | 4,549,254 | Up | 179.59% |
| (Loss) after tax from ordinary activities | (2,030,748) | Up | 33.23% |

Dividends

There were no dividends declared or paid during the half-year ended 31 December 2017.

Comments

The directors draw your attention to the Review of Operations contained in their Directors Report on pages 3 and 4 of the Interim Financial Report for the Half-Year ended 31 December 2017, attached. This should be read in conjunction with the IPO Prospectus, Financial Report for the Year ended 30 June 2017 and subsequent 4C announcements.

You should also note Revenue from continuing operations, shown above, contains a one-off Other revenue gain (\$1,769,478) which relates to the settlement of share based payments for a shadow equity plan mentioned in the IPO prospectus.

Net Tangible Assets

| | December 2017 | December 2016 |
|---|----------------------|----------------------|
| | \$ | \$ |
| Net tangible assets per ordinary security | 0.073 | (2.59) |

Control gained over entities

Not applicable.

Loss of control over entities

Not applicable.

Details of associates and joint venture entities

Not applicable.

Interim Review Status

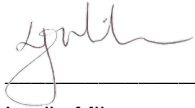
The interim financial report has been reviewed by the Group's independent auditor without any modified opinion, disclaimer or emphasis of matters. Refer to page 19 of the interim financial report for the half-year ended 31 December 2017 for a copy of the review report by the auditor.

Attachments

The interim financial report and accompanying notes of RightCrowd Limited for the half-year ended 31 December 2017 is attached.

RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017

Signed



Leslie Milne

Company Secretary and Chief Financial Officer

Date: 26 February 2018

RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017

**RIGHTCROWD LIMITED
AND CONTROLLED ENTITIES**

A.B.N. 20 108 411 427

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2017**

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

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**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to herein as the Consolidated Group) consisting of RightCrowd Limited and its controlled entities for the half-year ended 31 December 2017.

General Information

Directors

The names of directors in office during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

| | | |
|--------------------------------|-------------------------|--------------------------|
| Mr Robert Baker | Non-executive Chairman | Appointed: 6 August 2017 |
| Mr Peter Hill | Managing Director & CEO | Appointed: 18 March 2004 |
| Mr Alfred Scott Goninan | Non-executive Director | Appointed: 6 August 2017 |

Significant Changes to Activities

There were no significant changes in the nature of the consolidated group's principal activities during the financial half-year.

Review of operations

The directors are satisfied with the progress that the company has made over the six months to 31 December 2017. During the period the company successfully completed its planned IPO ASX listing to raise \$10 million of capital, in order to take advantage of the market opportunity the management team can see for the company's technology solutions. Of this amount a \$2 million convertible note was repaid and a buy back of capital totalling \$0.75 million occurred. The transaction costs of the listing were \$1,020,374, with \$364,030 of this amount taken to the Profit and Loss Statement.

The company has seen an increase in revenue from software of around 33% from the comparable period last year. Software revenue includes perpetual and subscription licenses and support and maintenance fees. The company has seen a number of new customers delivered to the base and the continued uptake of support and maintenance and subscription renewal. This is coupled with a doubling in software implementation services revenue against the comparable period, as the company delivers against significant purchase orders from new and existing customers.

From an operational perspective the management team has been implementing its resourcing plan and most of this is now in place with the cost base now plateauing. The team is pleased that the increased focus on sales and marketing is driving increasing interest in the company's technology solutions. In particular the company is seeing a broadening pipeline across customer prospects who use newly supported access control platforms that RightCrowd have brought to the product portfolio in the previous financial year.

During the period the company has also seen a new channel partner signed up to resell the company's pre-packaged software solution (RightCrowd Essentials) and the partner has recently sold to its first end customer. Within RightCrowd, progress has also been made in creating digital assets and new training material that should enable wider partner engagement with potential customers.

The company has continued with its research and development programme and has seen increasing interest from existing customers in its new early-stage innovations.

RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017

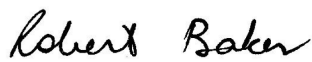
DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration for the half-year ended 31 December 2017 has been received and can be found on page 5 of the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors:



Robert Baker
Non-executive Chairman



Peter Hill
Managing Director & Chief Executive Officer

26 February 2018

RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017

AUDITOR'S INDEPENDENCE DECLARATION



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Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY C R JENKINS TO THE DIRECTORS OF RIGHTCROWD LIMITED

As lead auditor for the review of RightCrowd Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of RightCrowd Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'C R Jenkins', written over a white background.

C R Jenkins
Director

BDO Audit Pty Ltd

Brisbane, 26 February 2018

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

| | Note | Consolidated Group | |
|--|-------------|---------------------------|--------------------|
| | | Dec 2017 | Dec 2016 |
| | | \$ | \$ |
| Revenue | 2 | 2,643,833 | 1,559,740 |
| Other income | 2 | 1,905,421 | 67,371 |
| Employee benefits expense | | (4,931,772) | (3,726,637) |
| Depreciation and amortisation expense | | (59,242) | (31,674) |
| Finance costs | | (354,464) | (227,934) |
| Other expenses | 3 | (1,217,526) | (682,581) |
| Profit/(loss) before income tax | | (2,013,750) | (3,041,715) |
| Income Tax Expense | | (16,998) | - |
| Net (loss) for the period | | (2,030,748) | (3,041,715) |
| Other comprehensive income | | | |
| Items that will be reclassified subsequently to profit or loss when specific conditions are met | | | |
| Exchange differences on translating foreign operations | | (54,160) | 23,910 |
| Total other comprehensive (loss) for the period | | (54,160) | 23,910 |
| Total comprehensive (loss) for the period | | (2,084,908) | (3,017,805) |
| | | | |
| Earnings per share | | | |
| Basic earnings per share (\$) | 4 | (0.019) | (2.43) |
| Diluted earnings per share (\$) | 4 | (0.019) | (2.43) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the attached notes.

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

| | Note | Consolidated Group | |
|--------------------------------------|------|--------------------|--------------------|
| | | Dec 2017 | June 2017 |
| | | \$ | \$ |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 9,569,645 | 5,177,761 |
| Trade and other receivables | 5 | 1,473,913 | 2,835,700 |
| Other assets | | 356,374 | 23,062 |
| TOTAL CURRENT ASSETS | | 11,399,932 | 8,036,523 |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | | 295,658 | 134,218 |
| Intangible assets | | 555,112 | 585,773 |
| TOTAL NON-CURRENT ASSETS | | 850,770 | 719,991 |
| TOTAL ASSETS | | 12,250,702 | 8,756,514 |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 340,936 | 544,631 |
| Borrowings | 6 | 272,867 | 20,871 |
| Other liabilities | 7 | 1,109,299 | 2,820,720 |
| Provisions | | 598,415 | 648,780 |
| TOTAL CURRENT LIABILITIES | | 2,321,517 | 4,035,002 |
| NON-CURRENT LIABILITIES | | | |
| Borrowings | 6 | - | 8,908,552 |
| Provisions | | 137,892 | 124,530 |
| TOTAL NON-CURRENT LIABILITIES | | 137,892 | 9,033,082 |
| TOTAL LIABILITIES | | 2,459,409 | 13,068,084 |
| NET ASSETS/(LIABILITIES) | | 9,791,293 | (4,311,570) |
| EQUITY | | | |
| Issued capital | 8 | 19,468,727 | 3,349,925 |
| Reserves | 9 | 57,289 | 794,416 |
| Accumulated Losses | | (9,734,723) | (8,455,911) |
| TOTAL EQUITY | | 9,791,293 | (4,311,570) |

The above Consolidated Statement of Financial Position should be read in conjunction with the attached notes.

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

| | Share Capital | Accumulated Losses | Foreign Currency Translation Reserve | Other Reserves | Total |
|---|-------------------|-----------------------|---|-------------------|--------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Consolidated Group | | | | | |
| Balance at 1 July 2016 | 2,750,000 | (3,758,483) | 36,365 | 751,936 | (220,182) |
| Comprehensive income | | | | | |
| (Loss) for the half-year | - | (3,041,715) | - | - | (3,041,715) |
| Other comprehensive income for the half-year | - | - | 23,910 | - | 23,910 |
| Total comprehensive income for the half-year | - | (3,041,715) | 23,910 | | (3,017,805) |
| Transactions with owners, in their capacity as owners, and other transfers | | | | | |
| Shares issued during the half-year | - | - | - | - | - |
| Total transactions with owners and other transfers | - | - | - | - | - |
| Balance at 31 December 2016 | 2,750,000 | (6,800,198) | 60,275 | 751,936 | (3,237,987) |
| Balance at 1 July 2017 | 3,349,925 | (8,455,911) | 42,480 | 751,936 | (4,311,570) |
| Comprehensive income | | | | | |
| (Loss) for the half-year | - | (2,030,748) | - | - | (2,030,748) |
| Other comprehensive income for the half-year | - | - | (54,160) | - | (54,160) |
| Total comprehensive income for the half-year | - | (2,030,748) | (54,160) | - | (2,084,908) |
| Transactions with owners, in their capacity as owners, and other transfers | | | | | |
| Share option expensed during the half year | - | - | - | 68,969 | 68,969 |
| Transfer of convertible note reserve to retained earnings upon settlement in cash | - | 751,936 | - | (751,936) | - |
| Shares Buy-back during the half-year | (750,000) | - | - | - | (750,000) |
| Shares issued during the half-year | 17,525,146 | - | - | - | 17,525,146 |
| Transaction costs | (656,344) | - | - | - | (656,344) |
| Total transactions with owners and other transfers | 16,118,802 | 751,936 | - | (682,967) | 16,187,771 |
| Balance at 31 December 2017 | 19,468,727 | (9,734,723) | (11,680) | 68,969 | 9,791,293 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the attached notes.

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 30 JUNE 2017

| | Note | Consolidated Group | |
|--|------|--------------------|--------------------|
| | | Dec 2017 \$ | Dec 2016 \$ |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers (inclusive of GST) | | 2,748,850 | 2,060,505 |
| Payments to suppliers and employees (inclusive of GST) | | (6,669,902) | (4,338,131) |
| Interest received | | 36,358 | 19,211 |
| Finance costs | | (26,992) | (61,949) |
| Grant income received | | 1,647,084 | 784,564 |
| Net cash provided by/(used in) operating activities | | <u>(2,264,602)</u> | <u>(1,535,800)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from sale of property, plant and equipment | | 20,877 | - |
| Purchase of property, plant and equipment | | (210,043) | (17,586) |
| Net cash used in investing activities | | <u>(189,166)</u> | <u>(17,586)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Share buy-back | | (750,000) | - |
| Proceeds from issue of shares | | 10,000,000 | - |
| Net Transaction costs * | | (656,344) | - |
| Proceeds from borrowings | | 272,867 | 7,266,800 |
| Repayment of borrowings | | (2,020,871) | - |
| Net cash provided by/(used in) financing activities | | <u>6,845,652</u> | <u>7,266,800</u> |
| Net increase in cash held | | 4,391,884 | 5,713,414 |
| Cash and cash equivalents at beginning of financial period | | 5,177,761 | 2,553,738 |
| Cash and cash equivalents at end of financial period | | <u>9,569,645</u> | <u>8,267,152</u> |

* Total transaction costs = \$1,020,374 less transaction costs reflected in profit or loss \$364,030 and included in cash flow from operating activities.

The above Consolidated Statement of Cash Flows should be read in conjunction with the attached notes.

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

The consolidated financial statements and notes represent those of RightCrowd Limited and Controlled Entities (the “consolidated group” or “group”).

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with the *Corporations Act 2001*, and Australian Accounting Standard AASB 134 ‘Interim Financial Reporting’. Compliance with AASB 134 ensures compliance with Internal Financial Reporting Standard IAS 134 ‘Interim Financial Reporting’. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The same accounting policies and methods of computation have generally been followed in these half year financial statements as compared to the most recent annual financial statements. There has been no new accounting policies adopted for the first time in these financial statements, except the following:

Share Based payment expense

Equity settled share-based compensation benefits have been provided to employees. Equity settled transactions that have been provided by the Group are awards of options which are provided to employees in exchange for the rendering of services. The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. Share based payments to employees are measured at fair value of the instruments issued and amortised over the vesting period. The corresponding amount is recorded to the employee share option reserve. Fair value is independently determined using the Hull-White Trinomial Lattice Pricing Model that takes into account the exercise price, term of option, expected price volatility and security price at grant date. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for equity instruments granted is based on the number of equity instruments that eventually vest.

Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements and assumptions made by management, and will seldom equal the estimated results.

The key judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group’s last annual financial statements for the year ended 30 June 2017.

Fair value of financial instruments

The fair value of financial assets and financial liabilities approximate their carrying values due to their short-term nature or are receivable/payable on demand.

The interim financial statements have been approved and authorised for issued by the Board of Directors on 26 February 2018.

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

NOTE 2: REVENUE AND OTHER INCOME

| | Consolidated Group | |
|--|---------------------------|------------------|
| | Dec 2017 | Dec 2016 |
| | \$ | \$ |
| a. Revenue from continuing operations | | |
| Sales revenue: | | |
| – software revenue | 1,040,972 | 780,687 |
| – provision of services | 1,602,861 | 779,053 |
| | 2,643,833 | 1,559,740 |
| Other revenue: | | |
| – interest received | 36,347 | 19,212 |
| – travel & accommodation recharge | 11,885 | 13,252 |
| – employee contributions | 14,649 | 18,057 |
| – foreign currency exchange | 72,175 | 16,850 |
| – Fair value movement of cash settled: share based payments (shadow equity plan) | 1,769,478 | - |
| – Gain on sale of non-current assets | 887 | - |
| | 1,905,421 | 67,371 |
| Total revenue | 4,549,254 | 1,627,111 |

NOTE 3: OTHER EXPENSES

| | Consolidated Group | |
|-----------------|---------------------------|-----------------|
| | Dec 2017 | Dec 2016 |
| | \$ | \$ |
| Listing expense | 364,030 | - |
| Rent expense | 135,137 | 91,978 |
| Travel expense | 289,595 | 192,812 |
| Other expenses | 428,764 | 397,791 |
| | 1,217,526 | 682,581 |

NOTE 4: EARNINGS PER SHARE

| | Consolidated Group | |
|---|---------------------------|-----------------|
| | Dec 2017 | Dec 2016 |
| | \$ | \$ |
| a. Reconciliation of earnings to profit or loss: | | |
| Profit/(Loss) | (2,030,748) | (3,041,715) |
| Redeemable and convertible preference share dividends | - | - |
| Earnings used to calculate basic EPS | (2,030,748) | (3,041,715) |
| Dividends on convertible preference shares | - | - |
| Earnings used in the calculation of dilutive EPS | (2,030,748) | (3,041,715) |

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

NOTE 4: EARNINGS PER SHARE (CONTINUED)

| | Consolidated Group | |
|---|---------------------------|-----------------|
| | Dec 2017 | Dec 2016 |
| | \$ | \$ |
| b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS | 105,393,333 | 1,250,000 |

There is no difference in basic and diluted earnings per share as the issuing of potential ordinary shares would be anti-dilutive.

NOTE 5: TRADE AND OTHER RECEIVABLES

| | Consolidated Group | |
|--|---------------------------|-------------------------|
| | Dec 2017 | Jun 2017 |
| | \$ | \$ |
| CURRENT | | |
| Trade receivables | 1,473,913 | 1,188,616 |
| | <u>1,473,913</u> | <u>1,188,616</u> |
| Other receivables | | |
| R & D Claim receivables (grant income) | - | 1,647,084 |
| | <u>-</u> | <u>1,647,084</u> |
| | <u>1,473,913</u> | <u>2,835,700</u> |

The Group has not recognised any R&D receivable at 31 December 2017 as no assessment and related claim has yet been prepared to trigger the recognition of an asset.

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

NOTE 6: BORROWINGS

| | Consolidated Group | |
|---|---------------------------|------------------|
| | Dec 2017 | Jun 2017 |
| | \$ | \$ |
| CURRENT | | |
| Unsecured liabilities: | | |
| Insurance premium funding | 272,867 | - |
| | 272,867 | - |
| Secured liabilities: | | |
| Finance loans | - | 20,871 |
| | - | 20,871 |
| Total current borrowings | 272,867 | 20,871 |
| NON-CURRENT | | |
| Unsecured liabilities: | | |
| Fixed convertible notes at amortised cost (a) | - | 1,708,552 |
| Variable convertible notes at fair value (b) | - | 7,200,000 |
| Total non-current borrowings | - | 8,908,552 |
| Total borrowings | 272,867 | 8,929,423 |

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

NOTE 6: BORROWINGS (CONTINUED)

| | Consolidated Group | |
|-----------------------------|---------------------------|------------------|
| | Dec 2017 | Jun 2017 |
| | \$ | \$ |
| a. Fixed convertible notes: | | |
| Opening balance | 1,708,552 | 1,555,392 |
| Proceeds | - | - |
| | 1,708,552 | 1,555,392 |
| Unwinding of the discount | 291,448 | 153,160 |
| Gross convertible note | 2,000,000 | 1,708,552 |
| Less repayment | (2,000,000) | - |
| | - | 1,708,552 |

On 15 September 2017 the convertible notes were settled by way of repayment in cash of \$2,000,000.

| | | |
|---|-------------|------------------|
| b. Variable convertible notes: | | |
| Opening balance | 7,200,000 | 7,200,000 |
| Proceeds | - | - |
| Less conversion to ordinary shares | (7,200,000) | - |
| Convertible notes held at fair value | - | 7,200,000 |

Upon completion of the IPO these convertible notes were converted into 25,083,819 ordinary shares on 14 September 2017. This conversion included \$7,200,000 convertible notes at face value plus \$325,146 worth of interest which has been accrued and capitalised in payables over the term of the convertible note until conversion.

NOTE 7: OTHER LIABILITIES

| | Consolidated Group | |
|--|---------------------------|------------------|
| | Dec 2017 | Jun 2017 |
| | \$ | \$ |
| CURRENT | | |
| Deferred revenue | 1,076,634 | 825,720 |
| Cash settled share based payment at fair value (shadow equity plan)* | 32,665 | 1,995,000 |
| | 1,109,299 | 2,820,720 |

*The majority of cash settled share based payments have been settled during the half year with a gain on fair value of \$1,769,478 recorded as income which related to the fair value determination on settlement of cash settled share based payments.

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

NOTE 8: ISSUED CAPITAL

| a. Ordinary Shares | No. | \$ |
|---|--------------------|-------------------|
| Balance at 1 July 2016 | 1,250,000 | 750,000 |
| <i>Shares Movements during the 2017 financial year:</i> | | |
| Share split (47 to 1) on 27 February 2017 | 58,750,000 | - |
| Share issue in relation to the Reporia transaction on 5 April 2017 | 2,346,778 | 599,925 |
| Balance at 30 June 2017 | 62,346,778 | 1,349,925 |
| <i>Share movements during the half-year:</i> | | |
| *Preference shares converted to ordinary shares on 31st August 2017 | 20,000,016 | 2,000,000 |
| **Share consolidation (.9401:1) on 31 August 2017 | (4,930,613) | - |
| ***Convertible note conversion on 14 September 2017 | 25,083,819 | 7,525,146 |
| ****Share buy-back on 14 September 2017 | (2,500,000) | (750,000) |
| ****Share issue on 14 September 2017 | 33,333,333 | 10,000,000 |
| ****Share issue costs | - | (656,344) |
| At the end of the reporting period | 133,333,333 | 19,468,727 |

* On 31st August 2017 20,000,016 preference shares were converted to ordinary shares on a 1:1 basis. The shares are eligible for dividends paid after 31 August 2017.

** On 31st August 2017 a share consolidation of 4,930,613 occurred prior to the IPO. For every 1 ordinary share held shareholders received 0.9401 ordinary shares after consolidation.

*** On 14 September 2017 the convertible notes with a face value of \$7,200,000 were converted into 25,083,819 ordinary shares.

**** On 14th September 2017 the Group issued 33,333,333 ordinary shares at \$0.30 each under the prospectus dated 11th August 2017. The shares are eligible for dividends paid after 14 September 2017. The Group also entered into a buy back with Peter Hill where they acquired 2,500,000 worth of shares at a cost of \$750,000. Share issue costs which have been deemed to relate to the raising of capital are \$656,344 and have been capitalised accordingly against share capital.

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

NOTE 8: ISSUED CAPITAL

| b. Preference Shares | No. | \$ |
|---|-------------------|------------------|
| Balance at 1 July 2016 | 416,667 | 2,000,000 |
| <i>Shares Movements during the 2017 financial year;</i> | | |
| Share split (47 to 1) on 27 February 2017 | 19,583,349 | - |
| Balance at 30 June 2017 | 20,000,016 | 2,000,000 |
| <i>Share movements during the half-year;</i> | | |
| *Convert preference shares to ordinary shares | (20,000,016) | (2,000,000) |
| At the end of the reporting period | - | - |

On 31st August 2017 20,000,016 preference shares were converted to ordinary shares on 1:1 basis.

NOTE 9: RESERVES

| | Consolidated Group | |
|---|---------------------------|-----------------|
| | Dec 2017 | Jun 2017 |
| | \$ | \$ |
| Foreign currency translation reserve | | |
| Opening balance | 42,480 | 36,365 |
| Exchange differences on translation of foreign operations | (54,160) | 6,115 |
| | (11,680) | 42,480 |
| Convertible note equity reserve | | |
| Opening balance | 751,936 | 751,936 |
| Transfer of convertible note equity reserve to accumulated losses upon settlement in cash | (751,936) | - |
| | - | 751,936 |
| Employee share options reserve | | |
| Opening balance | - | - |
| Share-options expensed during the half year | 68,969 | - |
| | 68,969 | - |
| Total reserves | 57,289 | 794,416 |

NOTE 10: CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities as at 31 December 2017.

NOTE 11: SEGMENT REPORTING

Reportable segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance. The Company currently operates predominantly in one segment, being the sale and service of the RightCrowd Solution. The primary financial statements reflects this segment.

**RightCrowd Limited ABN 20 108 411 427
and Controlled Entities
Financial Report for the Half-Year Ended 31 December 2017**

DIRECTORS' DECLARATION

In the opinion of the Directors of RightCrowd Limited:

1. the consolidated financial statements and notes of RightCrowd Limited are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standard AASB 134 Interim Financial Reporting; and
 - b. give a true and fair view of the financial position as at 31 December 2017 and of the performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.



Peter Hill

Managing Director & Chief Executive Officer

Dated: 26 February 2018

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Rightcrowd Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Rightcrowd Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, and notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2017 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'C R Jenkins', is written over a faint, larger version of the same signature.

C R Jenkins
Director

Brisbane, 26 February 2018