

**RIGHTCROWD LIMITED – ANNUAL GENERAL MEETING PRESENTATIONS**

**Monday, 12 November 2018:** In accordance with the ASX Listing Rules, the Chairman’s address to the Annual General Meeting (“AGM”) is appended.

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For further information please contact:

Kim Clark  
**Company Secretary**

## **Chairman's Address**

RightCrowd are global physical security industry software experts. Escalating global security concerns have seen the potential market for RightCrowd's solutions, and the awareness of RightCrowd's solutions, continues to grow. As well as investing heavily in cyber and IT security, organizations are now also focusing investment on physical security system solutions, including technology upgrades. Working with major multi-national security vendors, RightCrowd's software is security platform agnostic and makes physical access control systems intelligent and more productive by automating security related processes and integrating them with ERP and business systems to improve an organization's security, safety and compliance.

RightCrowd has deployments at customers with some of the world's largest physical security infrastructures and since last year's AGM has successfully won contracts for deployment of its solutions with a further three substantial organizations, two of which have global operations. These three contracts have been advised to shareholders in our ASX announcements, and this financial year should represent the best sales performance in the 14 years since establishment of the company.

With global scale in the most demanding operating environments, our large customers have deployed RightCrowd solutions to automate and enhance their facilities' complex physical security processes. With large workforces where up to thousands of operational changes are required every day, these customers rely on RightCrowd to ensure they have the intelligent security infrastructure they require.

At last year's AGM we advised that the company's focus for FY18 & 19 was to (i) drive revenue growth through sales execution, (ii) refine our structure to support growth plans, (iii) build awareness of our solutions using marketing initiatives and (iv) continue to invest in R&D and innovative new products.

The company was successful in achieving FY18 revenue growth from software and related services of 33.1%. This growth was driven by retention of customers, expansion of services to existing customers and the winning of a number of additional customers. Since the end of the year we have announced major contract wins with two of the world's top 25 Banking & Financial Services companies (by market capitalization) and the expansion of a large services contract (total contract value \$2m) with an existing Fortune 50 client. These achievements give us confidence that the revenue growth from software and related services in FY19 should be at least 40% over FY18 levels.

We also recently announced the predominantly script funded acquisition of New York based Offsite Vision Holdings Inc. Offsite Vision's solutions use RFID technology to provide location intelligence solutions vital to emergency planning and response. The combination of our solutions will greatly improve the management & evacuation of people, particularly in highly populated facilities such as large buildings, convention centres and arenas.

Total revenue for FY18 grew by 56.44% - a rate higher than the 33.1% increase in revenue from software and related services. This was because total revenue included a \$1.823m one off, non-cash revenue from the settlement of the shadow equity plan as a result of the IPO.

Following the IPO the company set about refining its structure to support its growth plans by recruiting and establishing larger project delivery, product development, sales and marketing teams. We have been successful in this area, including increasing the "in region" project delivery team in the USA. This explains the increase in employee benefit expense in FY18 to \$10.4m. Whilst our staff levels have now plateaued, we continue to monitor the need for more project delivery resources, particularly as major contract wins move into full implementation of our solutions.

Turning now to marketing, in FY18 the marketing team relaunched the company's web site, prepared a large number of case studies and sales collateral showcasing the benefits of RightCrowd's solutions, established a LinkedIn presence, conducted tailored marketing campaigns in conjunction with one of our distribution partners and assisted with our presence at the major security industry expos & conferences.

With respect to R&D, our development team released the latest versions of our software products and have brought the development of a new cyber security software solution for logical and physical security to the point where it is now being tested in live environments.

Despite the 33.1% increase in revenue from software and related services, the planned post IPO investment in our people to support our growth plans has resulted in an accounting loss after tax of \$5.073m. As highlighted last year, rather than capitalize development expenditure, our policy is to expense it as incurred to allow shareholders to better understand the relationship between our revenue and cash expenses.

At 30 June 2018 the company held \$6.6m in cash and some \$2.9m in receivables. At 30 September 2018, the company held \$4.6m in cash and some \$3.1m in receivables (\$1.8m of which is the 2018 R&D grant expected to be received by 31 December 2018).

The 2018 financial year also held some learnings for us. After planning our sales and marketing effort in respect of major sales targets with a mix of our smaller Essentials and large Enterprise product, we determined that the best return for our effort at the present time is to tilt our effort into the larger sales. This is what we are now doing through direct engagement with customers and by supporting our distribution partners' sales teams due to the increasing demand for our Enterprise solutions.

We also continued to experience that major sales and implementations are a complex task and take a long time to complete from initial inquiry through to signing sales contracts and implementation of the software. We have taken this experience into account when planning our cash flow, new hires and enhancements to the implementation process.

In summary, we are satisfied with the company's overall achievements in FY18. The 2019 financial year has started well and the recent contract wins provide a solid pipeline of licence & subscription income and services work for our implementation and development teams. The Offsite Vision acquisition gives us an east coast USA base, access to their clients and additional solutions to market to our existing and potential clients.

Everything the company achieves is through the efforts of its staff. They, like us, are committed to delivering upon RightCrowd's potential. The Board acknowledges their contribution and thanks them.

Thank you also to our shareholders, our clients and other interested stakeholders for your continuing support.

I will now hand over to Peter to provide you with more information on the market RightCrowd operates in, the solutions we provide, our achievements, and more importantly, our focus areas to deliver stakeholder value over time.

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