



RIGHTCROWD

EVERYONE ON SITE IS RIGHT

ACN 108 411 427
(Proposed ASX listing code: RCW)

REPLACEMENT PROSPECTUS

Lead manager and underwriter
Morgans Corporate Limited (AFSL 235 407)

Fully Underwritten Offer
of 33,333,333 Shares at an issue price of \$0.30 per Share to raise \$10 million.

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand any part of this Prospectus you should consult a professional advisor before making an investment.

IMPORTANT INFORMATION

Replacement Prospectus

This replacement Prospectus is dated 24 August 2017 and was lodged with ASIC on that date. This replacement Prospectus replaces the Prospectus that was lodged with ASIC on 11 August 2017.

The differences between this replacement Prospectus and the prospectus dated 11 August 2017 are:

- a summary of the financial information of the Company has been included in the Investment Overview at section 1.3 (Key Financial Metrics);
- reasoning for the absence of financial forecasts has been included in the Investment Overview, at section 1.3 (Key Financial Metrics); and
- sections 2.6 (Revenue Pipeline) and 7.3 (Sell Down) have been re-worded for clarity.

Offer

The Offer contained in this Prospectus is an invitation by RightCrowd Limited ACN 108 411 427 ('**RightCrowd**' or '**the Company**') to apply for Shares in the Company.

Persons wishing to participate in the Offer should refer to section 7 of this Prospectus for the full Offer details.

Lodgement and Listing

This replacement Prospectus is dated 24 August 2017 and expires on 24 September 2018 (**Expiry Date**). No Shares will be issued or transferred on the basis of this Prospectus after the Expiry Date.

The Company has applied to the ASX for admission to the Official List and quotation of the Shares on issue as at the date of this Prospectus and the quotation of Shares issued under the Offer.

Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Currency

Monetary amounts in this Prospectus are in Australian dollars unless otherwise indicated.

Not investment advice

This Prospectus does not contain investment advice. You should seek your own financial advice. This Prospectus does not take into account individual investment objectives, financial situation or particular needs. It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company.

In particular, in considering the prospects of the Company, you should consider the risk factors that could affect the financial performance of the Company in light of your own personal circumstances (including financial and taxation issues) and seek professional advice from your

accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding whether to invest.

Risks

Applicants should carefully consider the risk factors that affect the Company and the industry in which it operates. Section 5 outlines some significant risk factors that may impact on the prospects of the Company. The Shares carry no guarantee with respect to return on capital investment, payment of dividend or the future value of Shares. The risk factors set out in section 5, and other factors could cause actual results to differ materially from those expressed in any forward-looking statement made by, or on behalf of, the Company.

This Prospectus includes information regarding the past performance of the business conducted by the Company. Past performance is not indicative of future performance.

Disclaimer

Except as required by law, and only to the extent required, neither the Company nor any other person guarantees or gives any warranty as to the future performance of the Company, or any return on any investment made pursuant to this Prospectus.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company or the Directors. You should rely only on information in this Prospectus.

De-identification of information

Certain information in this Prospectus, including customer names and targeted industries, has been de-identified, due to confidentiality obligations, but most pertinently, security concerns. If this information were made available, the Company's customers may become vulnerable to security attacks, thus undermining the core functionality of its products.

Electronic prospectus

An electronic version of this Prospectus is available on the Offer website at www.rightcrowd.com. The Offer constituted by this Prospectus in electronic form is available only to Australian residents accessing the website and receiving this Prospectus in electronic form within Australia. Persons who access the Prospectus in electronic form should ensure that they download and read the entire Prospectus. Persons having received a copy of this Prospectus in its electronic form may, during the Offer Period, obtain a paper copy of this Prospectus (free of charge within Australia) by contacting Boardroom Pty Limited on 1300 737 760 (from within Australia) or +61 2 9290 9600 (from outside Australia) or by requesting online at www.rightcrowd.com. Applications for Shares may only

IMPORTANT INFORMATION

be made on the Application Form attached to or accompanying this Prospectus. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is attached to or accompanies a hard copy of the Prospectus or a complete and unaltered electronic copy of this Prospectus.

Exposure period

The Corporations Act prohibits the Company from processing Applications in the 7 day period after the date of lodgement of this Prospectus with ASIC. This Exposure Period may be extended by ASIC by up to a further 7 days. This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. Applications received during the Exposure Period will not be processed until after the expiry of that period. No preference will be conferred on Applications received during the Exposure Period.

No cooling off rights

Cooling-off rights do not apply to an investment in Shares issued or sold under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

Geographical restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia. The distribution of this Prospectus outside Australia (including electronically) may be restricted by law and persons who come into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

United States

This document may not be released or distributed in the United States. It does not constitute an offer to sell, or solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States.

Hong Kong

This document has not been, and will not be, registered as a prospectus under the Companies Ordinance (Cap. 32) of Hong Kong (**Companies Ordinance**), nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the Shares have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO). No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

New Zealand

This document has not been registered, filed with or approved by any New Zealand

regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**). The Shares are not being offered to the public within New Zealand.

Shares may not be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- a. is an investment business specified in clause 37 of Schedule 1 of the FMC Act;
- b. meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- c. is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- d. is a government agency specified in clause 40 of Schedule 1 of the FMC Act; or
- e. subscribes, or has subscribed, for securities that have a minimum amount payable of at least NZ\$750,000.

IMPORTANT INFORMATION

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Privacy

By filling out an Application Form to apply for Shares, you are providing personal information to the Company through its service provider, the Share Registry. The Company, and the Share Registry on its behalf, collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application. Your personal information may also be used from time to time to inform you about other products and services offered by the Company which it considers may be of interest to you.

Your personal information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy and as authorised under the Privacy Act 1988 (Cth). The Company's agents and service providers may be located outside Australia where your personal

information may not receive the same level of protection as that afforded under Australian law. The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- a. the Share Registry for ongoing administration of the Shareholder register;
- b. printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- c. market research companies for the purpose of analysing the Company's Shareholder base and for product development and planning; and
- d. legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares for associated actions.

When you may request access to your personal information

You may request access to your personal information held by (or on behalf of) the Company. You may be required to pay a reasonable charge to the Share Registry in order to be access your personal information. You can request access to your personal information by writing to or telephoning the Share Registry as follows:

Boardroom Pty Limited
Level 12, 225 George Street, Sydney NSW 2000
Telephone: 1300 737 760 (from within Australia)
or +61 2 9290 9600 (from outside Australia)
Facsimile: +61 2 9279 0664

If any of your information is not correct, or has changed, please contact the Share Registry or the Company to update it. In accordance with the Requirements of the Corporations Act, information on the Share Register will be accessible to members of the public.

Glossary

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the body of this Prospectus or in the Glossary section at the back of this Prospectus. Defined terms are generally identifiable by the use of an upper case first letter. Unless otherwise stated or implied, references to times in this Prospectus are to Brisbane time.

Questions

If you have any questions about how to apply for Shares, call your broker. If you have any questions about whether to invest in Shares, you should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional advisor before deciding whether to invest in Shares.

TABLE OF CONTENTS

KEY OFFER INFORMATION	4
KEY OFFER STATISTICS	4
CHAIRMAN'S LETTER	5
1 INVESTMENT OVERVIEW	6
2 THE RIGHTCROWD BUSINESS	20
3 INDUSTRY OVERVIEW	33
4 FINANCIAL INFORMATION	37
5 RISK FACTORS	53
6 KEY PEOPLE, INTERESTS AND BENEFITS	58
7 RIGHTCROWD OFFER	62
8 INDEPENDENT LIMITED ASSURANCE REPORT	70
9 MATERIAL CONTRACTS	74
10 ADDITIONAL INFORMATION	80
GLOSSARY	88
CORPORATE DIRECTORY	91

How to invest

Applications for Shares can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus. Instructions on how to apply for Shares are set out in section 10 of this Prospectus and on the back of the Application Form.

KEY OFFER INFORMATION

Important Dates

Replacement Prospectus Date	24 August 2017
Opening Date	25 August 2017
Closing Date	8 September 2017
Anticipated Allotment Date for Shares	14 September 2017
Anticipated dispatch of holding statements	14 September 2017

These dates and times are indicative only and may change. The Company, in consultation with Morgans, reserves the right to vary the dates and times of the Offer without prior notice, including closing the Offer before the scheduled Closing Date.

KEY OFFER STATISTICS

Key Offer Statistics

Offer price	\$0.30
Number of Shares offered under this Prospectus	33,333,333¹
Total number of Shares on issue following the Offer	133,333,333
Amount to be raised under the Offer	\$10 million
Implied market capitalisation at the Offer Price	\$40 million²

1. Comprising 30,833,333 new Shares to be issued and 2,500,000 existing Shares to be sold.
2. Calculated as the number of Shares on issue multiplied by the Offer Price. Shares may not trade at the Offer Price.

CHAIRMAN'S LETTER



Dear Investor,

On behalf of the Board, I am pleased to offer you the opportunity to become a shareholder in RightCrowd Limited (RightCrowd, or the Company).

Peter Hill founded the Company in 2004 to meet the complex physical security, safety and compliance requirements of large organisations. Since that time RightCrowd has continued developing its software, which has now been successfully deployed into several large global organisations, including some in the Fortune 50 and ASX 10.

Today, RightCrowd's software provides innovative solutions which enable organisations of any size to automate and enhance their business processes around physical security and compliance. This enables organisations to address compliance gaps, mitigate security risk and safety issues, and achieve increased operational efficiency and reduced transactional overhead cost for the provision of security.

Growth in the Company's market segment is being driven by evolving regulatory environments and increasing security concerns for many organisations. From its head office in South East Queensland the Company has developed a highly regarded research and development capability, supported by a testing team in the Philippines and a small sales and consulting team in the USA. The proceeds of this capital raising will, in part, assist the Company to boost its marketing and sales collateral and personnel, ensuring it is well-placed to pursue near term growth opportunities.

Peter Hill will continue as RightCrowd's Chief Executive Officer and retain approximately 40% of the Company's shares upon listing. The Company has an experienced management team operating under Peter's leadership dedicated to building shareholder value over the long term.

This Prospectus contains detailed information about the Offer, the industry in which the Company operates, and its financial and operating performance. The Company is subject to a range of risks including growth strategy execution, intellectual property protection and competition. The risks associated with investing in the Company are detailed in section 5. It is important that you read this Prospectus carefully and in its entirety before making your investment decision.

On behalf of my fellow Directors, I look forward to welcoming you as a Shareholder.

Yours sincerely,

A handwritten signature in black ink that reads "Robert Baker". The signature is written in a cursive, flowing style.

ROB BAKER
CHAIRMAN

1 INVESTMENT OVERVIEW

This section is a summary only and is not intended to provide full information to potential investors. This Prospectus should be read and considered in its entirety.

1.1 Key Terms of the Offer

Topic	Summary	Further Information														
Who is the issuer of this Prospectus?	RightCrowd Limited ACN 108 411 427.	section 2														
What is the Offer?	<p>The Offer is an offer of 33 million Shares in RightCrowd Limited at \$0.30 per Share to raise a total of \$10 million, involving the Sale of the Sale Shares and the issue of the New Shares.</p> <p>No general public offer will be made under the Offer.</p>	section 7.1														
What are the key Offer details?	<table><tbody><tr><td>Offer Price</td><td>\$0.30</td></tr><tr><td>Total Shares offered under the Offer</td><td>33,333,333</td></tr><tr><td>• New Shares offered under the Offer</td><td>30,833,333</td></tr><tr><td>• Sale Shares offered under the Offer</td><td>2,500,000</td></tr><tr><td>Total Shares on issue on completion</td><td>133,333,333</td></tr><tr><td>Gross proceeds under the Offer</td><td>\$10 million</td></tr><tr><td>Gross proceeds payable to the Seller</td><td>\$0.75 million</td></tr></tbody></table>	Offer Price	\$0.30	Total Shares offered under the Offer	33,333,333	• New Shares offered under the Offer	30,833,333	• Sale Shares offered under the Offer	2,500,000	Total Shares on issue on completion	133,333,333	Gross proceeds under the Offer	\$10 million	Gross proceeds payable to the Seller	\$0.75 million	section 7.1
Offer Price	\$0.30															
Total Shares offered under the Offer	33,333,333															
• New Shares offered under the Offer	30,833,333															
• Sale Shares offered under the Offer	2,500,000															
Total Shares on issue on completion	133,333,333															
Gross proceeds under the Offer	\$10 million															
Gross proceeds payable to the Seller	\$0.75 million															
Is the Offer underwritten?	Yes, the Offer is fully underwritten by Morgans Corporate Limited.	section 7.5														
What rights attach to the Shares?	All Shares offered under this Prospectus are or will be fully paid ordinary shares in the Company, ranking equally with each other and all currently issued Shares, with the same rights and liabilities.	section 10.12														
Will any Shares be escrowed?	Yes. The ASX will require that certain Shares be subject to restriction agreements in accordance with the ASX Listing Rules.	section 7.10														
How to apply for Shares?	Applications for Shares under the Offer can only be made using the Application Form attached to or accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.	section 7.15														

1 INVESTMENT OVERVIEW

Topic	Summary	Further Information	
How will the Company use the funds raised from the issue of the Shares?	Source of Funds	section 7.12	
	Existing cash reserves		\$5,400,000
	Gross proceeds of Offer		\$10,000,000
	Application of funds		Amount
	Sell down		\$750,000
	Shadow equity payments ¹		\$225,000
	Repayment of Debt ²		\$2,000,000
	Costs of offer		\$929,500
	Sales and marketing activity		\$3,500,000
	Product research and development		\$2,500,000
Support and delivery increased capability	\$2,500,000		
Working capital	\$2,995,500		
	Note: rounding may result in lower aggregate		
	1. Back payments to long term RightCrowd employees and contractor (Shayne Bates).		
	2. Repayment of convertible note to investor, AVT.		
Can the Offer be withdrawn?	<p>The Company may withdraw the Offer at any time before the issue of Shares to Successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).</p> <p>The Company and the Lead Manager reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to an Applicant fewer Shares than applied for.</p>	section 7.23	
What is the allocation policy?	<p>Allocations under the Offer will be at the absolute discretion of the Lead Manager in consultation with the Company.</p> <p>Shares allocated under the Broker Firm Offer will be issued to the Applicants nominated by each broker. It will be a matter for the brokers as to how they allocate firm Shares among their retail clients, and they (and not the Company and the Seller) will be responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant shares.</p> <p>Allocations of Options under the Employee Option Plan will be at the absolute discretion of the Company.</p>	sections 7.7 and 7.8	
What is the minimum Application size?	<p>The minimum acceptable investment is for 6,667 shares at \$0.30 per Share.</p> <p>There is no maximum number or value of shares that may be applied for under the offer.</p>	section 7.6	

1 INVESTMENT OVERVIEW

Topic	Summary	Further Information
Are there any brokerage, commission or stamp duty considerations?	No brokerage, commission or stamp duty is payable by Applicants on acquisitions of Shares under the offer.	section 7.17
Are there tax implications?	The taxation consequences of an investment in the Company will depend upon the investor's particular circumstances. Investors should make their own enquiries or seek professional tax advice about the taxation consequences of an investment in the Company.	section 7.19
What should you do with any enquiries?	If you require assistance or have any questions in relation to the Offer, or you are uncertain as to whether obtaining Shares in the Company is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser.	section 7.22

1.2 RightCrowd business

Topic	Summary	Further Information
Who is RightCrowd?	RightCrowd is a leading developer of physical security, safety and compliance software.	section 2.1
What is the Company's business?	<p>Since 2004, the Company has invested in research and development to provide innovative solutions which improve security, safety and compliance for organisational workforces, including employees, contractors and visitors to sites.</p> <p>RightCrowd products enable corporations to automate many physical security and compliance-related business processes, filling compliance gaps, mitigating security risks, addressing safety issues and reducing the transactional overhead cost of providing security by way of increasing operational efficiencies.</p> <p>RightCrowd ensures that corporations' policies are complied with and integrated with physical security systems using real-time data, minimising the risk of non-compliance and providing continuous workforce assurance.</p> <p>The Company has 3 principal products:</p> <ol style="list-style-type: none">RightCrowd Enterprise;RightCrowd Essentials; andRightCrowd Insight.	section 2.1
In which geographical markets does the Company operate?	The Company has primarily sold its products into the Australian and North American markets, but has also made sales into Europe, the Middle East, South Africa and South America, and plans to expand globally.	section 2.4

1 INVESTMENT OVERVIEW

Topic	Summary	Further Information
How does the Company generate revenue?	<p>The Company generates revenue from sales of its software, comprising up-front licence fees, annual subscription fees and annual support and maintenance fees. Its software products include large scale enterprise software (predominantly sold direct to the customer) and 'out of the box' software (predominantly sold through channel partners). The Company also generates revenue from professional services that it provides to its clients. The pricing structures for sales of the Company's various products and consulting fees are included in section 2.4.</p>	sections 2.4 and 2.6
What awards have the Company's products received?	<p>The RightCrowd Essentials product was developed with the assistance of a \$3.2 million Commonwealth of Australia Commercialisation project, a multi-year project completed in June 2016.</p> <p>In September 2016, the RightCrowd Essentials product was awarded an ASIS Accolades, "Security's Best Award" at the September 2016 ASIS International Seminar and Exhibits, one of the world's largest security expos with over 20,000 attendees and participants.</p> <p>In March 2017, the RightCrowd Essentials product was the winner of the SIA Best New product Award - Convergence and Integrated Software (ISC West, Las Vegas)</p>	section 2.3
Who are the Company's customers?	<p>RightCrowd has implemented its software in some of the world's largest companies across multiple industries, including technology, resources, oil and gas, health, utilities and education, principally in Australia and North America. These include two ASX 10 companies and several Fortune 50 companies. These customers collectively have several million access events per day that interact with the RightCrowd software.</p>	sections 2.1 and 2.7
How does the Company distribute its products?	<p>RightCrowd Enterprise is sold direct to customer, and through channel partners (specifically physical security vendors or integrators).</p> <p>RightCrowd Essentials is sold to the customer through channel partners, typically physical security vendors or integrators.</p> <p>The Company's strategy to sell its RightCrowd Essentials product through global resellers is to leverage their existing significant established customer base and sales force. Utilising a global channel partner strategy requires investment in developing channel support infrastructure, which is a key priority of the Company.</p>	section 2.4

1 INVESTMENT OVERVIEW

Topic	Summary	Further Information
<p>What is the revenue model of the RightCrowd Enterprise product?</p>	<p>The Company generates revenue through the sale of its RightCrowd Enterprise products via:</p> <ol style="list-style-type: none"> licence fees – customers pay a once off licence fee for the licence of the software. The amount depends on the modules implemented, but can be greater than \$500,000 for a full implementation; annual support and maintenance fees equivalent to 20% per annum of the licence fee; and consulting services fees – day rate fees for the implementation of the product. In the future, RightCrowd intends to outsource an increasing proportion of these services to third party physical security value added resellers and IT companies. <p>The Company anticipates that an increasing proportion of future RightCrowd Enterprise product sales will be migrated to an annual subscription-based model.</p>	<p>section 2.4</p>
<p>What is the revenue model of the RightCrowd Essentials product?</p>	<p>The Company sells the RightCrowd Essentials product on an annual subscription fee basis. The price is fixed for one site (typically between \$3,000 and \$10,000), increasing incrementally with additional sites and/or users.</p>	<p>section 2.4</p>
<p>What is the market in which the Company currently operates?</p>	<p>The Company operates in a number of market segments that form part of or augment the overall physical access security market. These segments include:</p> <p>Visitor Management – a mature market which involves the control of the physical access of individuals categorised as visitors, in and out of particular locations.</p> <p>Physical Identity & Access Management (PIAM) – A PIAM software system identifies, authenticates, and provides access to an authorised individual user. The system identifies the user and based on that identity, assigns certain predetermined physical access rights to the individual. It enforces predetermined access policies in order to protect critical infrastructure and access to certain locations.</p> <p>Physical Security Information Management (PSIM) – a PSIM software system is designed to integrate multiple, unconnected, security and non-security applications, devices and systems and control them through one comprehensive user interface. It allows end users greater levels of situational awareness, increased control and the ability to follow-up actions and make decisions in near real time in accordance with predetermined requirements.</p> <p>Continuous workforce assurance (CWA) – A CWA software system continuously identifies individuals and compares the movement profiles of those individuals with information and data from within an organisation’s information systems. This allows the business to continually ensure that the right person, is in the right place at the right time. CWA therefore enhances the functionality of the physical security systems by not only supporting and ensuring physical access security, but also enabling safety and regulatory compliance best practice across an organisation at all times. It is more advanced and has broader utility than the other market segments described.</p>	<p>section 3.3</p>

1 INVESTMENT OVERVIEW

Topic	Summary	Further Information
<p>What is the Company's competition in each of these markets?</p>	<p>Visitor Management – competitors in this market include EasyLobby, Lobby Track, LobbyWorks, Envoy, and PassagePoint and others.</p> <p>Physical Identity & Access Management (PIAM) – competitors in this market are Identiv, Quantum Secure, Intellisoft, AlertEnterprise, Integid, Idcube, and NetIQ.</p> <p>Physical Security Information Management (PSIM) – Leading PSIM vendors are: CNL Software, Qognify, Tyco International, and VidSys.</p> <p>Continuous workforce assurance (CWA) – part of the Human Capital Management (HCM) market, has only recently begun to gain recognition as a definable market. Competitors in this emerging market include a few of the vendors from the PIAM, PSIM and the traditional physical access control markets.</p>	<p>section 3.3</p>
<p>Are there barriers to entry in any of these markets?</p>	<p>Large and small new entrants have a history of expanding into these fast-growing markets, which the Company expects to continue.</p> <p>New entrants face significant barriers to entry, such as:</p> <ol style="list-style-type: none"> a. established relationships between existing market participants and customers; b. the economic scale required to capture market share; and c. the resources and investment required in software research and development. <p>Potential competitors (being of a significant scope and size) that sell physical security hardware have attempted to enter the Company's markets as direct competition.</p>	<p>section 3.4</p>
<p>What is the Company's growth strategy?</p>	<p>The Company's business strategy includes plans to deploy capital to build an external and global channel partner base, to increase its internal sales and internal training and support teams, and to further its product research and development.</p>	<p>section 2.5</p>
<p>What are the key dependencies of the Company's business?</p>	<p>The success of the Company's business relies on:</p> <ol style="list-style-type: none"> a. maintaining the positive reputation and distinguishing features of the current RightCrowd products; b. maintaining and growing successful channel partner relationships; c. ensuring its investment in research and development keeps its products at the leading edge of innovation; d. establishing successful global distribution channels; and e. building strong internal sales, training and management structure to support the Company's growth plans. 	<p>section 2.4</p>

1 INVESTMENT OVERVIEW

1.3 Key Financial Metrics

Topic	Summary	Further Information			
What is the Company's pro forma and historical financial performance?	The Company has historically been principally a research and development company and has expensed its research and development expenditure, and consequently has incurred historic losses. Its financial performance is set out below.	sections 4.3, 4.6, 4.7 and 4.8.			
		Half year ended 31 December 2016 \$	Year ended 30 June 2016 \$	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
Revenue from continuing operations		1,559,740	7,015,630	5,322,273	3,729,184
Other revenue		67,371	1,786,838	1,617,049	908,746
Employee benefits expense		(3,726,637)	(7,562,467)	(5,685,335)	(3,968,962)
Depreciation and amortisation expense		(31,674)	(82,818)	(59,783)	(41,110)
Lease expenses		(644)	(1,546)	(1,546)	(1,302)
Other expenses		(681,937)	(2,062,134)	(1,338,978)	(1,081,558)
Finance costs		(227,934)	(275,165)	(248,845)	(98,645)
Profit/(loss) for the period		(3,041,715)	(1,181,662)	(395,165)	(553,647)
Tax expense		-	-	-	-
Profit/(Loss) for the period		(3,041,715)	(1,181,662)	(395,165)	(553,647)
Other comprehensive income		23,910	(25,457)	1,048	(702)
Total comprehensive loss		(3,017,805)	(1,207,120)	(394,117)	(554,349)

1 INVESTMENT OVERVIEW

Topic	Summary	Further Information
What is the Company's financial position?	<p>The Company estimates that its total revenue from continuing operations, on an unaudited basis, for the financial year ending 30 June 2017 was approximately \$4 million. This is down from revenue from continuing operations in the financial year ending 30 June 2016 of approximately \$7 million. This is principally as a result of:</p> <ul style="list-style-type: none">• an increased focus on research and development in the 2017 period to integrate the Company's products to support additional physical access control systems, involving the redeployment of technical staff who were deployed on consulting services work in the 2016 period; and• the completion of a substantial professional services project in the 2016 period and the absence of a replacement project or projects in the 2017 period, aligning with the decision to invest more of the Company's resources into additional research and development activities in this period. <p>For the period of 1 January 2017 to 30 June 2017, the Company consumed an additional amount of cash approximately \$2.8 million.</p> <p>The historical statements of profit or loss of the Company are in section 4.6.</p>	sections 4.4, 4.5, 4.7 and 4.9

1 INVESTMENT OVERVIEW

Topic	Summary	Further Information
	The Company's proforma statement of financial position as at 31 December 2016 is set out below.	
		Proforma as at 31 December 2016 \$
	CURRENT ASSETS	
	Cash and cash equivalents	11,562,652
	Trade and other receivables	2,508,597
	Other current assets	67,449
	TOTAL CURRENT ASSETS	14,138,698
	NON-CURRENT ASSETS	
	Property, plant and equipment	296,094
	Intangible Assets	601,230
	TOTAL NON-CURRENT ASSETS	897,324
	TOTAL ASSETS	15,036,022
	CURRENT LIABILITIES	
	Trade and other payables	315,085
	Borrowings	23,021
	Provisions	629,753
	Other liabilities	908,108
	TOTAL CURRENT LIABILITIES	1,875,967
	NON-CURRENT LIABILITIES	
	Borrowings	-
	Provisions	85,596
	TOTAL NON-CURRENT LIABILITIES	85,596
	TOTAL LIABILITIES	1,961,563
	NET ASSETS/(LIABILITIES)	13,074,459
	EQUITY	
	Issued capital	19,223,724
	Accumulated losses	(6,961,476)
	Reserves	812,211
	TOTAL EQUITY	13,074,459

1 INVESTMENT OVERVIEW

Topic	Summary	Further Information
Does the Company have any debt facilities?	Prior to the date of this Prospectus, the Company had a \$23,021 finance lease that has now been repaid in full. As part of the use of funds, the Company is also repaying a \$2 million convertible note to investor, AVT.	sections 4.8 and 7.12
How will the Company fund its objectives?	The Offer is fully underwritten and expected to raise \$10 million from the sale of Sale Shares and the issue of New Shares, which will be used in the application of funds, as above in section 1.1. The Company considers it will have sufficient capital to meet its stated objectives.	section 7.12
What is the Company's dividend policy?	The Company does not expect to pay dividends in the short term. It is expected that revenue generated from the RightCrowd Business will be predominantly generated and attributable to overseas jurisdictions. This may limit the Company's ability to pay franked dividends in the future.	section 10.12(c)
No Financial Forecasts	The Company intends to use the funds raised under this Prospectus to grow the Company's business. The Directors have had regard to the requirements of ASIC Regulatory Guides 228 and 170 regarding forward looking statements, and have determined that any forecast financial information is inherently uncertain. In particular, the success of the Company's plans and timing of additional revenue and expenses cannot be reliably forecast. Consequently, the Company does not consider that there is a reasonable basis to include a financial forecast and has not included a financial forecast in this Prospectus.	

1 INVESTMENT OVERVIEW

1.4 Key people and interests

Topic	Summary	Further Information								
Who is on the current Board of the Company?	<ul style="list-style-type: none"> Peter Hill – Managing Director Robert Baker – Non-Executive Chairman Alfred Scott Goninan – Non-Executive Director 	section 6.1								
What are the interests of Directors and other related parties?	<table border="1"> <thead> <tr> <th>Director</th> <th>Interest in Shares¹</th> </tr> </thead> <tbody> <tr> <td>Peter Hill</td> <td>53,907 428²</td> </tr> <tr> <td>Robert Baker</td> <td>Nil³</td> </tr> <tr> <td>Alfred Scott Goninan</td> <td>17,422,517⁴</td> </tr> </tbody> </table> <ol style="list-style-type: none"> Assumes no Shares are acquired in the Offer At completion of the IPO, following the sale of the Sale Shares, Shares are held through CNI Pty Limited. Excluding any Shares subscribed for in the IPO. Shares are held through Goninan Property Investments Pty Ltd ACN 151 022 052 ATF the Goninan Wealth Trust. 	Director	Interest in Shares ¹	Peter Hill	53,907 428 ²	Robert Baker	Nil ³	Alfred Scott Goninan	17,422,517 ⁴	section 6.3
Director	Interest in Shares ¹									
Peter Hill	53,907 428 ²									
Robert Baker	Nil ³									
Alfred Scott Goninan	17,422,517 ⁴									
What significant benefits and interests are payable to the Directors and other persons connected with the Company?	Directors will be paid a salary or director fees for their services.	section 6.3								

1.5 Key Risks

Topic	Summary	Further Information
Growth strategy execution risk	The Company will need to build a strong internal sales, training and management structure to support its growth plans. The ability of the Company to optimally match this investment to the sales growth trajectory, and the speed at which it can achieve market penetration may impact financial performance.	section 5.2(e)
Competition risk	<p>The Company's performance could be adversely affected if existing or new competitors reduce the Company's market share, or its ability to expand into new segments.</p> <p>The Company's existing or new competitors may have substantially greater resources and access to more markets than the Company. The Company may also become subject to channel partners and other close entities who have had relationships with the Company becoming competitors of RightCrowd. These partners have limited access to the Company's intellectual property but may gain access to its trade secrets and other key information.</p> <p>Competitors may succeed in developing alternative products which are more innovative, easier to use or more cost effective than those that have been or may be developed by RightCrowd. This may cause additional pricing pressure on the Company's product offering and may impact on the ability to retain existing clients as well as attract new clients. If the Company cannot compete successfully, its business, operating results and financial position could be adversely impacted.</p>	section 5.2(a)

1 INVESTMENT OVERVIEW

Topic	Summary	Further Information
Intellectual property risk	<p>The Company's success depends, in part, on its ability to protect its software. The Company's source codes are protected by copyright law. The Company also restricts access to its source code to key employees and protects its intellectual property through confidentiality provisions in employment or other agreements.</p> <p>Notwithstanding the steps taken to manage these risks, the Company cannot be certain that the unauthorised use or access of intellectual property relevant to its business will not be undertaken by third parties to the detriment of the Company. In addition, there can be no guarantee that unauthorised use or copying of the product software, data, specialised technology or source code will be prevented. Any unauthorised use, access or copying of Company intellectual property could impact adversely on the Company's margins and revenue.</p>	section 5.2(m)
Key personnel risk	<p>The success of the Company's business is dependent on the retention of the key personnel, including the founder, Peter Hill. Key staff are crucial to the development and commercialisation of the Company's products and modules. These personnel hold information technology and engineering skills. Peter Hill holds much of the know-how of the Company business, contacts with potential clients and the knowledge it takes for further development and expansion of the Company's business.</p>	section 5.2(j)
Tax risk	<p>There are a number of tax risks that the Company is and will be exposed to in the future, given the anticipated global nature of the business and revenue, the accumulated tax losses and research and development tax offsets received by RightCrowd (which may impact the franking of future dividends). These tax risks are explained in further detail in section 5.</p>	section 5.2(n)

1 INVESTMENT OVERVIEW

1.6 Impact on Capital Structure

Topic	Summary	Further Information																								
Who will be the key stakeholders in the Company on completion of the IPO?	<table border="1"> <thead> <tr> <th>Stakeholder</th> <th>Number of Shares on completion of IPO</th> <th>% of Shares on completion of IPO</th> </tr> </thead> <tbody> <tr> <td>CNI¹</td> <td>53,907,428</td> <td>40.43%</td> </tr> <tr> <td>New shareholders</td> <td>33,333,333</td> <td>25.00%</td> </tr> <tr> <td>AMT²</td> <td>18,802,491</td> <td>14.10%</td> </tr> <tr> <td>Goninan³</td> <td>17,422,517</td> <td>13.07%</td> </tr> <tr> <td>Salmon⁴</td> <td>6,964,820</td> <td>5.22%</td> </tr> <tr> <td>Other⁵</td> <td>2,902,744</td> <td>2.18%</td> </tr> <tr> <td>Total on completion of the Offer</td> <td>133,333,333⁶</td> <td></td> </tr> </tbody> </table>	Stakeholder	Number of Shares on completion of IPO	% of Shares on completion of IPO	CNI ¹	53,907,428	40.43%	New shareholders	33,333,333	25.00%	AMT ²	18,802,491	14.10%	Goninan ³	17,422,517	13.07%	Salmon ⁴	6,964,820	5.22%	Other ⁵	2,902,744	2.18%	Total on completion of the Offer	133,333,333 ⁶		section 10.1
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<ol style="list-style-type: none"> 1. An entity associated with Peter Hill. Shares following sale of Sale Shares. 2. AMT currently holds preference shares which will convert into Shares before completion of the IPO. 3. Goninan currently holds a convertible note in the Company which will convert into Shares before completion of the IPO. 4. Salmon currently holds a convertible note in the Company which will convert into Shares before completion of the IPO. 5. Other existing shareholders in RightCrowd and noteholders whose notes will convert to Shares before completion of the IPO. 6. In addition to the total Shares on issue at completion, the Company is issuing up to 6,666,667 Options under this Prospectus in accordance with the Employee Option Plan. 																										
Will any shareholders have a voting power of 20% or more?	Yes. Peter Hill (through CNI) will hold 40.43% of the voting power in the Company. This may be enough in specific situations to allow Peter Hill to have significant influence on the outcome of shareholder resolutions. However, the Corporations Act and Listing Rules in general will exclude CNI from voting on matters in which it or Peter Hill may have a material interest.	section 10.1																								

1 INVESTMENT OVERVIEW

Topic	Summary	Further Information																														
Will escrow apply to any shareholders?	Yes. The ASX will require that certain Shares be subject to restriction agreements in accordance with the ASX Listing Rules. The Company expects that the following escrow restrictions will apply, although this is subject to the final determination of the ASX:	section 7.10																														
	<table border="1"> <thead> <tr> <th>Shareholder</th> <th>Restricted Shares</th> <th>Period of Restriction</th> </tr> </thead> <tbody> <tr> <td>CNI</td> <td>53,907,428 (40.43% of Shares on issue)</td> <td>2 years from listing</td> </tr> <tr> <td>AMT</td> <td>12,135,824 (9.10% of shares on issue)¹</td> <td>2 years from listing</td> </tr> <tr> <td>David Thomas</td> <td>2,206,262 (1.65% of Shares on issue)</td> <td>2 years from listing</td> </tr> <tr> <td>Goninan</td> <td>16,666,666 (12.5% of Shares on issue)</td> <td>6 months voluntary escrow from listing</td> </tr> <tr> <td></td> <td>755,851 (0.06% of Shares on issue)</td> <td>2 years from listing</td> </tr> <tr> <td>Salmon</td> <td>6,666,666 (5.00% of Shares on issue)</td> <td>6 months voluntary escrow from listing</td> </tr> <tr> <td></td> <td>298,154 Shares</td> <td>12 month ASX required escrow from listing</td> </tr> <tr> <td>Lawnhill</td> <td>666,666 (0.50% of Shares on issue)</td> <td>6 months voluntary escrow from listing</td> </tr> <tr> <td></td> <td>29,816 Shares</td> <td>12 month ASX required escrow from listing</td> </tr> </tbody> </table>	Shareholder	Restricted Shares	Period of Restriction	CNI	53,907,428 (40.43% of Shares on issue)	2 years from listing	AMT	12,135,824 (9.10% of shares on issue) ¹	2 years from listing	David Thomas	2,206,262 (1.65% of Shares on issue)	2 years from listing	Goninan	16,666,666 (12.5% of Shares on issue)	6 months voluntary escrow from listing		755,851 (0.06% of Shares on issue)	2 years from listing	Salmon	6,666,666 (5.00% of Shares on issue)	6 months voluntary escrow from listing		298,154 Shares	12 month ASX required escrow from listing	Lawnhill	666,666 (0.50% of Shares on issue)	6 months voluntary escrow from listing		29,816 Shares	12 month ASX required escrow from listing	
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	<p>¹ Subject to receiving necessary relief for the voluntary escrow of a further 6,666,667 Shares for a period of 12 months from listing.</p>																															

2 THE RIGHTCROWD BUSINESS



2.1 Business overview

The Company is a leading developer of physical security, safety and compliance software.

Since 2004, the Company has invested in research and development to provide innovative solutions which improve security, safety and compliance for organisational workforces, including employees, contractors and visitors to sites.

RightCrowd products enable organisations of any size to better measure and automate many physical security and compliance-related business processes. This measurement and automation addresses gaps in compliance, mitigates security risks, addresses safety issues and reduces the transactional overhead cost of providing security by way of increased operational efficiencies.

Corporations set policies to meet organisational and regulatory mandates. The Company ensures that these policies are enforced through the physical security infrastructure, by integrating with an organisation's physical security systems such as physical access control systems (**PACS**) which allow or deny access to buildings or work sites, as well as business systems using real-time data. This ensures that all people in the organisation are in compliance with the processes that support overarching corporate and regulatory policies.

The disparate nature of physical security systems and information technology / business systems within an organisation create many risks, vulnerabilities and inefficiencies within an organisation. RightCrowd's solutions integrate with the physical security and business systems within an organisation, to address these risks, vulnerabilities and inefficiencies by connecting silos of different information into efficient workflows, to enforce policy utilising physical security mechanisms such as the access control system, visitor kiosks and other mechanisms according to requirements of the customer.

The Company also continues to extend its solution capabilities beyond physical security systems and has provided solutions which address the Continuous Workforce Assurance (CWA) requirements of multinational organisations. This is achieved by continuously comparing movement profiles with data from business systems, to enhance the functionality of physical security systems and to support continuous safety, security and compliance best practice. The Company estimates this specific CWA market will be worth approximately US\$1 Billion per annum by 2020.

EXAMPLES OF RISKS, VULNERABILITIES AND INEFFICIENCIES MANAGED BY RIGHTCROWD

Example 1 - Security

Sometimes workers need to gain access to highly sensitive areas of a site. RightCrowd's workflow-based access rights process, ensures the appropriate people are authorised to enter such sensitive areas, and record an audit trail of these decisions. RightCrowd also creates processes around visitor access to sites, ensuring that visits are properly approved according to policy. RightCrowd helps to automate these processes, which reduces human interaction with the access control system and ensures more consistent compliance at a reduced cost.

2 THE RIGHTCROWD BUSINESS

EXAMPLES OF RISKS, VULNERABILITIES AND INEFFICIENCIES MANAGED BY RIGHTCROWD

Example 2 – Safety and Fatigue Management

Workers at an industrial site who might attempt to “clock in” with an access badge for a second shift, without taking the mandatory rest period between shifts, can place others at extreme risk through fatigue. Similarly, risks arise if an employee or contractor attempts to operate heavy machinery or access an area that they are not certified to operate or access. These risks create exposures for companies which must demonstrate compliance, and more generally to all companies in their obligations to ensure that the workplace is free from manageable risks of workplace health and safety incidents and harm. RightCrowd’s products enforce safety rules and enhance the functionality of a physical access control system by preventing entry, or sending an alert to the relevant company officer for review and action.

Future Example – Convergence of Cybersecurity and Physical Security

If an employee of a facility appears logged into the control system of the facility and is making changes to the system, but is not physically present in the control room, the facility may be under cyber-attack from outside. By interfacing between the physical security system and the business systems, the RightCrowd solutions can validate whether the person logged into the control system has physically entered the facility, and if not, alert about a potential cyber-attack.

2.2 RightCrowd History

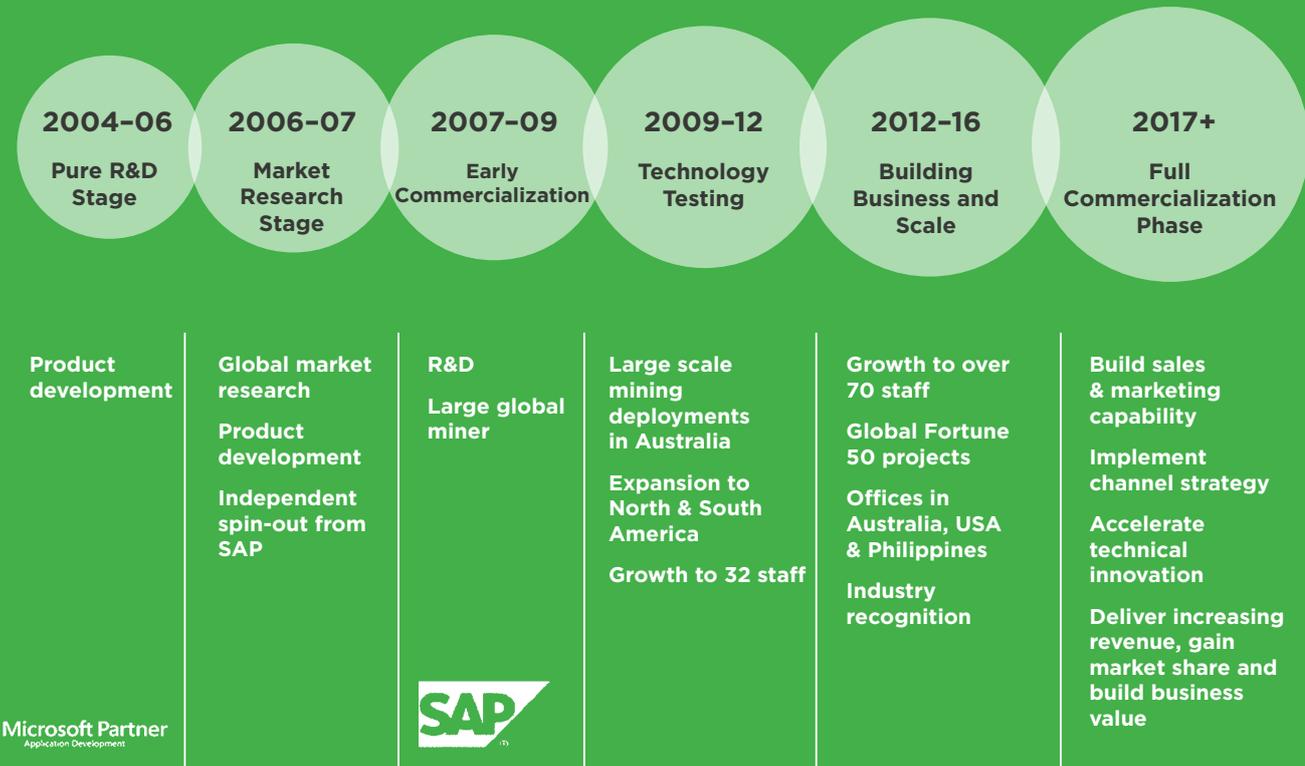
The Company has been developing its products for 13 years and is preparing to enter into the full commercialisation phase of its business cycle.

The timeline of the Company’s development is set out on the following page.

The period from 2004 – 2012 was categorised by product development and market research; although the Company was able to develop its products in parallel with some significant deployments in Australian mine sites. By doing this, the products were developed to solve real world problems involving security, safety and compliance. The ensuing period between 2012 – 2015 involved the deployment at major US-based technology companies. These deployments required further product enhancements to ensure the scalability of the products, as these deployments involved integration to security systems with over 500,000 people, several hundred buildings, and several million data events per day. With the Company’s products now technically complete, the next phase from 2017 onwards has moved towards scalable commercialisation through a significant sales and marketing focus, which is occurring in parallel with continual product evolution.

2 THE RIGHTCROWD BUSINESS

2.2 RightCrowd History



RightCrowd Essentials recent security awards:

- 2016 ASIS Accolades “Security’s Best Award” (ASIS, Orlando)
- 2017 SIA Best New Product Award
Convergence and Intergrated Software (ISC West, Las Vegas)



2.3 Products

The Company currently has three distinct core product offerings: an enterprise-level product known as RightCrowd Enterprise; an ‘out-of-the-box’ product named RightCrowd Essentials; and a ‘freemium’ diagnostic tool known as RightCrowd Insight.

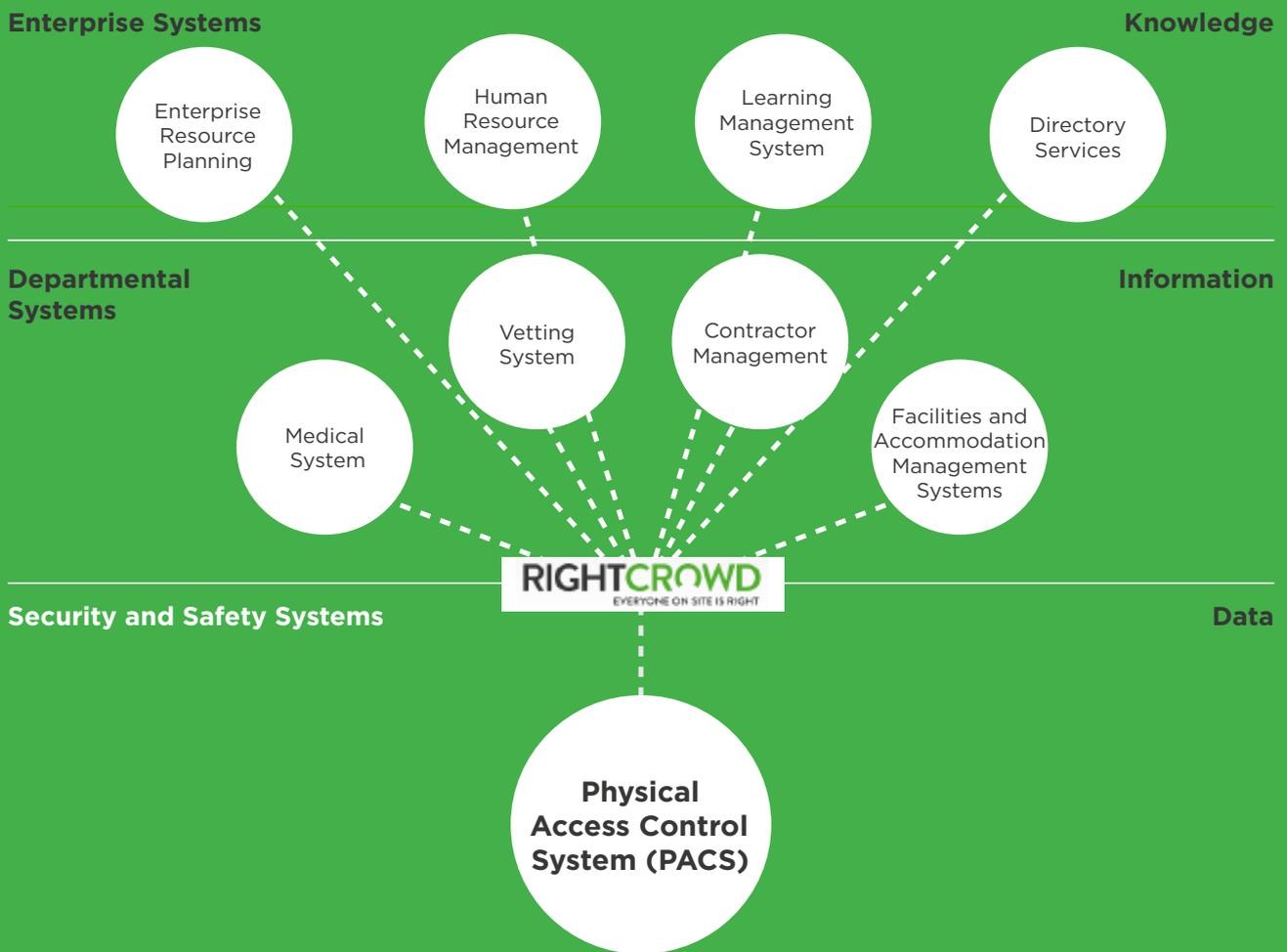
RightCrowd Enterprise

RightCrowd Enterprise is designed to meet the complex and demanding needs of large scale projects incorporating elements of Human Resources, Information Technology, Physical Security, Safety, Finance, Risk and Compliance by integrating with an organisation’s enterprise systems.

By utilising the Company’s highly configurable rules and business policy engine, it can be configured to meet very specific and unique customer needs. This enables the Company to manage and automate regulatory requirements and company policies to ensure they are enforced at the physical security layer.

2 THE RIGHTCROWD BUSINESS

The positioning and operation of RightCrowd Enterprise within the physical security and information technology architecture of an organisation is depicted as follows.



2 THE RIGHTCROWD BUSINESS



RightCrowd Essentials

RightCrowd Essentials is an easy to deploy and use, “out-of-the-box”, browser-based solution that supports and automates a set of pre-defined business processes which deliver increased efficiency and productivity. It has been designed to provide customers with immediate benefits after installation, and features minimal configuration and modification.

RightCrowd Essentials enables customers to take full advantage of the Company’s depth of experience accumulated over a decade, by simplifying the deployment of the software while delivering key benefits for customers at a lower annual subscription-based cost.

The RightCrowd Essentials product was developed with the assistance of a \$3.2 million Commonwealth of Australia Commercialisation project. This multi-year project was completed in June 2016.

The initial two installations of the RightCrowd Essentials product were at a North American City Municipality comprising approximately 100 buildings, and a North American Energy Utility comprising over 10,000 people.

In September 2016, the RightCrowd Essentials product was awarded an esteemed ASIS Accolades, “Security’s Best Award”, at the ASIS International Seminar and Exhibits, a global event held in North America, which is one of the world’s largest security expos with over 20,000 attendees and participants. Subsequently, in March 2017, the RightCrowd Essentials product was awarded the SIA Best New product Award - Convergence and Integrated Software and Solutions category at the 2017 International Security Conference & Exposition (ISC West) in Las Vegas.

The functionality of the RightCrowd Essentials screen is depicted in the following diagram.



2 THE RIGHTCROWD BUSINESS



RightCrowd Insight

RightCrowd Insight is an introductory level, diagnostic product that is designed to identify vulnerabilities in an organisation's security framework by inspection of the Physical Access Control System data. For example, RightCrowd Insight may be used as a diagnostic tool to identify whether ex-employees or contractors are still holding active security badges in the organisation's security system.

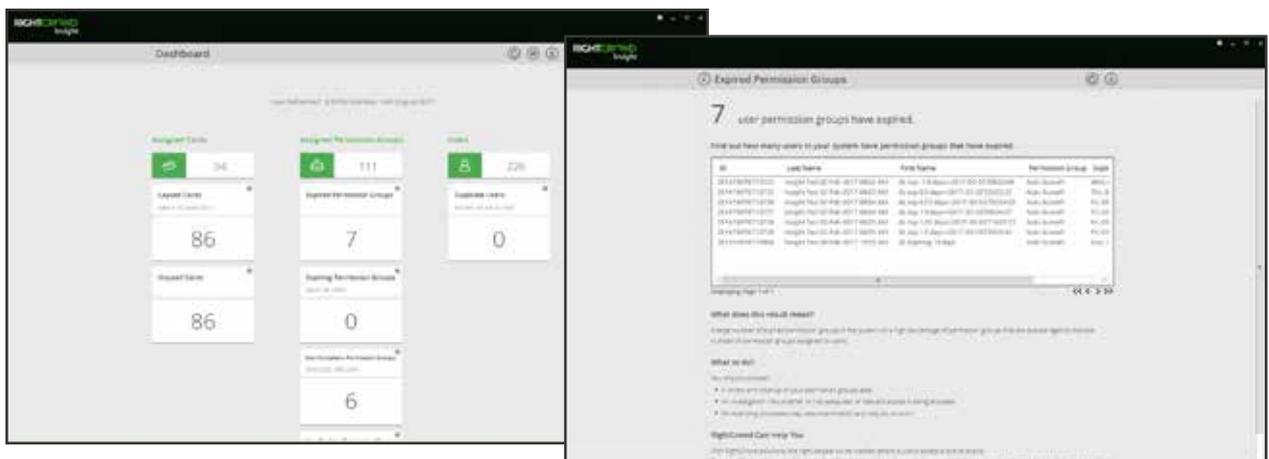
RightCrowd Insight is not designed to provide an ongoing compliance capability - it is simply a diagnostic tool. RightCrowd Insight illustrates to users the potential existing security vulnerabilities within their systems, which helps to raise awareness about continuous workforce assurance issues, and which can be managed by the RightCrowd product range.

RightCrowd Insight was developed, extensively tested internally, and has been tested with selected customers, and the platform is ready and awaiting final release.

Benefits of the RightCrowd Products

RightCrowd products provide the following key benefits to its customers:

- a. Reduced transactional security costs;
- b. Addresses physical security gaps by:
 - i. extending the functionality of existing physical security systems; and
 - ii. providing integration between Microsoft Active Directory and physical access control systems, resulting in real time security synchronicity between cyber and physical access, which in turn connects previously siloed systems thereby mitigating real time threats;
- c. Integration with the human capital management environment, providing increased functionality between security, safety and identity systems. This delivers cost efficiencies and auditable compliance with Human Resource requirements, such as certifications, time on site and competencies; and
- d. Provides emergent, mobile efficiencies for workflows. Future applications presently under development, will allow workers to use a mobile-based workflow to receive, analyse and participate in access requests and events in a near-real-time manner, resulting in faster and more effective responses to situations.



2 THE RIGHTCROWD BUSINESS



Current and Future Developments

Self-Service Kiosks

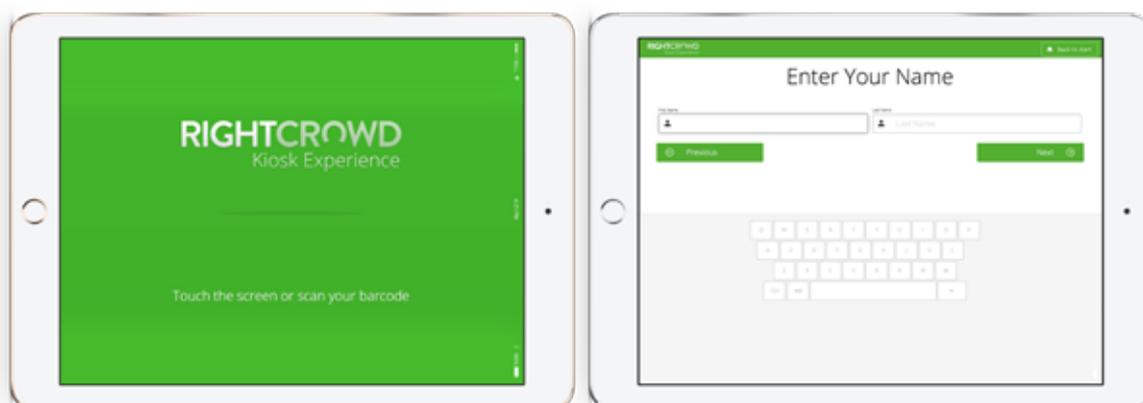
RightCrowd Kiosks is a product designed to efficiently manage the compliance of visitors to unsecured, free-flow locations such as corporate reception areas while enabling visitors and their hosts to monitor and handle the visitor management operation completely, without the assistance of a receptionist or security guard.

Self-service kiosks have been installed and used at a very large, well-known, brand name U.S. retailer, providing efficiencies of automation, to enrol and pass visitors into the organisation through its high volume location.

Vertical Industry Products

The Company is developing a RightCrowd Essentials-based product, tailored to meet the particular needs of a highly regulated, specific industry vertical market. It will enable those organisations within this industry that are unable to justify the large capital expenditure of the RightCrowd Enterprise product, to effectively and efficiently solve several security and compliance issues that they presently face, amid new and updated security regulations. The functionality of the vertical market version of Essentials will enable implementation of a targeted product, at a very competitive price point, producing a recurring revenue component.

The Company is also analysing several other vertical industry markets, with a view to implementing RightCrowd Essentials-based products into those markets as well.



2 THE RIGHTCROWD BUSINESS



2.4 Business model

The Company distributes its products to customers through a combination of direct-to-market and channel partner strategies, dependent on the particular product.

The RightCrowd Enterprise and RightCrowd Essentials products both interface with physical and access control systems provided by the following manufacturers:

Lenel/UTC	Honeywell	Gallagher
Tyco	PACOM/ Stanley Black and Decker	Inner Range
	Genetec	AMAG/G4S

During the initial development phases of the Company's history, manufacturer integrations were focussed primarily on Gallagher and Lenel systems, because these were the systems deployed by key RightCrowd customers in the Australian and North American regions. Beyond the inherent resource constraints of this period, and with an eye to the future, in 2016 the Company developed its products to interface with several other systems to increase from the initial two manufacturers to the eight manufacturers listed above, dramatically increasing the addressable market for RightCrowd products. The Company estimates that the collective number of physical access control systems of these manufacturers is approximately 200,000 global deployments. The Company expects that this number will continue to grow as new systems are deployed, based on the compound annual growth being experienced by the physical security market.

RightCrowd Enterprise

RightCrowd Enterprise is sold direct to the customer, and through channel partners (specifically, physical security vendors) and their value added resellers.

RightCrowd Enterprise sales generate the following revenue streams:

- annual licence / subscription fee – a once off licence fee for the licence of the software. The value of this licence fee depends on the modules implemented, but can be greater than \$500,000 for a full implementation. RightCrowd is experiencing an increasing trend towards a recurring, annual subscription revenue model for its enterprise product. Rather than a front-loaded revenue model, the recurring model results in higher revenue per RightCrowd Enterprise sale in the longer term and is recurring rather than one-off;
- annual support and maintenance fees – an annual support and maintenance fee equivalent to 20% per annum of the licence fee. In respect of those RightCrowd Enterprise sales that are migrated to an annual subscription fee, this annual support and maintenance fee will be subsumed into the annual fee; and
- consulting services income – day rate based consulting services for the implementation of the product. The Company has historically delivered the consulting services, however the future intent is to outsource an increasing proportion of consulting services to trained, third party physical security value added resellers, and IT companies. This will enable scaling of RightCrowd Enterprise sales more quickly by mitigating the constraint of in house consulting resources. The Company will continue to deliver consulting services strategically, for projects that assist in the ongoing product innovation and development.

There are currently three US sales based staff focused on Enterprise sales. These employees have only been in place between 3 – 24 months.

2 THE RIGHTCROWD BUSINESS



RightCrowd Essentials

RightCrowd Essentials is sold to the customer through channel partners. These channel partners are typically physical security vendors or integrators.

The Company has currently signed two global reseller agreements. These global reseller agreements are with:

- a. **Honeywell** – Honeywell is a multinational Fortune 100 company involved in among other industries, energy, safety and security. After a period of investing significant time and resources, the first channel sales have been made in partnership with Honeywell. New opportunities will emerge as the channel partnership becomes further developed, and the Company devotes resources to marketing to, supporting, and training the channel. The channel arrangement is worldwide in nature.
- b. **Convergint** – Convergint Technologies, which provides service-based systems integration, has formed a partnership with RightCrowd. Convergint is a market-leading physical security integrator, with approximately 90 office locations around the world, and offers RightCrowd Essentials to customers as a tool to provide an extension to traditional physical access control systems. Convergint Technologies' positioning allows delivery and integration of RightCrowd Essentials for companies who seek to increase efficiencies by implementing automated security and business workflows.

Other security hardware vendors are presently performing as channel partners, although yet to enter into formal channel partner agreements. The Company intends to negotiate additional reseller agreements.

Each global reseller has a significant established customer network and sales force. Leveraging their channels will require substantial investment to develop a channel support infrastructure, which is a key priority of the Company. The Company expects that once mature, this will include several teams situated in key geographic areas, comprising of pre-sales, technical support, training and channel manager roles, together with a number of embedded personnel within the channel partners.

The RightCrowd Essentials product is sold on an annual subscription fee basis, and based on a fixed price for one site (typically between \$3,000 and \$10,000), with incremental increases for each additional site and/or users, providing a recurring revenue stream once installed. Channel partners are incentivised to sell RightCrowd Essentials to their customer base, because, as a channel partner, they generate ongoing revenue by sharing a proportion of the annual subscription fee, which creates an annuity income. The channel partner will also typically undertake any consulting services associated with the installation and configuration of the product.

As the unit value and complexity of the RightCrowd Essentials product is significantly lower than the RightCrowd Enterprise product, the number of organisations capable of installing the RightCrowd Essentials product is substantially larger, and as a consequence, the overall addressable market for the RightCrowd Essentials product is substantially larger than for the Enterprise product.

The key determinants of the success of the RightCrowd Essentials product will be the number of channel partners with whom the Company enters into distribution agreements, and the rate of sales and market penetration by those channel partners. The sale of RightCrowd Essentials provides additional revenue opportunities to channel partners, particularly security hardware vendors, as it enables new revenue opportunities to a very large, installed base of physical security hardware systems. Physical security systems have a relatively long life, and are seldom replaced because of the significance of the total cost, work disruption and their proprietary nature. The Company's products enable security hardware vendors to add functionality and value to their existing customers' physical access control systems, creating additional revenue for the vendor.

Additionally, the RightCrowd products provide channel partners with an additional sales tool or value-add for new deployments, and the Company is already experiencing increasing instances of channel partners selling new PACS deployments with a RightCrowd product incorporated as part of the sales contract.

2 THE RIGHTCROWD BUSINESS



RightCrowd Insight

RightCrowd Insight is designed as a 'freemium' product. The base diagnostic product will be downloadable from the internet free of charge. This product will identify the number of non-compliances based on its parameters, but not the details of the non-compliances. In order to identify the details of the non-compliances, the user will need to purchase the premium version of RightCrowd Insight.

RightCrowd Mustering App

The Mustering App is a mobile application to assist with the evacuation of business premises. The Mustering App will detail to identified personnel, circumstances when an evacuation is necessary, such as a fire, acts of terrorism, chemical spillages and other threats to security. The Mustering App will detail necessary information in real time such as exit procedures, protocols and meeting points. The app is the first mobile platform that the Company has developed.

2.5 Growth Strategy

The Company's growth strategy includes plans to:

- a. Build a global channel-partner base;
- b. Increase sales and marketing programs;
- c. Expand internal training and support teams to support this global channel partner network; and
- d. Increase product research and development.

The internal sales and marketing programs will focus on three key sales areas, Marketing, Sales Operations and Channel Development. Each is a specialised area that will establish programs to enable an easily repeatable process for sales and marketing capability, within each of the RightCrowd regions as they are established.

The Company is planning to establish a global network of offices in key hubs which will be staffed with small support teams comprising a software engineer and sales person who will be focussed on supporting the channel partners and direct sales opportunities as they arise. Initially the key regions will be US West, US East, Asia-Pacific, Europe, the Middle East, Africa and Latin America.

The expansion of these teams and hubs will be demand driven. The sales teams within each of these regions will be supported by the internal sales and marketing programs referred to above, that will be developed and executed from the Company's head office.

Given the extensive existing customer and sales networks of RightCrowd channel partners, the key growth strategy for the Company will be driving sales growth by leveraging the channel partner networks through marketing, training and support programs.

In terms of further product research and development, research and development and product teams will continue to invest time into the development and delivery of both new products and complementary enhancements to existing products. These will evolve the Company's offerings into the mobility and cloud space.

The Company has commenced work to develop a mobility platform for its products and launched its first mobile based application.

2.6 Revenue Pipeline

In respect of the financial year ending 30 June 2018, the Company has the following committed revenue streams:

- approximately \$2 million in annual recurring revenue, comprising annual subscription fees and annual support and maintenance fees as a result of the sale and licensing of its products in prior periods; and
- approximately \$2-3 million in consulting fees from services to be provided to its customers.

The Company maintains a CRM system in respect of its future opportunities, and has a significant pipeline of future opportunities at varying levels of maturity, from early discussions, scope definition through to quotes submitted for approval. Note, there is no guarantee what proportion of this pipeline will result in actual revenue, or the timing of receipt of revenue.

2 THE RIGHTCROWD BUSINESS



2.7 Customers

The Company has deliberately targeted opportunities for deployments of its products across numerous industries to establish the flexibility and scalability of its solutions across these industries. Consequently, the Company has implemented its software in some of the world's largest companies. Industries include technology, retail, extractive resources, entertainment, oil and gas, health, utilities, higher education, biotechnology, chemicals, government and defence principally in Australia and North America. These include two ASX 10 companies and several Fortune 50 companies, and represent several million access event per day which interact with the Company's software.

In September 2016, RightCrowd was awarded a contract to install its RightCrowd Enterprise product into the manufacturing facility of a European based industrial company and a South African based energy company. Each of these opportunities was delivered by one of the Company's large reseller partners.

The RightCrowd Essentials product was made available for installation in July 2016. It has had a number of early-release deployments, including at a North American energy utility involving over 10,000 people and a North American municipal government involving approximately 100 buildings.

RightCrowd's experience has been that a number of its initial deployments of its RightCrowd Enterprise product have been on a pilot project basis, which has often resulted in an expanded scope of deployment as the functionality of the RightCrowd product has been demonstrated to the customer to deliver substantial benefits.

CUSTOMER CASE STUDIES

Case Study #1 – Major global miner

A significant customer in the resources sector is among the world's top producers of major commodities.

The Company was engaged to implement a solution at one business division in 2007. Following this initial deployment, this has expanded to deployments at multiple divisions, generating substantial revenue in the period since.

In one division, the RightCrowd products now ensure that tens of thousands of personnel across multiple sites are continuously checked to ensure that they have been regularly identified, approved to come to site, have all of the required training, have not been selected for a random drug & alcohol test

and satisfy all relevant fatigue management rules. There are many complexities to these checks including checking miners entering neighboring sites after finishing shifts. All of these checks are a part of their license to operate and for their commitment to people safety. The customer's continuous compliance validations are enabled by the Company's solutions.

The RightCrowd products also have managed head-count emergency evacuation drills, reducing this process from hours to under 30 minutes, substantially increasing efficiency and productivity.

2 THE RIGHTCROWD BUSINESS

CUSTOMER CASE STUDIES

Case Study #2 – global company

The RightCrowd solution deployed at a major multinational company is managing access for hundreds of thousands of cardholders. There are multiple special purpose projects including visitor management, process automation and managing access to secured areas that have been implemented, or are in the process of being implemented. Three examples have been listed below:

Customer Problem No.1:

Tens of thousands of terminations are completed annually.

Terminations by the customer, initiated by Human Resources, did not flow through quickly in an automated fashion to also terminate physical access, creating significant risks.

The cost of manual completion of terminations was equivalent to approximately two full time jobs.

RightCrowd Solution

- a. The RightCrowd solution connected the Human Resources process with the physical access control system database via the RightCrowd Enterprise platform automating the process.
- b. Terminations were therefore reduced from a sometimes lengthy or uncertain delay, virtually eliminating much of the high criticality risk from continued physical access.
- c. The labour component for each termination to disable each credential was virtually eliminated through automation.

Customer Problem No.2:

- a. A number of access control related processes (e.g. need a new card, additional access requirements etc.) were manual and processed via email then re-keyed into the PACS and a separate Help Desk Ticketing System.
- b. This equated to several thousand tickets processed each month (double-handling and prone to human error).
- c. Multiple full-time resources were dedicated to the processing of the tickets.

RightCrowd Solution:

- a. By automating many of these manual / double-entry processes with self-service style workflow forms, RightCrowd provided a mechanism to:
 - i. proactively manage access control related processes for continued cardholder access and productivity;
 - ii. significantly reduce the effort required to service the thousands of tickets each month (it is expected this number would be reduced by 70%, garnering the commensurate reduction in resources required to service the requests); and
 - iii. expedite the provisioning of access.

2 THE RIGHTCROWD BUSINESS

CUSTOMER CASE STUDIES

Case Study #3 – Major global company

This customer has one of the world's largest physical security infrastructures. Since 2012, a number of security processes have been digitised and automated for this customer through the Company's products, illustrating the Company's capability to scale to such a large, complex and demanding environment.

There are hundreds of thousands of cardholders in the system, often tens of thousands of additional cardholders are added or removed at times.

In terms of the RightCrowd scope of solutions for this client, there has been very large usage of the system. For a sense of scale, the Company's solution handles requests for visitor access, additional building access and lost badge requests with each of these request categories being in the hundreds of thousands per year.

Case Study #4 – European based industrial company

One of the Company's large reseller partners presented the following opportunity to the Company and the deal was won within 3 months after the introduction.

This international customer is a significant manufacturer of building products in the US and Europe.

The project sought to replace the manually maintained visitor management processes being undertaken by security guards with dedicated full-service visitor management kiosks. The kiosks manage the capture of visitor information and notifies the responsible persons of visitor arrivals, and will facilitate the entry and exit processes of visitors.

The visitor management solution will also include the ability to read barcodes assigned to trucks for secure entry to specified customer locations.

The solution leverages the existing physical access control system to achieve the desired business outcomes.

2.8 People

The Company presently employs over 75 people situated in Australia, the United States of America and the Philippines, approximately 60 of whom are software engineers, IT professionals or individuals with deep domain knowledge of physical security technologies. The Company conducts all of its core research and development activities in Australia, with quality assurance and testing procedures being additionally supported in the Philippines.

2.9 Intellectual Property

The Company employees develop the source code of the RightCrowd products. The Company owns the copyright in this source code. It protects this by ensuring employees enter contracts of employment under which all intellectual property developed by the employee is the sole property of the employer, and by restricting access to the source code to those employees working on that source code. All core development work is undertaken in Australia. The Company does not make the source code available to customers.

The Company uses some third party software code under licence within the RightCrowd products.

2.10 Technology

The Company is a Microsoft Gold Certified Partner. The Company's products are based on .NET C#, HTML5, Javascript thin client application backed by SQL Server. The Company's products are typically hosted on the servers of the organisations that purchase the Company's products.

3 INDUSTRY OVERVIEW



3.1 RightCrowd's place in the industry

The Company provides software that enables continuous workforce assurance solutions by leveraging off the physical access security systems that are already in place within organisations.

While continuous workforce assurance is an emerging field, being driven in part by the innovation of RightCrowd and others, the physical access security market, upon which RightCrowd's products rely, is a very well established and mature market. A basic physical access control system controls the access in and out of doors to monitor and control access by people to a particular location. Businesses of every type, government departments and other types of facilities potentially require a physical access control system.

Many physical security systems have been in place for well over a decade and have not kept pace with rapid advancements in governance and security best practices and innovations in information technology. While many physical security systems have been moving to information technology and cloud based platforms, much of their existing functionality has been replicated, without innovating to take advantage of the powerful new information technology functions which can manage risk.

Physical access control systems are proprietary in nature and historically were not generally connected to the technology networks of organisations. Since the 2000s, several large multinational security companies such as Tyco, Honeywell, Amag-G4S, UTC-Lenel and Stanley have developed more sophisticated access control software to configure and control the functionality of physical access security systems.

This enabled the development of software solutions such as RightCrowd products, which facilitates the integration of the physical access control system and the information technology management systems of organisations.

The Company has modelled its products on the idea of being able to connect to pre-existing access control systems using modern computer programming and networking, and then to extend their functionality in order to meet, in real time, the customer's governance and regulatory requirements.

This has allowed software providers such as RightCrowd to use the physical access control system, to ensure the organisation's business processes are enforced by correlating physical access data with data that resides within an organisation's information technology systems, utilising adaptors which RightCrowd has developed to those systems.

3 INDUSTRY OVERVIEW



3.2 Industry drivers and the market opportunity

The Company expects that the future of the industry will be heavily influenced by a number of macro themes, being the:

- a. digitisation of the security industry;
- b. convergence of physical security and cyber security;
- c. adoption of cloud based solutions; and
- d. expanded use of mobility technologies.

The market opportunity for the Company will be driven by these macro themes and is dependent on the installed base of physical access control systems globally, given the Company's products interface with and leverage off the physical access control systems of organisations. There is no public data on the installed global base of physical access control systems. Industry estimates put the annual market globally for new physical access control systems at approximately \$USD6.8 billion¹, which the Company estimates is a small percentage of the value of the existing installed base of physical access control systems in the market globally. This market is estimated to grow at a compound annual rate of approximately 11% between 2016-2021².

The physical access control market is highly fragmented with many manufacturers, and many more systems, with manufacturers often having multiple systems that they sell. The Company's products interface with physical access control systems of 8 physical security vendors. The Company estimates that products of these vendors with which the Company's products interface have approximately 200,000 deployments. This number will continue to grow as the market grows and as the Company develops interfaces with additional systems.

In recent years there has been a significant focus and significant expenditure on cyber security. However, there has been substantially less attention paid to the relationship between and convergence of physical security and cyber security, resulting in vulnerabilities in the overall cyber security strategy of many organisations. The Company expects there to be a continuing convergence between the approach to physical security and cyber security, providing a favourable environment for the adoption of RightCrowd's solutions.

There are also initiatives within the industry to ensure that security systems adopt a set of interoperable standards, which will open up additional opportunities for technology companies such as the Company. The Company is a board member of Physical Security Interoperability Alliance (PSIA), which was formed to harmonise the interfaces used in physical access control systems and to promote the interoperability of IT network-enabled security devices and systems. The Company is working closely with other participants in the PSIA, including Microsoft, Tyco, Honeywell, Stanley and United Technologies/Lenel.

1. Memeori Business Intelligence Ltd, "The Physical Security Business", Q4 2016, p.8.

2. Memeori Business Intelligence Ltd, "The Physical Security Business", Q4 2016, p.8.

3 INDUSTRY OVERVIEW



3.3 Competition

The Company's product suite addresses a variety of business-critical issues across a number of segments of the overall physical security market.

Many of these segments have become recognised as important markets in themselves. The Company often has different competitors in each of these markets. These markets include:

Visitor Management

Visitor Management is a relatively mature market which has long been dominated by a few large companies, some of which are owned by large multinational physical security vendors. Important competitors in the Visitor Management market include EasyLobby, Lobby Track, LobbyWorks, Envoy, and PassagePoint.

Physical Identity & Access Management (PIAM)

A PIAM system identifies (physically), authenticates, and provides access to the authorised user. PIAM streamlines access requests and approval processes for users into physical access systems. It provides authorisation for accessing the systems and services through multiple environment and security domains. It enforces policies in order to protect critical infrastructure with centralised control, automation, and integration.

The Company's top competitors in this market include Identiv, Quantum Secure, Intellisoft, AlertEnterprise, Integrid, Idcube, and NetIQ.

Physical Security Information Management (PSIM)

PSIM software can be used to integrate security and non-security systems and can be customised as per end-users' requirements. It is also known as a "situation management" tool as it allows end users to follow-up actions and take decisions as per the requirement. Additionally, it also provides safety and security to the data and critical infrastructures without incurring the replacement cost. One of the upcoming trends spurring this market's growth prospects is the application of PSIM in the "Internet of Things" (IoT). PSIM solutions collect a variety of information from different sensors to correlate information and provide insights into incidents. With the advent of IP systems and the evolution of IoT, it has become possible to monitor a vast number of systems in real-time and make intelligent decisions. This development of IoT and IP systems has helped PSIM solutions transform into physical and logical security information management.

Leading PSIM vendors include CNL Software, Qognify, Tyco International, and VidSys. Recently, the Company started to work with an IoT partner on some integrations in this area. The Company sees this as a potentially important research and development investment area in the future by integrating into these platforms.

Continuous Workforce Assurance (CWA)

The CWA market, part of the Human Capital Management (HCM) market, has only recently begun to gain recognition as a definable market. The Company sometimes sees a few of the vendors from the PIAM, PSIM and even the traditional physical access control markets as competitors in this emerging space.

3 INDUSTRY OVERVIEW



3.4 Barriers to Entry

The Company faces competition in all of the market spaces in which it currently participates.

There is a history of new entrants, some of them small, some of them large well-established physical security vendors, expanding into these fast-growing markets. The Company expects this to continue. A competitive threat the Company watches very closely are attempts by the large physical security vendors, many of whom are partners today, to enter its markets as direct competitors.

The Company considers that there are significant barriers to entry for new entrants, such as the established relationships between existing market participants and customers in the industry (which include some of the world's leading organisations), the economic scale required to capture sufficient market share and the resources and investment required in software research and development.

4 FINANCIAL INFORMATION



4.1 Introduction

This section sets out the Historical Financial Information and Proforma Historical Financial Information (Financial Information).

All financial information set out in this section has been prepared by Management and adopted by the Directors and should be read in conjunction with the other information contained in this section, the Independent Limited Assurance Report included in section 8, the risk factors included in section 5 and other information contained in the Prospectus. Investors are urged to read all of this information in full.

The Financial Information has been prepared by Management and adopted by the Directors of the Company. The Financial Information comprises the consolidated group of RightCrowd prepared on the basis set out in section 4.2 of this Prospectus.

4.2 Basis of Preparation

The Historical Information and Proforma Historical Financial Information has been prepared for illustrative purposes and has been prepared in accordance with the measurement and recognition criteria of Australian Accounting Standards and the significant accounting policies of the Company. The accounting policies comply with recognition and measurement requirements of the Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board. They also comply with recognition and measurement requirements of the International Financial Reporting Standards. The Historical and Proforma Historical Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements, comparative information and notes required in an annual or interim financial report prepared in accordance with Australian Accounting Standards and the Corporations Act.

RightCrowd's financial statements for the years ended 30 June 2014, 30 June 2015 and 30 June 2016 and for the half year ended 31 December 2016 were audited by BDO Audit Pty Ltd who issued unmodified audit opinions.

4.3 Historical Financial Information

The Historical Financial Information provided in this Prospectus comprises:

- a. the audited statement of profit or loss and other comprehensive income for the half-year ended 31 December 2016 of the Company;
- b. the audited statement of profit or loss and other comprehensive income for the year ended 30 June 2016 of the Company;
- c. the audited statement of profit or loss and other comprehensive income for the year ended 30 June 2015 of the Company;
- d. the audited statement of profit or loss and other comprehensive income for the year ended 30 June 2014 of the Company;
- e. the audited statement of financial position as at 31 December 2016 of the Company;
- f. the audited statement of financial position as at 30 June 2016 of the Company;
- g. the audited statement of financial position as at 30 June 2015 of the Company;
- h. the audited statement of financial position as at 30 June 2014 of the Company;
- i. the audited statement of cash flows for the half-year ended 31 December 2016 of the Company;
- j. the audited statement of cash flows for the year ended 30 June 2016 of the Company;
- k. the audited statement of cash flows for the year ended 30 June 2015 of the Company; and
- l. the audited statement of cash flows for the year ended 30 June 2014 of the Company;

hereafter referred to as the **Historical Financial Information**.

4 FINANCIAL INFORMATION



4.4 Proforma Historical Financial Information

The Proforma Historical Financial Information provided in this Prospectus comprises of the Proforma Statement of Financial Position as at 31 December 2016 showing the impact of the proforma adjustments as if they had occurred at 31 December 2016, hereafter referred to as the Proforma Historical Financial Information.

4.5 Proforma Historical Financial Information Adjustments

The Proforma Historical Financial Information set out below has been prepared to illustrate the financial position of the Company following completion of the Offer and the associated costs of the Offer as if such events had occurred as at 31 December 2016. The Proforma Historical Financial Information is intended to be illustrative only and will not reflect the actual position and balances as at the date of this Prospectus or at the completion of the Offer.

The Proforma Historical Financial Information has been prepared taking into consideration the Historical Financial Information adjusted for the following material transactions as if they had occurred as at 31 December 2016:

a. Prospectus Offer and Capital Raising

A Capital Raising of 33,333,333 Shares at the issue price of \$0.30 each to raise \$10,000,000 in the Company is being undertaken by the Company in accordance with this Prospectus. The purpose of this Capital Raising is to provide working capital for the Company to fund its activities.

The Capital Raising is fully underwritten by Morgans (with further details provided in section 7.5 and 9.1).

b. Costs of Capital Raising

Costs of the Capital Raising and Listing comprising estimated fees of \$929,500 (GST Exclusive). Where possible, these costs are dissected between listing fees and capital raising fees based on their nature.

Where the costs relate to both the Capital Raising and Listing, the costs were apportioned based on number of shares pre and post Capital Raising. Listing costs expensed in the profit or loss amounted to \$263,250 and transaction costs associated with the Capital Raising and offset against the Capital amounted to \$666,250.

c. Sales of Ordinary Shares under the Offer

The Prospectus provides for a sale of 2,500,000 Ordinary Shares at a sale price of \$0.30 each by the Seller (Peter Hill) from the proceeds of the Capital Raising.

d. Convertible Notes

As at the date of this Prospectus, RightCrowd has two tranches of convertible notes with face values totalling \$9,200,000.

The first tranche of convertible notes with a face value of \$2,000,000 were issued on 21 February 2014 and are accounted for as a compound financial instrument as at 31 December 2016. The key terms of these convertible notes include a maturity date of 21 February 2019, interest accrues at 4% above the cash rate of the RBA and they are secured. Upon successful completion of the Offer, these convertible notes will be settled by way of repayment in cash.

The second tranche of convertible notes with a face value of \$7,200,000 were issued on 19 October 2016 and were accounted for at fair value through profit or loss as at 31 December 2016. The key terms of these convertible notes include a maturity date of 31 March 2020, interest accrues at 4% above the cash rate of the RBA and they are unsecured. Upon successful completion of the Offer, these convertible notes will be converted into 25,083,820 Ordinary Shares. This conversion includes the settlement of any interest accrued to 31 December 2016.

4 FINANCIAL INFORMATION



e. Shadow Equity Plan Settlement

RightCrowd had a shadow equity plan which was designed to provide a cash benefit to eligible employees based on the realisation of value of the company's shares in a transaction like this Capital Raising. This plan has been accounted for as a cash settled share based payment measured at fair value. As at 31 December 2016, a liability of \$1,995,000 was recognised. Subsequent to 31 December 2016, a deed of release was entered into by each employee who was a party to the shadow equity plan. The deed of release provides for a total payment of \$225,000 in full and final satisfaction of all obligations under the shadow equity plan. The proforma statement of financial position derecognises liabilities of \$1,770,000 and settlement via cash of \$225,000 pursuant to the terms of this deed of release.

f. Acquisition of Reporia Pty Ltd

On the 29 March 2017, RightCrowd entered into an agreement to acquire 100% of share capital in Reporia Pty Ltd. RightCrowd issued 2,346,778 Ordinary Shares to the vendor as consideration. It was determined the transaction did not meet the definition of a business combination under AASB3 Business Combinations as there were no identifiable outputs or processes being acquired by RightCrowd.

The acquisition has been treated as an asset acquisition (intellectual property intangible asset) measured at its fair value at its acquisition date. As Reporia Pty Ltd only holds intellectual property, the fair value of the Ordinary Shares issued to the vendor has been used as a proxy to determine the fair value of the assets acquired. As a result, the fair value of the shares issued and the intangible asset recognised amounted to \$599,925.

g. Operating Cash Consumption

As a technology based company, there is a material amount of cash consumed in continuing operations. At the date of this Prospectus, another 6 months of operations have occurred consuming cash of \$2,800,000 for the period 1 January 2017 to 30 June 2017.

h. Research & Development (R&D) Refundable Offset

During the year RightCrowd incurred significant costs in developing its products where they are entitled to a R&D refundable offset. As at 31 December 2016, the R&D refundable offset had not yet been determined. For the period to 31 December 2016, a proportion of those costs are recognised in the profit and loss. For the period 1 January 2017 to 30 June 2017, a proportion of those costs are within the operating cash consumption disclosed at section 4.5(h).

RightCrowd have since prepared the claim for the R&D Refundable Offset attributable to this expenditure and a receivable and other income for \$1,500,000 has been recognised.

i. Options

RightCrowd has established an Employee Option Plan as detailed in section 9.2. The Company will be issuing up to 6,666,667 Options under this Prospectus and under the terms of this Employee Option Plan.

No proforma adjustment has been recognised for the issuance of options pursuant to the successful completion of the Offer as those options will represent an expense (will not be capitalised) and do not result in any change to the Proforma Net Assets.

4 FINANCIAL INFORMATION

4.6 Historical statements of profit or loss and other comprehensive income

	Half year ended 31 December 2016 \$	Year ended 30 June 2016 \$	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
Revenue from continuing operations	1,559,740	7,015,630	5,322,273	3,729,184
Other revenue	67,371	1,786,838	1,617,049	908,746
Employee benefits expense	(3,726,637)	(7,562,467)	(5,685,335)	(3,968,962)
Depreciation and amortisation expense	(31,674)	(82,818)	(59,783)	(41,110)
Lease expenses	(644)	(1,546)	(1,546)	(1,302)
Other expenses	(681,937)	(2,062,134)	(1,338,978)	(1,081,558)
Finance costs	(227,934)	(275,165)	(248,845)	(98,645)
Profit/(loss) for the period	(3,041,715)	(1,181,662)	(395,165)	(553,647)
Tax expense	-	-	-	-
Profit/(Loss) for the period	(3,041,715)	(1,181,662)	(395,165)	(553,647)
Other comprehensive income				
Other comprehensive income	23,910	(25,457)	1,048	(702)
Total comprehensive loss	(3,017,805)	(1,207,120)	(394,117)	(554,349)

4 FINANCIAL INFORMATION

4.7 Historical statements of financial position

	As at 31 December 2016 \$	As at 30 June 2016 \$	As at 30 June 2015 \$	As at 30 June 2014 \$
CURRENT ASSETS				
Cash and cash equivalents	8,267,152	2,553,738	3,200,184	3,928,144
Trade and other receivables	1,008,597	1,988,499	1,519,128	959,725
Other current assets	67,449	23,958	12,357	30,125
TOTAL CURRENT ASSETS	9,343,198	4,566,195	4,731,669	4,917,994
NON-CURRENT ASSETS				
Property, plant and equipment	296,094	309,716	305,077	222,721
Intangible Assets	1,305	1,771	2,738	3,767
TOTAL NON-CURRENT ASSETS	297,399	311,487	307,815	226,488
TOTAL ASSETS	9,640,597	4,877,682	5,039,484	5,144,482
CURRENT LIABILITIES				
Trade and other payables	405,134	174,512	131,994	231,070
Borrowings	23,021	32,800	31,893	37,163
Provisions	629,753	574,604	300,534	221,638
Other liabilities	2,903,108	2,683,269	2,002,569	1,902,072
TOTAL CURRENT LIABILITIES	3,961,016	3,465,185	2,466,990	2,391,943
NON-CURRENT LIABILITIES				
Borrowings	8,831,972	1,555,392	1,415,962	1,289,030
Provisions	85,596	77,287	169,595	82,455
TOTAL NON-CURRENT LIABILITIES	8,917,568	1,632,679	1,585,557	1,371,485
TOTAL LIABILITIES	12,878,584	5,097,864	4,052,547	3,763,428
NET ASSETS/(LIABILITIES)	(3,237,987)	(220,182)	986,937	1,381,054
EQUITY				
Issued capital	2,750,000	2,750,000	2,750,000	2,750,000
Accumulated losses	(6,800,198)	(3,758,483)	(2,576,821)	(2,181,656)
Reserves	812,211	788,301	813,758	812,710
TOTAL EQUITY	(3,237,987)	(220,182)	986,937	1,381,054

4 FINANCIAL INFORMATION

4.8 Historical statements of cash flow

	Half year ended 31 December 2016 \$	Year ended 30 June 2016 \$	Year ended 30 June 2015 \$	Year ended 30 June 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from clients	2,060,505	8,360,102	6,259,267	4,378,047
Payments to suppliers and employees	(4,338,131)	(9,506,838)	(7,305,156)	(5,100,195)
Grant income received	784,564	646,648	523,678	846,849
Dividends received	-	-	-	6,406
Interest revenue received	19,211	76,505	64,089	46,907
Interest expense paid	(61,949)	(137,281)	(123,458)	(57,678)
Net cash provided by operating activities	(1,535,800)	(560,864)	(581,580)	120,336
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(17,586)	(86,490)	(141,109)	(68,260)
Proceeds from sale of property, plant and equipment	-	-	-	31
Net cash used in investing activities	(17,586)	(86,490)	(141,109)	(68,229)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	-	-	-	2,000,000
Receipt of finance lease liabilities	-	907	(5,270)	(305,063)
Proceeds from borrowings	7,266,800	-	-	2,036,663
Net cash used in financing activities	7,266,800	907	(5,270)	3,731,600
Net increase in cash held	5,713,414	(646,447)	(727,959)	3,783,707
Cash and cash equivalents and beginning of period	2,553,738	3,200,185	3,928,144	144,437
Cash and cash equivalents at end of period	8,267,152	2,553,738	3,200,185	3,928,144

4 FINANCIAL INFORMATION

4.9 Proforma statement of financial position

	As at 31 December 2016 \$	Other transactions \$	Completion of Capital Raising and share sale (less fees) \$	Subsequent events \$	Proforma as at 31 December 2016 \$
CURRENT ASSETS					
Cash and cash equivalents	8,267,152	(2,975,000)	9,070,500	(2,800,000)	11,562,652
Trade and other receivables	1,008,597	-	-	1,500,000	2,508,597
Other current assets	67,449	-	-	-	67,449
TOTAL CURRENT ASSETS	9,343,198	(2,975,000)	9,070,500	(1,300,000)	14,138,698
NON-CURRENT ASSETS					
Property, plant and equipment	296,094	-	-	-	296,094
Intangible Assets	1,305	-	-	599,925	601,230
TOTAL NON-CURRENT ASSETS	297,399	-	-	599,925	897,324
TOTAL ASSETS	9,640,597	(2,975,000)	9,070,500	(700,075)	15,036,022
CURRENT LIABILITIES					
Trade and other payables	405,134	(90,049)	-	-	315,085
Borrowings	23,021	-	-	-	23,021
Provisions	629,753	-	-	-	629,753
Other liabilities	2,903,108	(1,995,000)	-	-	908,108
TOTAL CURRENT LIABILITIES	3,961,016	(2,085,049)	-	-	1,875,967
NON-CURRENT LIABILITIES					
Borrowings	8,831,972	(8,831,972)	-	-	-
Provisions	85,596	-	-	-	85,596
TOTAL NON-CURRENT LIABILITIES	8,917,568	(8,831,972)	-	-	85,596
TOTAL LIABILITIES	12,878,584	(10,917,021)	-	-	1,961,563
NET ASSETS/(LIABILITIES)	(3,237,987)	7,942,021	9,070,500	(700,075)	13,074,459
EQUITY					
Issued capital	2,750,000	6,540,049	9,333,750	599,925	19,223,724
Accumulated losses	(6,800,198)	1,401,972	(263,250)	(1,300,000)	(6,961,476)
Reserves	812,211	-	-	-	812,211
TOTAL EQUITY	(3,237,987)	7,942,021	9,070,500	(700,075)	13,074,459

4 FINANCIAL INFORMATION



4.10 Significant accounting policies of RightCrowd

The financial information in this section should be read in conjunction with all of the significant accounting policies. The significant accounting policies have been included to assist in a general understanding of the Historical Financial Information and Proforma Historical Financial Information presented in sections 4.6, 4.7, 4.8, 4.9 and 4.11 of this Prospectus.

a. Going Concern

The consolidated group incurred a net loss for the 6-month period ended 31 December 2016 of \$3,041,715 (year ended 30 June 2016: \$1,181,662) and net cash operating outflows of \$1,535,800 (year ended 30 June 2016: \$560,864). As at 31 December 2016, the consolidated group's total liabilities exceeded total assets by \$3,237,987 (30 June 2016: \$220,182), but its current assets of \$9,343,198 (30 June 2016: \$4,566,195) exceeded its current liabilities of \$3,961,016 (30 June 2016: \$3,465,185) by \$5,382,182 (30 June 2016: \$1,101,010).

The financial report has been prepared on a going concern basis, which contemplates the continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The consolidated group has forecast its future cash flows requirements to 31 August 2018, which can currently be met by its cash held at balance date. The net liability position of the consolidated group (before any capital raising) is predominantly driven by the convertible notes recognised as non-current liabilities.

In constructing the cash flow forecast for the forecast period (before any Capital Raising), no cash outflow is contractually required for the consolidated group's convertible notes which have terms for redemption and/or conversion of 19 February (\$2,000,000) and 31 March 2020 (\$7,200,000).

In this Prospectus, the consolidated group is proposing a number of transactions including:

- Capital raising of \$10,000,000 before transaction and listing costs;
- Conversion of \$7,200,000 of convertible notes upon successful completion of the IPO;
- Repayment of \$2,000,000 of convertible notes upon successful completion of the IPO; and
- Settlement of the cash settled share based payments liability of \$1,995,000 for \$225,000 in total, resulting in de-recognition of \$1,770,000 currently recognised in liabilities.

b. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent RightCrowd Limited and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

4 FINANCIAL INFORMATION



Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

c. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the financial instrument. For financial assets, this is equivalent to the date that the entity commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss” in which case transaction costs are recognised as expenses in profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less repayments made and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest* method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

For the purpose of the parent entity’s separate financial statements, investments in subsidiaries, are accounted for at cost.

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

4 FINANCIAL INFORMATION



- iii. *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.
- iv. *Available-for-sale investments*
Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.
They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is de-recognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.
Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.
- vi. *Financial liabilities*
Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Non-derivative financial liabilities are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method. Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the financial liabilities are classified as non-current.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes that are fixed in nature, the fair value of the liability component is determined using a market rate for an equivalent non-convertible debt and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time, is recognised as a finance cost. The remainder of the proceeds at initial recognition are allocated to the conversion option that is recognised and included in shareholders' equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

On the issue of the convertible notes that are variable in nature, both a host debt (for the principal component) and an embedded derivative (for the option component) exist. For such convertible notes, the combined host debt and embedded derivative are accounted for at fair value via the profit or loss. The combined host debt and embedded derivative are remeasured at fair value at each balance date with any movement in the fair value recognised via the profit or loss. The corresponding interest on convertible notes is expensed to profit or loss.

4 FINANCIAL INFORMATION



d. Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

e. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

f. Cash and Cash equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown as borrowings in current liabilities on the statement of financial position.

g. Research & Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

h. Issued Capital - Ordinary shares

Ordinary shares are classified as equity. Costs directly attributable to the issue of Shares or options are shown as a deduction from the equity proceeds, net of any income tax benefit. Preference shares are classified as equity to the extent that they meet the definition of equity.

i. Employee benefits

Short-term employee benefits

Provision is made for the Group's (including the parent's) obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

4 FINANCIAL INFORMATION



Upon the re-measurement of obligations due to changes in assumptions for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

j. Cash-settled Share-based Payment Transactions

For cash-settled share-based payment transactions, the entity measures the goods or services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the entity shall re-measure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

k. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of trade discounts and amounts collected on behalf of third parties.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Amounts invoiced in excess of revenue earned are recognised as unearned revenue liability. Annual maintenance and support revenue is recognised on a straight line basis over the period of service.

Research & Development claims made are treated as grants and recognised as revenue in the profit and loss statement when the right to receive the grant funds arise.

All revenue is stated net of the amount of goods and services tax.

i. Foreign currency translation

i. Functional and presentation currency

The consolidated financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of the parent company.

ii. Foreign currency transactions and balances

Foreign currency transactions are translated into functional currency of the respective group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

iii. Foreign currency translation

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than \$AUD are translated into \$AUD upon consolidation. The functional currency of the entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into \$AUD at the closing rate at the reporting date. Income and expenses have been translated into \$AUD at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity.

4 FINANCIAL INFORMATION

4.11 Notes to the Proforma Statement of Financial Position

4.11.1 Cash and cash equivalents

	Notes	31-Dec-16 \$	Proforma \$
Cash and cash equivalents		8,267,152	11,562,652
<i>Adjustments to arrive at the pro forma balance</i>			
Audited RightCrowd cash and cash equivalents as at 31 December 2016			8,267,152
<i>Capital Raising:</i>			
Proceeds from shares issued under this Prospectus	4.5 (a)		10,000,000
Transaction costs associated with the Capital Raising	4.5 (b)		(666,250)
Costs associated with the Listing of RightCrowd	4.5 (b)		(263,250)
			9,070,500
Sale of existing shares	4.5 (c)		(750,000)
Settlement of Cash Consideration to convertible noteholders	4.5 (d)		(2,000,000)
Settlement of Shadow equity plan liability of \$1,995,000	4.5 (e)		(225,000)
			(2,975,000)
<i>Subsequent events:</i>			
RightCrowd operating cash consumption for 6 months from 1 January 2017 to 30 June 2017	4.5 (g)		(2,800,000)
			(2,800,000)
Proforma Balance			11,562,652

4 FINANCIAL INFORMATION

4.11.2 Trade and other receivables

	Notes	31-Dec-16 \$	Proforma \$
Trade and other receivables		1,008,597	2,508,597
<i>Adjustments to arrive at the pro forma balance</i>			
Audited RightCrowd Trade and Other Receivables balance as at 31 December 2016			1,008,597
			1,008,597
<i>Subsequent events:</i>			
R&D refundable offset	4.5 (h)		1,500,000
Proforma Balance			2,508,597

4.11.3 Borrowings

	Notes	31-Dec-16 \$	Proforma \$
Borrowings		8,854,993	23,021
<i>Adjustments to arrive at the pro forma balance</i>			
Audited RightCrowd Current Borrowings balance as at 31 December 2016			23,021
Audited RightCrowd Non-Current Borrowings balance as at 31 December 2016			8,831,972
			8,854,993
<i>Settlement</i>			
Conversion of RightCrowd convertible notes (\$7,200,000 face value)	4.5 (d)		(7,200,000)
Settlement in cash of RightCrowd convertible notes (\$2,000,000 face value)	4.5 (d)		(1,631,972)
			(8,831,972)
Proforma Balance			23,021

4 FINANCIAL INFORMATION

4.11.4 Other liabilities

	Notes	31-Dec-16 \$	Proforma \$
Other liabilities		2,903,108	908,108
<i>Adjustments to arrive at the pro forma balance</i>			
Audited RightCrowd Other liabilities balance as at 31 December 2016			2,903,108
			2,903,108
<i>Settlement:</i>			
Settlement of Shadow equity plan liability of \$1,995,000	4.5 (e)		(1,995,000)
Proforma Balance			908,108

4.11.5 Issued capital

	Notes	31-Dec-16 \$	Proforma \$
Issued capital		2,750,000	19,223,724
<i>Adjustments to arrive at the pro forma balance</i>			
RightCrowd fully paid ordinary share capital at 31 December 2016 (Pre share consolidation)		80,000,016	2,750,000
<i>Acquisition of IP in Reporia</i>	4.5 (f)	2,346,778	599,925
Share consolidation pre capital raising		(4,930,614)	-
<i>Capital Raising</i>			
Proceeds of Capital Raising	4.5 (a)	33,333,333	10,000,000
Transaction costs	4.5 (b)	-	(666,250)
			9,333,750
Sale of existing shares	4.5 (c)	(2,500,000)	(750,000)
Conversion of RightCrowd Convertible Notes (\$7,200,000 face value)	4.5 (d)	25,083,820	7,290,049
			6,540,049
Proforma Balance		133,333,333	19,223,724

4 FINANCIAL INFORMATION

4.11.6 Accumulated losses

	Notes	31-Dec-16 \$	Proforma \$
Accumulated losses		(6,800,198)	(6,961,476)
<i>Adjustments to arrive at the pro forma balance</i>			
RightCrowd Audited Accumulated Losses to 31 December 2016			(6,800,198)
			(6,800,198)
Listing expenses	4.5 (b)		(263,250)
Settlement of convertible notes with a face value of \$2,000,000	4.5 (d)		(368,028)
Settlement of Shadow equity plan liability of \$1,995,000	4.5 (e)		1,770,000
			1,401,972
RightCrowd operating cash consumption for 6 months from 1 January 2017 to 30 June 2017	4.5 (g)		(2,800,000)
R&D refundable offset	4.5 (h)		1,500,000
			(1,300,000)
Proforma Balance			(6,961,476)

5 RISK FACTORS

5.1 Introduction



The future performance of the Company and the future investment performance of Shares may be influenced by a range of factors, many of which are outside the control of the Company, the Directors and its senior management.

This section 5 describes key risks that the Company believes to be associated with the business of the Company, the industry in which it operates and the general risks associated with an investment in the Company. It does not purport to list every risk that may be associated with the Company's business or the industry in which it operates in or an investment in the Company now or in the future. The occurrence or consequence of some of the risks described in this section 5 are partially or completely outside the control of the Company and its Directors.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors and senior management as at the Prospectus Date, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge. Any of these risks, and any other risks that may emerge, may in isolation or in combination, if they eventuate, have a material adverse effect on the Company's business, future financial position and future financial performance and cash flows. There can be no guarantee that the Company will achieve its stated objectives or that any forecast financial information or any forward looking statements contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

Before applying for Shares, you should satisfy yourself that you have a sufficient understanding of the risks described in this section 5 and all of the other information set out in this Prospectus, and consider whether the Shares are a suitable investment for you, having regard to your own investment objectives, financial circumstances and particular needs (including financial and taxation issues).

If you do not understand any part of this Prospectus, or have any questions about whether to invest in the Company, you should consult your accountant, financial advisor, stockbroker, lawyer or other professional advisor prior to deciding whether to invest in the Company.

5.2 Risks specific to the Company

a. Industry and competition risk

The Company's performance could be adversely affected if existing or new competitors reduce the Company's market share, or its ability to expand into new segments. The Company's existing or new competitors may have substantially greater resources and access to more markets than the Company. The Company may also become subject to channel partners and other close entities becoming competitors. These partners have limited access to the Company's intellectual property but may gain access to its trade secrets through this limited access.

Competitors may succeed in developing alternative products which are more innovative, easier to use or more cost effective than those that have been or may be developed by the Company. This may place pricing pressure on the Company's product offering and may impact on the ability to retain existing clients as well as attract new clients. If the Company cannot compete successfully, its business, operating results and financial position could be adversely impacted.

5 RISK FACTORS



b. Undefined market risk

Whilst there are similar products available to the Company's products, there are few direct comparisons. The continuous workforce assurance market in which the Company operates is an evolving market, and touches upon a number of other market segments. Therefore, limited information is available about the particular market segment in which the Company operates.

c. Failure to retain existing customers

The Company's financial performance is, in part, reliant on its ability to retain existing clients. The Company has capital sales and subscription fee offerings, which mean that the Company is exposed to the risk that existing clients will not renew their subscriptions.

d. Failure to obtain new customers

If the Company loses existing customers and cannot obtain new customers, the Company's reputation, marketing opportunities, and financial performance may be adversely impacted and damaged.

e. Growth strategy risks

If the Company cannot build a strong internal support structure with sales staff and training, it is likely that the Company will not be able to adequately respond to opportunities to expand. As a result, the future growth and financial performance of the Company may be adversely impacted.

The Company may also be subject to over investment in its growth strategy. Should the Company successfully expand its internal systems to support the demand of clients from around the globe, but not receive the expected demand, the business profitability and financial performance may be adversely impacted.

f. Foreign exchange rates

The Company has costs and expenses in other jurisdictions, such as the United States and the Philippines. The expansion to other jurisdictions will impact the depreciation and/or the appreciation of the relevant foreign currency relative to the Australian currency and may result in a translation loss on consolidation which is taken directly to shareholder equity. Any depreciation of the foreign currency relative to the Australian currency may result in lower than anticipated revenue, profit and earning. The Company could be affected on an ongoing basis by foreign exchange risks between the Australian dollar and the relevant foreign currency, and will have to monitor this risk on an ongoing basis.

g. Product liability

The Company is exposed to potential product liability claims related to its products. The Company maintains product liability insurance. However, to the extent that a claim is brought against the Company that is not covered or fully covered by insurance, such claim could have a material adverse effect on the business, financial position and results of the Company. Claims, regardless of their merit or potential outcome, may adversely impact the business, future growth and profitability of the Company.

h. Security breaches

Attacks on software and security systems occur more frequently on large companies than smaller businesses. The Company has implemented its products for large multinational companies that may be subject to such attacks. A malicious attack on the Company's systems, processes or people, from external or internal sources, could put the integrity and privacy of customers' data and business systems at risk. It could prevent customers from using the products for a period of time, put its users' premises at risk and could also lead to unauthorised disclosure of data.

5 RISK FACTORS



The impact of loss or leakage of customer or business data could include costs for rebates, potential service disruption, litigation and brand damage resulting in reduced or falling revenues. If the Company's efforts to combat any malicious attack are unsuccessful or if the platform has actual or perceived vulnerabilities, the Company's business reputation and brand name may be harmed, potentially having a material adverse effect on the Company's operations and financial position.

i. Trade secrets

The Company relies on protecting its trade secrets. Actions taken by the Company to protect its trade secrets may not be adequate and this could erode its competitive advantage in respect of such trade secrets. If a breach of the systems occurs, trade secrets of the Company may be stolen and destroyed. Further, others may independently develop similar technologies and products.

j. RightCrowd's retention of key personnel

The success of the Company's business is dependent on the retention of the key personnel, including the founder, Peter Hill. Key staff are crucial to the development and commercialisation of the Company's products and modules. These personnel hold IT and engineering skills. Peter Hill holds much of the know-how of the RightCrowd business, contacts with potential clients and the knowledge it takes for the further development and expansion of the Company.

The loss of key personnel could materially adversely impact our ability to develop and commercialise our products and could result in wage inflation through the need to train new staff and lessened client sales which may impact the Company's profitability.

k. Technology

RightCrowd's products have been developed using commercially available software coding tools and there are technical risks associated with compatibility to other technology. For example, compatibility with different web browsers and operating system, continued support of Microsoft SQL databases, etc.

l. Shortage of funding

The funds raised under the Offer will be used to accelerate the Company's business, including marketing and growth plans. However, if the Company incurs unexpected costs or is unable to generate sufficient operating income, further funding may be required. Any additional funding through Share issues is dependent upon market conditions at the time. Debt financing may not be available to support the scope and extent of proposed developments. If available, it may impose restrictions on operating activities or anticipated expansion of the Company's operations.

m. Protection of intellectual property

Confidential information

The operation of the Company's business involves software development, knowledge base of business operations, customer records and other confidential information that is key to the success of the business. Such confidential information is monitored with strict security. However, if this confidential information is released or misused, the Company's margins and revenue may be adversely impacted.

Intellectual property protection

The Company's success depends, in part, on its ability to protect its software. The Company's source codes are protected by copyright law to mitigate breaches. The Company also restricts access to its source code to key employees and through confidentiality provisions in employment or other agreements.

5 RISK FACTORS



Notwithstanding the steps taken to navigate these risks, the Company cannot be certain that the unauthorised use or access of intellectual property relevant to the businesses will not be undertaken by third parties to the detriment of the Company. In addition, there can be no guarantee that unauthorised use or copying of the product software, data, specialised technology or source code will be prevented. Any unauthorised use, access or copying of Company intellectual property could impact adversely on the Company's margins and revenue.

n. Tax Risks

Global tax risk

It is expected that a substantial amount of the Company's future revenues will be derived from sales activities in foreign jurisdictions. Recent changes in the global tax environment focusing on the prevention of tax leakage may require the Company to have sophisticated systems in place to identify the jurisdictions in which it will be subject to tax and the correct allocation of taxable income across those jurisdictions.

Tax risk - foreign operations

As the Company has foreign operations and employees in foreign jurisdictions, there is a risk that the Company has a permanent establishment or depending on the structure used, controlled foreign companies.

Accordingly, the foreign operations may give rise to foreign tax liabilities including employment tax obligations which may require registrations with the local tax authorities, payment of income tax and withholding obligations. In some cases there may be an attribution of the income from the foreign jurisdiction to the Australian entity which could give rise to Australian tax liabilities.

Transfer Pricing

The foreign operations may give rise to a transfer pricing risk if the Company has foreign related entities and any dealings between the Australian entities and the foreign entities are not at arm's length.

Research and Development Credits

Where an entity is in receipt of a Research and Development refundable tax offset, there is a notional 'deferred' franking debit to the franking account.

Franking credits will not arise in respect of payments of PAYG instalments or income tax until these deferred franking debits are recovered.

As such there is a risk that some income tax paid in the future will not give rise to franking credits that can be used to frank dividends paid.

Research and Development Activities

The Company undertakes significant research and development activities which result in tax benefits by way of the research and development tax incentive.

There is a risk that the ATO or AusIndustry may review any claims made and challenge whether the activities and costs are eligible for the research and development concessions.

Withholding tax risk

As the Company has foreign operations and losses in Australia, if the group is charged withholding taxes on payments made by the foreign entities to the Australian entity, there is risk that such withholding tax cannot be claimed as a credit in Australia and will be lost.

5 RISK FACTORS



5.3 General investment risks

a. Litigation

The Company is not currently engaged in litigation. However, it is exposed to possible litigation risks including contractual disputes, occupational health and safety claims and employee claims. Further, the Company as an operating entity may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

b. Market risk and interest rate volatility

From time to time, the Company may borrow money and accordingly will be subject to interest rates which may be fixed or variable. A change in interest rates would be expected to result in a change in the interest cost to the Company and, hence, may affect its financial performance.

c. Force majeure risks

The Company's projects now or in the future may be adversely affected by risks outside the control of the Company, including labour unrest, civil disorder, war, terrorism, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

d. Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Directors' and the Company's control. Changes to accounting standards issued by the AASB could adversely impact the financial performance and position reported in the Company's financial statements.

6 KEY PEOPLE, INTERESTS AND BENEFITS

6.1 Current Officers



ROBERT BAKER
Non-Executive Chairman

Robert Baker has worked in both Australia and the UK. His main expertise and practice area was external audit, internal audit, financial reporting, internal control assessments and accounting advice. His business acumen resulted in clients (including ASX 100 companies) also engaging him to provide business and due diligence services.

Mr Baker has had nearly a decade of board experience. He has had experience as a board member of PricewaterhouseCoopers (2008–2013) serving its Finance, Country Admissions (nominations) and Partner Evaluation and Income (remuneration Committees) and has also been a Managing Partner in the Brisbane Office. He has ongoing roles with Flight Centre Travel Group, Goodman Private Wealth Ltd and others.



PETER HILL
Managing Director

Peter Hill founded the Company in 2004 and has been instrumental in growing the Company to its current level.

In early 2006, Peter sold the Company to a Silicon Valley company, which was then sold to SAP shortly thereafter. In 2007, Peter successfully re-acquired the Company from SAP and spun out the company as an independent entity. Peter is responsible for the Company's global business strategy and continues to drive partnerships with billion-dollar global physical security vendors, at both corporate and technical levels.

An entrepreneur for most of his 30 years in the information technology industry, Peter previously founded and led two other business software start-ups after finishing his career as a professional basketball player in the 1990's. Peter also holds a science degree majoring in computer science.



ALFRED SCOTT GONINAN
Non-Executive Director

Scott Goninan joins the RightCrowd Board after 26 years' experience as the founder and Managing Director and CEO of the Durachrome Group. He is well practised in delivering strategic direction and implementation of business operations.

The Durachrome Group imported and exported materials globally and had three production facilities that operate 24hrs a day 7 days a week. In his role with Durachrome, Mr Goninan has developed international relationships throughout Asia and Europe.

Mr Goninan has experience in reporting to public company boards in his role as a Managing Director. Scott has ongoing ventures in property development; specialised imports and exports; commercial, industrial and personal finance; and research and development.

6 KEY PEOPLE, INTERESTS AND BENEFITS

6.2 Other Key People in the RightCrowd Business



LORRAINE HALL
Chief Operating Officer

As part of the founding team of the Company, Lorraine has played a critical role in a variety of areas across the Company, including initiating and leading professional services, business improvement, sales and marketing, training and product documentation teams.

Lorraine has been instrumental to continuous business improvement initiatives, supporting customer engagements, sales and marketing, and developing and delivering corporate certification programs to secure channel partners including the RightCrowd Essentials program.

Lorraine has worked with Peter Hill since 1999. She focusses on executive leadership, attending global conferences to build market and sales pipelines, developing and delivering corporate partner programs, professional services, partner relationships, and other market-facing functions.



DARREN BAIN
Chief Technology Officer

As the Company's chief technology officer, Darren helps the Company's current and potential customers to appreciate the value of its products, and translates customer feedback into enhancing the Company's products.

Also part of the founding team of RightCrowd, Darren has played a critical role in defining the functional architecture of the Company's products, driving sales to large enterprise customers, and helping to ensure these deployments were successful.

Darren has also worked with Peter Hill since 2001, focusing on executive leadership, attending global conferences to build market and sales pipelines, product definition, product commercialization, business and partner development, and enterprise software solution implementations.



LESLIE MILNE
Chief Financial Officer
and Company Secretary

Leslie joined the Company in January 2017 after a six year tenure at SAP where he held the positions of Senior director of Cloud Commercial Operations Asia Pacific, Japan and China, Senior Director of Finance and Business Operations, Director of Finance - Asia Pacific and Japan.

Leslie has a broad range of skills including business partnering, small company and 'Start-up' management (including design and implementation of operational procedures and financial systems), planning and forecasting, board and management reporting, Corporate strategy and leadership of finance, legal, human resources and other back office teams. Leslie has been a director of UK and Australian companies.

Leslie has further experience in the enterprise data security sector having been a director and chief financial officer of Bcrypt Limited (UK).

Leslie is a Fellow of the Association of Chartered Certified Accountants, and has a Bachelor's of Accounting and Finance.

6 KEY PEOPLE, INTERESTS AND BENEFITS



KIM CLARK
Company Secretary

Kim Clark is the current head of Corporate Services in Queensland for Boardroom Pty Limited (which is also the current Share Registry of the Company). She holds a number of company secretarial roles with other companies, including Urbanise.com Limited, Future Fibre Technologies Limited, Console Group Pty Ltd, Silver Heritage Group Limited, the Finance and Treasury Association Limited and OpenMarkets Online Trading Pty Ltd.



CHIP PESSA
Vice President Research and Development

Chip joined the Company as Engineering Vice President and General Manager in 2014, building on his previous experience as the Company's Vice President of Engineering in 2006-2007 (when it was part of SAP).

At RightCrowd, Chip has led the Engineering, Professional Services and Support teams, helping to scale these operations by over 50% during this time, including setting up an office in the Philippines supplementing these teams.

Chip has almost 40 years' experience in the technology industry, most of which was in Silicon Valley in the USA, including recently with SAP in Palo Alto, where he led development for SAP's Access Control product line.



JUSTIN KERR
Vice President Global Sales and Marketing

Justin has 20 years' experience developing sales and marketing organisations across industries including information communication technology, consulting and engineering.

Justin is an experienced leader with significant strategy, client engagement, market development, sales and BD management, B2B marketing and consulting experience.

At RightCrowd Justin's focus is building the Company's global sales and marketing capability and partner sales organisation. He will be working with the industry's top system integrators and technology partners to deliver the sales plan.

6 KEY PEOPLE, INTERESTS AND BENEFITS



6.3 Interests and benefits

a. Directors' shareholdings

The Directors will have the following interests in the Company's issued Shares upon completion of the Offer and the IPO:

Officer	Quantity	% RightCrowd
Peter Hill	53,907,428 ¹	40.43%
Robert Baker	Nil ²	Nil
Alfred Scott Goninan	17,422,517 ³	13.07%

1. Indirectly held through CNI Pty Ltd ACN 131 410 556.

2. Excluding any Shares subscribed for in the IPO.

3. Indirectly held through Goninan Property Investments Pty Ltd ACN 151 022 052 ATF the Goninan Wealth Trust.

b. Directors' remuneration

The Constitution provides that the remuneration of Directors (excluding salaries to executive Directors) will not be more than the aggregate fixed sum determined by a general meeting or, until so determined, as resolved by Directors.

The aggregate remuneration for non-executive Directors (excluding salaries to executive Directors) has been set under the Constitution at an amount to not exceed \$225,000.

The remuneration of executive Directors will be determined from time to time by the Board having regard to the nature and extent of their responsibilities.

Name	Position	Cash Remuneration (including Superannuation)
Peter Hill	Executive Director	\$250,000
Robert Baker	Non-Executive Chairman	\$65,700
Alfred Scott Goninan	Non-Executive Director	\$45,000

c. Other Directors' interests

Except as otherwise set out in this Prospectus, no Director holds at the date of this Prospectus, or held at any time during the last two years before the date of lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
- the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid by any person and no benefits have been given or agreed to be given by any person:

- to a Director to induce him or her to become, or to qualify as, a Director; or
- for services provided by a Director in connection with the formation or promotion of the Company or the Offer.'

6.4 Related party transactions

The Company confirms that there are no related party transactions following completion of the Offer and the Listing.

7 RIGHTCROWD OFFER



7.1 Offer

This Prospectus relates to an initial public offering of 33,333,333 Shares, comprising the issue of 30,833,333 New Shares by the Company and the sale of 2,500,000 Sale Shares by the Seller.

The Offer is expected to raise \$10 million, comprising \$9.25 million from the issue of the New Shares and \$0.75 million from the sale of the Sale Shares. The Shares offered under this Prospectus will represent approximately 25% of the Shares on issue on completion of the Offer.

Successful Applicants under the Offer will pay the Offer Price, being \$0.30 per Shares.

In addition, the Company will:

- issue up to 6,666,667 Options under the Employee Option Plan;
- issue 27,290,081 Shares on conversion of the Convertible Notes; and
- convert the Preferred Shares into 18,802,491 Shares.

The total number of Shares on issue at completion of the Offer is expected to be approximately 133,333,333 and all Shares will rank equally with each other. Further details with respect to the rights and liabilities attaching to the Shares are further described in section 10.12.

7.2 Structure of the Offer

The structure of the Offer comprises:

- a. Broker Firm Offer consisting the Offer Shares to Lead Managers appointed by the Underwriter for allocation to their private clients in Australia, as described in the Prospectus; and
- b. Institutional Offer consist of
 - i. institutional investors in Australia to whom offers of securities may be made without disclosure under Part 6D.2 of the Corporations Act; and
 - ii. any other investors outside of Australia to whom an offer of the Offer Shares may lawfully be made without a disclosure document,

as described in the Prospectus.

No general public offer will be made under the Offer. The allocation of Shares between the Broker Firm Offer and the Institutional Offer will be determined by agreement between the Lead Manager, the Company and the Seller, having regard to the allocation policy outlined in section 1.1.

7.3 Sell Down

The founder of the Company, Peter Hill will be selling down the Sale Shares as part of the Offer and Listing. This offer will be for the sale of 2,500,000 Shares at a sale offer price of \$0.30 per Share (Sale). The Sale Shares will generate \$750,000 in funds to be paid to the Seller.

Details with respect to the use of funds are set out in section 7.12.

7.4 Employee Option Plan

The Company has adopted an Employee Option Plan for Eligible Employees to be issued Options in accordance with terms and conditions set out in individual Offer Letters.

The Employee Options are issued and managed in accordance with the Employee Option Plan Rules, summarised below and in section 9.2.

Under this Prospectus, the Company will be issuing up to 6,666,667 Employee Options (approximately 5% of the Shares on issue at completion of the Offer). The Offer Letters issued under this Prospectus will have the following terms:

Vesting: One third of the Options will vest on each anniversary of the grant date.

Exercise Price:

- Tranche 1 - \$0.38
- Tranche 2 - \$0.43
- Tranche 3 - \$0.43

Exercise Period: In respect of each tranche of Options, 3 months from the date of vesting of that tranche of Options.

7 RIGHTCROWD OFFER



The Company will make individual offers to Eligible Employees to acquire Employee Options.

7.5 Morgans Underwriting

The Offer is fully underwritten by Morgans. A summary of the Underwriting Agreement is included at section 9.1.

7.6 Minimum Applications

The minimum acceptable investment is for 6,667 Shares. There is no maximum investment, however, Morgans, in consultation with the Company, reserves the right to scale back Applications.

7.7 Broker Firm Offer

The Broker Firm Offer is open to retail investors who have received a firm allocation of Shares from the Lead Manager. You should contact your broker to determine whether you can receive an allocation of Shares from them under the Broker Firm Offer.

If you receive an invitation to apply for Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker to request a Prospectus and Application Form, or download a copy at www.rightcrowd.com. Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Application Form and Application Monies are received before 5.00pm (Brisbane time) on the Closing Date or any earlier closing date determined by your Broker.

Broker clients should complete and lodge their Application Form and Application Monies with the broker from whom you received your invitation to acquire Shares under this Prospectus. Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with the instructions provided by that Broker.

Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the back of the Application Form. Applicants under the Broker Firm Offer must not send their Application Forms or Application Monies to the Share Registry.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Morgans and the Company reserve the right not to accept Applications in the Broker Firm Offer that are from persons who they believe may be Institutional Investors, to reject any Application, or to scale back any Application.

The Company, Morgans, and the Share Registry take no responsibility for acts or omissions committed by your Broker in connection with your Application.

The allocation of Shares to Brokers was determined by Morgans in consultation with the Company. Shares which have been allocated to Brokers for allocation to their eligible retail clients will be issued or transferred to successful Applicants who have received a valid firm allocation of Shares from their Brokers. The allocation of Shares among Applicants under the Broker Firm Offer will be at the sole and absolute discretion of the relevant Broker. Those Brokers (and not the Company or Morgans) will be responsible for ensuring that their clients who have received an allocation from them, receive the relevant Shares.

7.8 Institutional Offer

The Institutional Offer will be conducted using a bookbuild process managed by the Lead Manager. Full details of how to participate, including bidding instructions, will be provided to eligible participants by the Lead Manager.

The Institutional Offer will open at 9.00am (Brisbane time) on 25 August 2017 and close at 5.00pm (Brisbane time) on 8 September 2017. The Lead Broker, in consultation with the Company and the Seller, reserve the right to vary the times and dates of the Offer, including to close the Offer early, extend the closing date or accept late Applications or bids, either generally or in particular cases, without notification.

7 RIGHTCROWD OFFER



Bids in the Institutional Offer may be amended or withdrawn at any time up to the close of the Institutional Offer. Any bid not withdrawn at the close of the Institutional Offer is an irrevocable offer by the relevant bidder to apply or procure Applicants for the Shares bid for (or such lesser number as may be allocated) at the Offer Price.

Bids can be accepted or rejected in whole or in part without further notice to the bidder. Acceptance of a bid will give rise to a binding contract on allocation of Shares to Successful Applicants.

Details of the arrangements for notification and settlement of allocations applying to participants in the Institutional Offer will be provided to participants by the Lead Manager.

7.9 Terms and conditions of the offer

Topic	Summary
Type of security being offered	Shares, being fully paid ordinary shares in the Company.
Offer Price per Share	\$0.30
Rights and liabilities attached to Shares	New Shares will rank equally with existing ordinary Shares. A description of the Shares, including the rights and liabilities attaching to them, is set out in section 10.12.
Cash proceeds	<p>\$10 million is expected to be raised by the Offer, which will be utilised as follows (before costs of the Offer):</p> <ol style="list-style-type: none">\$750,000 to be paid to the Seller for the sale of the Sale Shares; and\$9.25 million to be retained by the Company from the issue of New Shares.
Shares under the Offer	33,333,333
Allocation policy	<p>Allocations under the Offer will be at the absolute discretion of the Lead Manager in consultation with the Company.</p> <p>Shares allocated under the Broker Firm Offer will be issued to the Applicants nominated by each broker. It will be a matter for the brokers as to how they allocate firm Shares among their retail clients, and they (and not the Company and the Seller) will be responsible for ensuring that retail clients who have received a firm allocation from them receive the relevant shares.</p> <p>Allocations of Options under the Employee Option Plan will be at the absolute discretion of the Company.</p>

7 RIGHTCROWD OFFER



7.10 Escrow of Shares

The ASX will require that certain Shares be subject to restriction agreements in accordance with the ASX Listing Rules. The Company expects that the following escrow restrictions will apply, although this is subject to the final determination of the ASX:

Shareholder	Restricted Shares	Period of Restriction
CNI	53,907,428 (40.43% of Shares on issue)	2 years from listing
AMT	12,135,824 (9.10% of shares on issue) ¹	2 years from listing
David Thomas	2,206,262 (1.65% of Shares on issue)	2 years from listing
Goninan	16,666,666 (12.5% of Shares on issue)	6 months from listing
	755,851 (0.60% of Shares on issue)	2 years from listing
Salmon	6,666,666 (5.00% of Shares on 298,154 Shares)	6 months from listing 12 months from listing
Lawnhill	666,666 (0.50% of Shares on issue) 29,816 Shares	6 months from listing 12 months from listing

1. Subject to receiving necessary relief for the voluntary escrow of a further 6,666,667 Shares for a period of 12 months from listing.

7.11 Timetable

A Timetable is set out in the Key Information section of this Prospectus on page 4.

Key dates include the:

- Replacement Prospectus Date of 24 August 2017;
- Closing Date of 8 September 2017; and
- Allotment Date of 14 September 2017.

All dates are subject to change and indicative only. The Company with the consent of Morgans, reserves the right to vary these dates and times without prior notice, including the right to close the Offer early, to withdraw the Offer, or to accept late Applications.

7.12 Sources and use of funds

The Company will be receiving funds from the following sources:

- Cash proceeds received from sale of Sale Shares: \$750,000
- Cash proceeds received from issue of New Shares: \$9,250,000

7 RIGHTCROWD OFFER



The Company intends on using the funds from the Offer and its existing cash reserves in the next two years following admission as follows:

Source of funds	Amount
Gross proceeds from Offer	\$10,000,000
Existing cash reserves	\$5,400,000

Use of funds	Amount
Sell down	\$750,000
Shadow equity payments ¹	\$225,000
Repayment of Debt ²	\$2,000,000
Costs of Offer	\$929,500
Growth capital	
• Support and delivery increased capability	\$2,500,000
• Sales and marketing activity	\$3,500,000
• Product research and development	\$2,500,000
Working capital	\$2,995,500

Note: rounding may result in lower aggregate.

1. Back payments to long term RightCrowd employees and contractor (Shayne Bates) (excluding Peter Hill).

2. Repayment of convertible note to investor, AVT.

With the subscription funds from the Offer, the Company's objectives are to:

- build global sales capabilities and sales channel support infrastructure;
- continue ongoing evolution and development of the Company's products;
- undertake longer term research and development of future product offerings, including cloud-based technology solutions; and
- develop the Management team and operational capability of the Company.

The Board reserves the right to allocate the funds other than as set out specifically above, in the manner that they consider appropriate to best pursue the interests of the Company.

7.13 Capital adequacy

The above expenditure table and objectives are statements of current intentions as at the date of this Prospectus.

Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments and market and general economic conditions.

In light of this, the Board reserves the right to alter the way the funds are applied and the commercial objectives and priorities of the Company.

It is expected that future funding requirements will be met out of future revenues. However, future revenues are uncertain and the use of further equity funding will be considered by the Board, where it is appropriate to accelerate a specific project.

However, additional funding may be required to fully commercialise the Company's products and to achieve sustainable growth and profitability. In the event costs exceed the Company's estimates or to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, additional finance may be required earlier than planned.

As and when further funds are required, either for existing or future developments, the Company will consider both raising additional capital from the issue of securities and/or from debt funding.

7 RIGHTCROWD OFFER



7.14 Proforma Capital structure

The proposed proforma capital structure of the Company following completion of the Offer is set out below.

Category	Pre-IPO Securities		
	Type	Quantum	Post-IPO Shares ¹
Existing Shareholders	Shares	62,346,778	56,113,689
Existing Preferred Holder	Preferred Shares	20,000,016	18,802,491
Noteholders	Convertible Notes	\$7,525,146	25,083,820
New Shareholders	N/A	N/A	33,333,333
Total			133,333,333

1. The Company is offering up to 6,666,667 Options under the Employee Option Plan and under this Prospectus.

7.15 Applications

Applications for Shares under the Offer can only be made using the Application Form attached to or accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the back of the form.

Applications under the Offer must be for a minimum of 6,667 Shares and then in increments of 1,667 Shares. No brokerage, stamp duty or other costs are payable by the Applicants.

a. Broker Firm Offer application

If you have received an allocation of Shares from your broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your broker for information about how to submit your Broker Firm Offer Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

Applicants under the Broker Firm Offer should contact their broker to request a Prospectus and Application Form, or download a copy at www.rightcrowd.com. Your broker will act as your agent and it is your broker's responsibility to ensure that your Application Form and Application Monies are received before 5:00pm (Brisbane time) on the relevant closing date or any earlier closing date as determined by your broker.

If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the broker from whom you received your firm allocation of Shares. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your broker and the instructions set out on the reverse of the Application Form.

By making an Application, you declare that you were given access to the Prospectus, together with an Application Form, which may be downloaded in its entirety from www.rightcrowd.com. The Corporations Act prohibits any person from passing an Application Form to another person unless it is included in, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Company, the Seller, the Share Registry, and the Lead Manager take no responsibility for any acts or omissions by your broker in connection with your Application.

The Broker Firm Offer opens at 9:00am (Brisbane time) on 25 August 2017 and is expected to close at 5:00pm (Brisbane time) on 8 September 2017. The Lead Manager, the Company and the Seller, may elect to close the Offer or any part of it early, extend the Offer or any part of it, or accept late Applications either generally or in particular cases. The Offer or any part of it may be closed at any earlier time and date, without further notice.

7 RIGHTCROWD OFFER



Your broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible. Contact your broker for instructions.

b. Institutional Offer application

The Company invited certain eligible Institutional Investors to apply for Shares in the Institutional Offer. The Institutional Offer will comprise an invitation to Institutional Investors in Australia to apply for Shares under this Prospectus. The Lead Manager separately advised institutional Investors of the application procedure for the Institutional Offer.

Applicants are urged to lodge their Application Forms as soon as possible as the Offer may close early without notice.

An original, completed and lodged Application Form for Shares together with a cheque for the Application Monies or bank transfer or deposit of Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an application as valid and how to construe amend or complete the Application Form is final, however, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of the cheque for the Application Monies.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained.

7.16 Allocation and allotment of Shares

It is expected that allotment of the Shares will take place 5 Business Days after the Closing Date.

If the Closing Date is extended, the date for allotment may also be extended. The Directors, in consultation with Morgans, if relevant, reserve the right to reject any application or to allot a lesser number of Shares than that applied for. If the number of Shares allocated is less than that applied for, or no allotment is made, the surplus Application Monies will be promptly refunded without interest.

7.17 Brokerage, commission and stamp duty considerations

No brokerage, stamp duty or commission costs are payable by Applicants.

7.18 Risks

As with any share investment, there are risks associated with investing in the Company. The principal risks that could affect the financial and market performance of the Company are summarised in section 5.

The securities on offer under this Prospectus should be considered speculative. Accordingly, before deciding to invest in the Company, Applicants should read this Prospectus in its entirety and should consider all factors in light of their individual circumstances and seek appropriate professional advice. If you require assistance or have any questions in relation to the Offer, or you are uncertain as to whether obtaining Shares in the Company is a suitable investment for you, you should seek professional advice from your stock broker, lawyer, accountant or other professional advisor.

7 RIGHTCROWD OFFER



7.19 Taxation

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

7.20 Description of shares

The rights and liabilities attaching to ownership of Shares are detailed in the Constitution and, in certain circumstances, regulated by the Corporations Act and general law.

7.21 Overseas investors

An Offer made pursuant to this Prospectus is not made to persons or in places which would not be lawful to make the Offer. No action has been taken to register the Offer or otherwise permit the Offer to be made in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law in those jurisdictions and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Failure to comply with such restrictions may constitute a violation of applicable securities laws.

Applicants who are residents in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed in respect of the Offer.

7.22 Enquiries about the Offer

If you require assistance to complete the Application Form, require additional copies of this Prospectus, have any questions in relation to the Offer or you are uncertain as to whether obtaining Shares in the Company is a suitable investment for you, you should seek professional advice from your stockbroker, lawyer, accountant or other professional adviser.

7.23 Company may withdraw the Offer

The Company may withdraw the Offer at any time before the issue of Shares to Successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company and the Lead Manager reserve the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application, or allocate to an Applicant fewer Shares than applied for.

8 INDEPENDENT LIMITED ASSURANCE REPORT



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To The Directors
RightCrowd Limited
C/ WMS Chartered Accountant's
'The Rocket' Suite 1401
Level 14
203 Robina Town Centre
ROBINA QLD 4230

11 August 2017

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON RIGHTCROWD LIMITED HISTORICAL AND PRO FORMA HISTORICAL FINANCIAL INFORMATION

Introduction

We have been engaged by RightCrowd Limited ("the company") to report on the historical financial information and pro forma historical financial information of the company as at 31 December 2016 for inclusion in the Prospectus dated on or about 11 August 2017 and relating to the issue of 33,333,333 shares in RightCrowd Limited to raise \$10,000,000 before transaction costs ("the Prospectus"). The historical financial information and pro forma historical financial information to which this report relates is set out in Section 4.1 to Section 4.11 inclusive of the Prospectus.

Expressions and terms defined in the Prospectus have the same meaning in this report.

Scope

Historical financial information

You have requested BDO Audit Pty Ltd to review the following historical financial information included in the Prospectus:

- The statement of financial position of RightCrowd Limited as at 30 June 2014, 30 June 2015, 30 June 2016 and 31 December 2016;
- The statement of profit or loss and other comprehensive income of RightCrowd Limited for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and half year ended 31 December 2016;
- The statement of cash flows of RightCrowd Limited for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and half year ended 31 December 2016.

Hereafter referred to as "the Historical Financial Information".

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

8 INDEPENDENT LIMITED ASSURANCE REPORT



The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the company's adopted accounting policies.

The Historical Financial Information has been extracted from the consolidated financial reports of RightCrowd Limited for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and for the half year ended 31 December 2016, which were audited by BDO Audit Pty Ltd in accordance with the Australian Auditing Standards. BDO Audit Pty Ltd issued unmodified audit reports on the consolidated financial reports of RightCrowd Limited.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Pro forma historical financial information

You have requested BDO Audit Pty Ltd to review the following pro forma historical financial information of RightCrowd Limited (the responsible party) included in the Prospectus:

- The pro forma statement of financial position as at 31 December 2016 presented in Section 4.9 of the Prospectus showing the impact of the pro forma adjustments as if they had occurred at 31 December 2016.

Hereafter referred to as "the Pro forma Historical Financial Information".

The Pro forma Historical Financial Information has been derived from the Historical Financial Information of RightCrowd Limited, after adjusting for the effects of pro forma adjustments described in section 4.5 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 4.5 of the Prospectus, as if those event(s) or transaction(s) had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro forma Historical Financial Information does not represent the company's actual or prospective financial position.

Directors' responsibility

The directors of RightCrowd Limited are responsible for the preparation of the Historical Financial Information and Pro forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro forma Historical Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro forma Historical Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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8 INDEPENDENT LIMITED ASSURANCE REPORT



A review 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 reasonable 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.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information, as described in Section 4 of the Prospectus, and comprising:

- The statement of financial position of RightCrowd Limited as at 30 June 2014, 30 June 2015, 30 June 2016 and 31 December 2016;
- The statement of profit or loss and other comprehensive income of RightCrowd Limited for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and for the half year ended 31 December 2016;
- The statement of cash flows of RightCrowd Limited for the years ended 30 June 2014, 30 June 2015, 30 June 2016 and for the half year ended 31 December 2016;

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4.2 of the Prospectus.

Pro forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro forma Historical Financial Information, as described in Section 4.9 of the Prospectus, and comprising the Pro forma Statement of Financial Position as at 31 December 2016 showing the impact of the pro forma adjustments as if they had occurred at 31 December 2016, is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 4.2 of the Prospectus.

Restriction on use

Without modifying our conclusions, we draw attention to section 4.2 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

Consent

BDO Audit Pty Ltd has consented to the inclusion of this independent limited assurance report in the Prospectus in the form and context in which it is included.

8 INDEPENDENT LIMITED ASSURANCE REPORT



Liability

The liability of BDO Audit Pty Ltd is limited to the inclusion of this report in the Prospectus. BDO Audit Pty Ltd makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Prospectus.

General advice warning

The report has been prepared, and included the document to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

Independence

BDO Audit Pty Ltd does not have any interest in the outcome of the acquisition and raising, or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. BDO Audit Pty Ltd will receive normal professional fees for the preparation of this report.

BDO Audit Pty Ltd are auditors of RightCrowd Limited and from time to time BDO Audit Pty Ltd also provides RightCrowd Limited with certain other professional services for which normal professional fees are received.

Yours faithfully,

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'Craig Jenkins', is written over a faint, light-colored signature line.

Craig Jenkins
Director

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9 MATERIAL CONTRACTS



The Directors consider that certain contracts entered into by the Company are material to the company or are of such a nature that an investor may wish to have particulars of these agreements when making an assessment of whether to apply for Shares under the Offer. The provisions of such material contracts are summarised in this section 9.

9.1 Underwriting agreement

The Offer is fully underwritten by Morgans, pursuant to an Underwriting Agreement with the Company.

a. Fees

The Company has agreed to pay 5% of the proceeds of the Offers in underwriting and lead management fees to Morgans.

b. Completion

The Underwriting Agreement is conditional upon (amongst other things):

- i. the Company obtaining all ASX and ASIC Waivers;
- ii. the Lodgement of the Prospectus (in a form and substance acceptable to the Morgans);
- iii. the delivery of relevant due diligence documents and reports to the Morgans (in a form and substance acceptable to the Underwriter); and
- iv. each holder of restricted shares entering into binding restriction agreements with the Company (in a form approved by the Morgans).

by 5pm on 12 September 2017 (provided that any such approvals for admission and official quotation may be subject only to such customary conditions as are acceptable to Morgans, acting reasonably).

c. Termination

Morgans may terminate its obligations to underwrite the Offer upon the happening of a number of circumstances, including:

- i. the S&P/ASX 200 Index published by ASX is at any time more than 10% below its level as at 5pm on the Business Day immediately preceding the date of the Underwriting Agreement (11 August 2017);
- ii. there is a material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the assets and liabilities, financial position and performance, profits and losses or prospects of the Group from that described in the Prospectus;
- iii. the Company lodges a supplementary prospectus, or Morgans forms the view (acting reasonably) that a supplementary prospectus must be lodged with ASIC under the Corporations Act;
- iv. the Prospectus does not comply with the Corporations Act and/or the Company withdraws the Prospectus (including any supplementary prospectus);
- v. Morgans forms the view (acting reasonably) that:
 - A. there is an omission from the Prospectus or any supplementary prospectus of material required by the Corporations Act to be included;
 - B. an offer document contains a statement which is untrue, inaccurate, misleading or deceptive or likely to mislead or deceive (whether by inclusion or omission); or
 - C. an offer document does not contain all information required to comply with all applicable laws;
- vi. a person gives notice to the Company under section 730 of the Corporations Act;

9 MATERIAL CONTRACTS



- vii. any Group Member becomes insolvent, or an act occurs on an omission is made which may result in a Group Member becoming insolvent;
 - viii. any event specified in the Timetable is delayed for more than 1 Business Day without the prior written approval of Morgans;
 - ix. any person whose consent to the issue of the Prospectus or any supplementary prospectus is required by section 720 of the Corporations Act and who has previously consented to the issue of the Prospectus or any supplementary prospectus withdraws such consent;
 - x. any person gives a notice under section 733(3) of the Corporations Act;
 - xi. any person (other than Morgans) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
 - xii. ASIC makes an order or interim order under section 739 Corporations Act concerning the Prospectus;
 - xiii. ASIC applies for an order under Part 9.5 of the Corporations Act in relation to the Offer or any Offer Document;
 - xiv. ASIC holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or any Offer Document under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth);
 - xv. ASIC prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against the Issuer or any of its officers, employees or agents in relation to the Offer or any Offer Document;
 - xvi. any ASX or ASIC waivers obtained (if required) are withdrawn, revoked or amended without the prior written approval of Morgans;
 - xvii. any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to Morgans;
 - xviii. the Company breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has, or may have, a material adverse effect on the Group;
 - xix. there occurs:
 - A. an event of default;
 - B. a review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing; or
 - C. any other similar event;under or with respect to any such debt or financing arrangement or related documentation;
 - xx. a Director is charged with a criminal offence relating to any financial or corporate matter;
 - xxi. any Government Agency commences any public action against the Company, any of the Directors, or announces that it intends to take any such action;
 - xxii. any Director of the Company is disqualified under the Corporations Act from managing a corporation;
- Morgans may also terminate at any time if any of the following events occurs and the event has had or is likely to have (among other things) a material adverse effect on the success of the Offer, the ability of Morgans to market or promote the Offer or has given or is likely to give rise to a liability for Morgans:
- xxiii. the Company fails to comply with any of its obligations under the Underwriting Agreement any representation, warranty or undertaking given by the Company in the Underwriting Agreement is or becomes untrue or incorrect;

9 MATERIAL CONTRACTS



- xxiv. any contract, deed or other agreement which is material to the making of an informed investment decision in relation to the New Shares is:
 - A. terminated, rescinded, altered or amended without Morgans' prior written consent (such consent is not reasonably withheld); or
 - B. found to be void or voidable;
- xxv. there is introduced, or there is a public announcement of a proposal to introduce, into any Minister or Government Agency of Australia or any State or Territory of Australia, a proposal to adopt a new policy, law or bill (other than a law or policy which has been announced before the date of the Underwriting Agreement);
- xxvi. in respect of any one or more of Australia, the United States of America, any member state of the European Union, Indonesia, Japan, Russia, the People's Republic of China, North Korea or South Korea:
 - A. hostilities not presently existing commence (whether or not war has been declared);
 - B. a major escalation in existing hostilities occurs (whether or not war has been declared);
 - C. a declaration is made of a national emergency or war;
 - D. a terrorist act is perpetrated in any of those countries or a diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world;
- xxvii. any of the following occurs:
 - A. any material adverse change or disruption to the political conditions or financial markets of Australia, Japan, the United Kingdom, the United States of America or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions;
 - B. a general moratorium on commercial banking activities in Australia, the United States of America, Japan or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - C. trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading;
 - xxviii. a change in the senior management or the Directors occurs, or a Director or any member of the senior management dies or becomes permanently incapacitated;
 - xxix. without Morgans' prior written consent, the Company alters its share capital or the Constitution.

d. Indemnity

The Underwriting Agreement contains a standard indemnity by Company to Morgans for losses in respect of the Offer, non-compliance with the Listing Rules, the Prospectus and accompanying documents, announcements made with the Company's consent or any breach by the Company of the Underwriting Agreement.

9.2 Employee Option Plan Rules

The Company has adopted an Employee Option Plan for the issue of options to Eligible Employees. The object of the Employee Option Plan is to encourage interest on the part of Employees in the performance and success of the Group by providing Eligible Employees with the opportunity to acquire Options, and ultimately Shares, in the Company.

9 MATERIAL CONTRACTS



Pursuant to the Employee Option Plan Rules, the Board may in its absolute discretion from time to time issue Offer Letters to Eligible Employees. The Offer Letter will set out the details of the offer, including the maximum number of Options available, the exercise dates and the specific terms and conditions to that offer. Shares issued on the exercise of the Options will rank equally with all existing shares on and from the date of issue in respect of all rights issues, bonus share issues and dividends which have a record date for determining entitlements on or after the date of issue of those shares.

Under this Prospectus, the Company will be issuing up to 6,666,667 Employee Options (approximately 5% of the Shares on issue at completion of the Offer).

The issue of Options under this Prospectus have been structured as a premium priced option plan. The Company expects that Eligible Employees who receive Options (in Australia only) will not incur any tax liabilities. However, the Company suggests that each Eligible Employee seeking to accept the terms of an Offer Letter first obtains independent tax advice.

Each Eligible Employee who accepts the terms of an Offer Letter will be bound by the Employee Option Plan Rules. Each offer made under these rules is personal to the Eligible Employee to whom it is made and, accordingly, Employee Options may be granted only to the Eligible Employee to whom the Offer Letter is addressed.

9.3 Executive Employment Contracts

a. Services Agreement with Peter Hill (Managing Director)

Below are the key terms of the Executive Services Agreement entered into between Peter Hill and the Company.

- i. **(remuneration)** annual salary of \$250,000, including superannuation;
- ii. **(bonus)** the Company may pay a bonus as determined by the Board from time to time;
- iii. **(review)** the base salary component is reviewable annually in line with current market rates for the position;
- iv. **(termination)** either party may terminate with 6 months' notice;
- v. **(restraint)** a clause restraining Peter Hill for 12 months at the end of his employment to engage in a business (as an owner or employee) that competes with the Company, solicit the custom of any Company client, or entice any Company employee to leave their employment.

The agreement includes standard confidentiality and intellectual property ownership provisions.

b. Executive officer agreements

Each other member of the executive Management team has an employment agreement with the Company on standard terms and conditions.

9 MATERIAL CONTRACTS



9.4 The Company Constitution

The Constitution is a contract between the Company and each member, the Company and each Director and Company Secretary, and between a member and each other member pursuant to section 140 of the Corporations Act. Investors who take Shares under the Offer will become bound by the Constitution of the Company and must agree to observe and perform the provisions thereunder and any regulations or by-laws which may be made. Please refer to section 10 for further details of the rights attaching to Shares and other relevant provisions of the Constitution.

9.5 RightCrowd Channel Partner Agreements

The Company currently has three types of strategic channel partner agreements to promote, sell and distribute the RightCrowd products worldwide. The strategic channel partner agreements have been individually negotiated between the Company and the respective strategic partners. The three types of agreements are reseller agreements, distribution agreements and strategic supplier agreements. Each of the agreements contains terms and conditions that are customary for transactions of their respective nature and are on substantially similar terms.

Services provided through the agreements will involve two levels of service support. Distributor agreements and strategic supplier agreements will also involve a third level of service support. Depending on the agreement, the highest level of service support will be a Company staff member who will take calls from end users. The lower levels of service support are handled by the resellers or distributors respectively.

9.6 RightCrowd Direct Sales / Implementation Agreements

The Company has a number of direct sales and implementation agreements with various customers and entities. The terms of these agreements and particularly the names of the customers will not be disclosed in this Prospectus, due to:

- a. security concerns – the nature of the RightCrowd products means that the more information that is known about RightCrowd’s customers, the more vulnerable those customers are to security and cyber attack;
- b. confidentiality – the contracts are subject to strict confidentiality terms to, amongst other things, mitigate the security concerns; and
- c. the fact that no one contract on its own is material.

Each of the direct sales agreements contain terms and conditions that are customary for transactions of this nature and are on substantially similar terms. The pricing structure for the RightCrowd products is set out in section 2.

9.7 Deed of assignment of IP to the Company

RightCrowd Software Pty Ltd entered into an assignment deed with the Company on 9 November 2009. Pursuant to the deed, RightCrowd Software Pty Ltd assigned to the Company all rights, title and interest in the Assigned IP immediately from the date of its creation. Assigned IP is all existing and future Intellectual Property Rights owned or created by RightCrowd Software Pty Ltd.

Intellectual Property Rights includes all industrial and intellectual property rights, both in Australia and throughout the world, and includes any copyright, moral right, patent, trade mark, design, registered or unregistered plant breeder’s right, trade secret, knowhow, right in relation to semiconductors and circuit layouts, trade or business or company name, indication or source or appellation of origin or other proprietary right, or right of registration of such rights.

9 MATERIAL CONTRACTS



The assignment will continue until the deed is terminated for breach. Termination for breach occurs if a party commits a material breach of the deed or an insolvency event occurs in relation to a party and the other party elects to terminate the deed by notice to that party.

9.8 Intellectual Property

There are no other material contracts in relation to intellectual property owned by RightCrowd. Its intellectual property is developed by its employees, whose employment contracts make provision for the assignment of intellectual property to RightCrowd.

9.9 Deeds of access, indemnity and insurance

The Company has entered into a deed of indemnity and access with each Director under which the Company agrees to:

- a. indemnify the Directors against certain liabilities incurred while acting as a Director;
- b. insure the Directors against certain risks to which the Directors are exposed as a Director; and
- c. grant to the Directors a right of access to certain records of the Company,

for a period of up to 7 years after the Director ceases to be a director of the Company. These deeds of access, indemnity and insurance are in a usual form for documents of this nature.

10 ADDITIONAL INFORMATION



10.1 Substantial Shareholders

Based on information available to the Company, the following Shareholders (and their associates) hold 5% or more of the total number of Shares on issue on completion of the Offers under this Prospectus.

The following table sets out the substantial shareholders, based on the completion of the Offer under this Prospectus:

Stakeholder	Number of Shares on completion of IPO	% of Shares on completion of IPO
CNI ¹	53,907,428	40.43%
AMT ²	18,802,491	14.10%
Goninan ³	17,422,517	13.07%
Salmon ⁴	6,694,820	5.22%

1. An entity associated with Peter Hill. Shares following sale of Sale Shares.
2. AMT currently holds preference shares which will convert into Shares before completion of the IPO.
3. Goninan currently holds a convertible note in the Company which will convert into Shares before completion of the IPO.
4. Salmon currently holds a convertible note in the Company which will convert into Shares before completion of the IPO.

10.2 Board of Directors

a. Board appointment and composition

The Constitution of the Company provides that the Company shall at all times have at least three Directors and that the number of Directors shall not exceed nine. Subject to the Corporations Act, the Company may, by ordinary resolution increase or reduce the number of Directors and may also determine in what rotation the increased or reduced number is to go out of office. Each year one third of the Directors retire and may offer themselves for re-election.

b. Roles and Responsibilities

The Board is responsible for guiding and monitoring the Company on behalf of Shareholders to whom they are accountable. The Board is responsible for the strategic direction, policies and procedures of the Company and establishing goals for management and the operation of the Company.

The Board has adopted a Board Charter which sets out the requirements for the selection and re-appointment of Directors, composition of the Board, the role of the Chairman and Board committees and Board performance review.

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of all stakeholders. To fulfil this role, the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals. The Board acts in the best interests of the Company as a whole and is accountable to Shareholders for the overall direction and management of the Company.

10 ADDITIONAL INFORMATION



The responsibilities of the Board include:

- providing leadership and setting the strategic direction of the Company;
- reviewing how the Company's strategic environment is changing, key risks and opportunities that are appearing, how they are being managed and what, if any, modifications in strategic direction should be adopted;
- overseeing management's implementation of the Company's strategic objectives and its performance generally;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- appointing and removing, where necessary, the chair, senior executives, and the Company Secretary;
- evaluating, approving and monitoring the Company's annual budgets and business plans;
- approving and monitoring the progress of major capital expenditure;
- determining the Company's dividend policy (if any) and oversee the financing of dividend payments (if any);
- monitoring the Company's accounting and corporate reporting systems, including the external audit;
- monitoring the Company's disclosure processes;
- ensuring the Company has an appropriate risk management framework;
- setting the risk appetite within which the Board expects management to operate;
- monitoring the effectiveness of the Company's governance policies;
- monitoring and managing the performance and remuneration of senior executives and key staff;
- ensuring that appropriate resources are available to the senior executives;
- the establishment and maintenance of appropriate ethical standards;
- evaluating and, where appropriate, adopting with or without modification the Recommendations;
- approving and managing succession plans for senior executives and other key management positions that may be identified from time to time;
- reviewing and monitoring any related party transactions; and
- monitoring the Company's operations in relation to, and in compliance with, relevant regulatory and legal requirements.

The Board will consider on an ongoing basis its corporate governance procedures and whether they are sufficient given the Company's nature of operations and size. The corporate governance procedures are formally reviewed on an annual basis.

c. Independence

The Board currently has one independent Director. Robert Baker does not hold any shares in the Company. Both Peter Hill and Scott Goninan hold Shares in the Company.

Under the Board Charter, the Board must at all times comprise of at least three directors.

A register of Directors' material interests is maintained and is regularly sent to each Director for their review. If a Director is involved with another company or professional firm that may have dealings with the Company, such dealings are fully and properly disclosed and on normal commercial terms.

10.3 Corporate Governance Policies

Detailed below are the corporate governance practices that the Board has considered as appropriate for the Company. These practices have been adopted having regard to the Recommendations, the size and the nature of the Company and its business. Any departure from the Recommendations are disclosed by the Company annually in its annual report on an "if not, why not" basis.

10 ADDITIONAL INFORMATION



10.4 Board nomination

The Company has not adopted a nomination committee as set out in the Recommendations. The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the establishment of a nomination committee. This structure will be reviewed at the appropriate stages of the Company's development.

10.5 Audit and Risk Management Committee

It is an important priority for the Board to identify and manage the Company's risks. The Audit Committee is responsible for assisting the Board to monitor and review the integrity of the financial reporting of the Company and matters of significance affecting financial reporting and compliance. The Board has adopted an Audit and Risk Management Committee Charter that outlines the composition of the Audit Committee and its responsibilities and authorities including:

- a. reporting procedures; and
- b. oversight of the risk management system.

The composition of the Audit and Risk Management Committee does not currently comply with the Recommendations, as there are not enough non-executive board members appointed to the Board at this stage. As such, the Audit and Risk Management Committee is made up of three directors (both executive and non-executive), one of whom is independent. The Board will reconsider the policy framework each year as the Company and the Board grows.

The Audit and Risk Management Charter also outlines the responsibilities and authorities of the Committee with respect to risk management. Including, formulating a sound risk management framework and internal control systems and monitoring the Company's exposure to economic, environmental and social sustainability risks and the compliance with regulatory requirements under the Listing Rules, Corporations Act and any other relevant guidelines.

10.6 Remuneration Policy

The Board has adopted a Remuneration Policy to ensure that it implements transparent and fair remuneration guidelines. The policy helps ensure that the Company has remuneration guidelines that:

- a. are appropriate to attract, retain and motivate high quality directors and executives who will generate value for shareholders;
- b. are fair and reasonable having regard to the performance of the Company and the relevant director or executive; and
- c. comply with the Listing Rules and the Corporations Act.

10.7 Diversity Policy

The Board has adopted a diversity policy to ensure that the Company encourages a culture that recognises and values diversity, treating all employees and consultants with fairness and respect. The Company is an equal opportunity employer and welcomes people from all backgrounds.

Diversity includes, but is not limited to, diversity in respect of gender, age, ethnicity, disability, marital or family status, religious or cultural background, sexual orientation and gender identity.

10.8 Securities Trading Policy

The Board has adopted a securities trading policy, under which Directors, officers, employees (and their associates) as well as contractors and consultants where appropriate (**Restricted Persons**) are restricted in dealing with the Company's securities. The policy aims to:

- a. inform all relevant persons of insider trading and tipping of non-public, price-sensitive information;
- b. establish guidelines in relation to dealings in the Shares; and
- c. protect the Company and its reputation in the marketplace.

10 ADDITIONAL INFORMATION



Restricted Persons must not, under any circumstances, deal in the Company's securities or procure another person to do so, if they are in possession of inside information regarding the Company.

The policy also contains a prohibited period within which trading is prohibited except in exceptional circumstances and subject to obtaining prior written clearance before trading. Short term and speculative trading is strictly prohibited.

10.9 Continuous Disclosure Policy

The Board has adopted a Continuous Disclosure Policy to ensure compliance with the Company's continuous disclosure obligations. The policy sets out how the Board treats potentially disclosable information, managing market speculation and rumours, trading halts, contact with the financial market, referral of requests from comment, review of analyst reports, responding on financial projections and reports.

The policy provides guidance on:

- a. potentially disclosable information;
- b. management of market speculation and rumours;
- c. the calling of trading halts;
- d. contact with the financial market and prevention of disclosure of material price or value sensitive information;
- e. referral of requests for comment;
- f. review of analyst reports; and
- g. responding on financial projections and reports.

10.10 Shareholder Communication Policy

The Company is committed to regularly communicating with its Shareholders. It is also important for the Company to ensure that it complies with the law and Listing Rules relating to continuous disclosure. The purpose of the policy is to set out the processes by which the Company will ensure that Shareholders are provided with appropriate information and facilities to allow them to exercise their rights effectively.

The policy includes:

- a. the manner in which the Company will communicate with Shareholders before and during its annual general meeting notices, including the distribution of its notice of meeting;
- b. that the annual report will provide Shareholders with a good understanding of the Company's activities, performance and position for the previous financial year and be made available electronically on its website, although shareholders may also elect for a printed copy;
- c. the Company's obligations regarding continuous disclosure; and
- d. release of investor and analyst briefings when the Board deems appropriate.

The Company will make available all information electronically on its website wherever possible. This includes information on the Directors and senior executives, the Company's corporate governance documents and policies, annual reports, ASX announcements and notices of meeting.

10.11 Code of Conduct Policy

The Code of Conduct sets out the general principles and standards which the Board, officers and employees are encouraged to adopt when dealing with each other, Shareholders, other stakeholders and the general community. The Company is to comply with all laws, customs and business practices where it operates. The Company will recognise the rights of individuals and create a culture of treating people fairly and with respect. In their dealings the Board, officers and employees will value integrity and will not engage in deceptive, coercive or misleading practices.

The Code of Conduct sets out directives for Directors, officers and employees relating to conflicts of interests, protection and use of the Company's assets and confidentiality. Where the interests of associates, the personal interest of a Director or a Director's family does or may conflict with those of the Company, it requires the Director to immediately disclose any conflict and either eliminate the conflict or manage such conflict in an appropriate and lawful manner.

10 ADDITIONAL INFORMATION



10.12 Rights of Shareholders under the Constitution

A summary of the significant rights, liabilities and obligations attaching to Shares and a description of other material provisions of the Constitution are set out in this section (a) through to (m). This summary is not exhaustive and is qualified by the full terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders. The summary assumes that the Company is admitted to the ASX.

a. Voting at a Meeting

Subject to the rights and restrictions attached to any securities in the Company, every member has one vote. Shareholders who are entitled to vote at meetings may appoint no more than two proxies to attend and vote at the general meeting on that member's behalf.

b. Meetings of Shareholders

The Directors may call a meeting of Shareholders (including annual general meetings) in accordance with the Corporations Act. A notice period of 28 days is required.

c. Dividends

Subject to the Corporations Act, the Constitution and the terms of issue or rights of any shares with special rights to dividends, the Board may from time to time determine that a dividend is payable, fix the amount of the dividend, the timing of payment of the dividend and method of payment of the dividend. The Company does not currently have any intention of declaring any dividends in the near future.

d. Transfer of Shares

Subject to Rule 5.1 of the Company Constitution, a Shareholder may transfer their Shares by a written transfer instrument or any other form approved by the Directors.

e. Issue of further Shares

Pursuant to Rule 2.2 of the Company Constitution, the Company may issue shares on the terms (and price) determined by the Directors to Shareholders whether in proportion to their existing shareholding or otherwise.

f. Winding up

Pursuant to Rule 24.1 of the Company Constitution, if the Company is wound up, the liquidator may, with the sanction of a special resolution of Shareholders, divide among Shareholders in kind the whole or any part of the Company's property and determine how the division is to be carried out between Shareholders or different classes of Shareholders.

g. Unmarketable parcels

Subject to the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, the Board may sell the Shares of a Shareholder who holds less than a marketable parcel by the following procedure, as set out in the Constitution.

h. Share buy-backs

The Company's Constitution is silent on share-buy backs. Therefore, the Company may buy back Shares in itself in accordance with the Corporations Act and the ASX Listing Rules on the terms and at times as determined by the Board.

i. Variation of class rights

Subject to the Corporations Act and the terms of issue of a class of shares, wherever the capital of the Company is divided into different class of shares, the rights attaching to any class of shares may be varied or cancelled:

- i. with the consent in writing of the holders of three quarters of the issued shares included in that class; or
- ii. by a special resolution passed at a separate meeting of holders of those shares.

10 ADDITIONAL INFORMATION



In either case, the holders of not less than 5% of the votes in the class of shares, the rights of which have been varied or cancelled, may apply to a court of competent jurisdiction to exercise its discretion to set aside such a variation or cancellation.

j. Conversion or reduction of share capital

Subject to the Corporations Act, the Company may convert all or any of its securities into a larger or smaller number of shares by resolution passed at a general meeting or with the written consent of all members entitled to vote on the matter. The Company may reduce its share capital in any way permissible by the Corporations Act and ASX Listing Rules.

k. Preference shares

The Company may in the future issue further preference shares including preference shares which are, or at the option of the Company or holder are, liable to be redeemed or convertible to Shares.

l. Dividend reinvestment plans

Subject to the ASX Listing Rules, the Company is entitled to establish a dividend reinvestment plan.

m. Proportional takeover provision

Where offers have been made under a proportional off-market bid in respect of a class of Shares of the Company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the proportional off-market bid is prohibited unless approved by resolution passed at a meeting of members convened and conducted by the Company, of the persons entitled to vote on the prescribed resolution. Members entitled to vote are those who, at the end of the day on which the first offer under the proportional off-market bid was made, held bid class securities. The resolution will pass where there is approval from more than one half of members.

10.13 Company tax status

The Company is taxed in Australia as a public company. It is expected that the growth strategy for the Company will result in its products being sold internationally. Future revenues may therefore be attributable to, and taxable in other jurisdictions resulting in the requirement for the Company to apportion taxable income between multiple jurisdictions.

10.14 Litigation and claims

The Directors are not aware of any litigation of a material nature instituted, pending or threatened involving the Company as at the date of this Prospectus.

10.15 Taxation implications

The acquisition and disposal of Shares in the Company will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

10 ADDITIONAL INFORMATION



10.16 Interests of named persons

Other than as set out above or elsewhere in this Prospectus:

- a. no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has, or during the two years before the lodgement of this Prospectus with ASIC, any interest in:
 - i. the formation or promotion of the Company;
 - ii. any property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Company or the Offer; or
 - iii. the Offer; and
- b. no amount has been paid or agreed to be paid and no benefits has been given or agreed to be given to any of those persons for services rendered by them in connection with the formation or promotion of the Company or the Offer.

Each of the parties listed in this section 10.16 (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

10.17 Interests of advisors

BDO Audit Pty Ltd (**BDO**) has acted as the Investigating Accountant and has prepared the financial information included in section 4. The Company estimates that it will pay BDO approximately \$80,000 (exclusive of GST) for their services with respect to the IPO.

Morgans has acted as lead manager and underwriter to the Offer. The Company estimates that it will pay approximately \$515,000 (exclusive of GST) for these services.

GRT Lawyers has acted as the Company's legal advisers in respect of the Offer. The Company estimates that, up to the date of this Prospectus, it will pay GRT Lawyers approximately \$140,000 (exclusive of GST) for their services.

10.18 Consent to be named and statement of disclaimers of responsibility

Each of the parties listed below have given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of the statements in this Prospectus that are specified below in the form and context in which the statements appear:

- a. Morgans Corporate Limited has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as lead manager and underwriter and the Company's corporate adviser in the form and context in which it is named;
- b. Boardroom Pty Limited has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as the Share Registry in the form and context in which it is named. Boardroom has had no involvement in the preparation of any part of this Prospectus other than being named as Share Registry to the Company.
- c. GRT Lawyers Pty Ltd has given and has not, before lodgement of this Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus as Australian legal adviser to the Company in relation to the Offer in the form and context in which it is named; and
- d. BDO Audit Pty Ltd has given and not withdrawn its consent to be named as the investigating accountant and auditor for the Company in the form and context in which it is named, and the inclusion in this Prospectus of the financial information set out in section 4 and section 8 in the form and context in which it is included.

10 ADDITIONAL INFORMATION



10.19 Costs of the Offer

The costs of the Offer are expected to be approximately \$929,500. These costs will be borne by the Company from the proceeds of the Offer and include ASX and ASIC fees, legal fees, accounting fees, share registry fees, stamp duties, corporate advisory fees, printing costs, fees payable to the lead manager and other miscellaneous expenses.

Particulars	Cost (\$)
Lead manager and underwriting fees	\$515,000
Other fees	\$414,500
TOTAL	\$929,500

10.20 Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by them unless otherwise stated. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise indicated all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

10.21 Forward Looking Statement

This Prospectus may contain forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', 'intends', or other similar words that involve risks and uncertainties.

Such statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and Management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or other factors affect the information contained in this Prospectus, except where required by law.

Any forward-looking statements are subject to various risk factors that could cause actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 5 of this Prospectus.

10.22 Governing Law

This Prospectus and the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Queensland and each Applicant submits to the exclusive jurisdiction of the courts of Queensland.

10.23 Statement of Directors

This Prospectus has been authorised by each Director. Each Director has consented to the lodgement of this Prospectus with ASIC and the issue of this Prospectus and has not withdrawn that consent.

Dated 24 August 2017

Robert Baker
Chairman
RightCrowd Limited

GLOSSARY



Term	Definition
\$	Australian dollars.
Allotment Date	the date on which Shares offered under this Prospectus will be allotted.
AMT	Advanced Marketing Technologies Pty Ltd ACN 059 900 971 ATF Chatfield Family Trust.
Applicant	a person applying for Shares under the Offer.
Application	an application for the subscription of Shares pursuant to the Offer.
Application Form	the application form for Shares attached to or accompanying this Prospectus under the Offer.
Application Monies	the Offer Price multiplied by the number of Shares applied for by an Applicant under the Offer.
ASIC	Australian Securities and Investments Commission.
ASX	Australian Securities Exchange, as operated by ASX Limited ACN 008 624 691.
ASX Listing Rules or Listing Rules	the official rules of the ASX.
Australian Accounting Standards	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group Interpretation.
AVT	AVT Imports Pty Ltd ACN 162 562 996.
Board	means the Directors of RightCrowd from time to time.
Boardroom Pty Limited	Boardroom Pty Limited ACN 003 209 836
Broker Firm Offer	Offer of Shares under this Prospectus to Australian resident retail clients of Brokers who have received a firm allocation from their Brokers.
Closing Date	the date on which the Offer closes.
Constitution	the constitution of RightCrowd.
Convertible Noteholders	the persons holding Convertible Notes, comprising Goninan, Salmon and Lawnhill.
Convertible Notes	convertible notes in the Company having an aggregate value (including interest) of \$7,525,126, which will convert to Shares.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	a director of the Company.
Eligible Employee	an employee of a Group member, but excludes a director of the Company, who the Board determines is eligible to receive an Offer Letter.

GLOSSARY



Term	Definition
Employee Option(s)	Options issued to Eligible Employees under the Employee Option Plan.
Employee Option Plan	the employee option plan adopted by the Company on the date of this Prospectus, containing the Employee Option Plan Rules.
Employee Option Plan Rules	the rules adopted by the Company on the date of this Prospectus governing the issue, allocation and management of Employee Options.
Existing Shareholder	shareholders of RightCrowd as at the date of this Prospectus.
Exposure Period	the 7 day period after the date of lodgement of this Prospectus with ASIC.
Glossary	this glossary.
Goninan	Goninan Property Investments Pty Ltd ACN 151 022 052 ATF Goninan Wealth Trust.
Government Agency	includes: <ol style="list-style-type: none"> ASIC; any government in any jurisdiction, whether federal, state, territorial or local; any governmental, semi-governmental, administrative, judicial or quasi-judicial body, minister, department, office, commission, delegate, instrumentality, agency, board, authority, tribunal, agency or other organisation or entity; and any non-government regulatory authority, including ASX.
Group	means the Company and its related bodies corporate and each of them is a Group Member .
Institutional Investor	an investor: <ol style="list-style-type: none"> in Australia who is a 'wholesale client' for the purpose of section 761G of the Corporations Act and who is either a "professional investor" or "sophisticated investor" under sections 708(11) and 708(8) of the Corporations Act; or in certain other jurisdictions, as agreed between Morgans and the Company, to whom offers or invitations in respect of securities can be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency (except one which the Company is willing, in its absolute discretion, to comply provided that such investors are not in the United States).
Institutional Offer	the invitation to Institutional Investors under this Prospectus to acquire Shares, as described in section 7.
Lawnhill	Lawnhill Superannuation Pty Ltd ACN 615 103 298 as Trustee for Holmes Family Superannuation Fund and as trustee for Rabscud Pty Ltd and OWMS Trust.
Management	the management team of RightCrowd.

GLOSSARY



Term	Definition
New Shares	33,333,333 new Shares to be issued by the Company at \$0.30 per Share, as part of the Offer.
Lodgement Date	the date for lodgement of the Prospectus, being 11 August 2017.
Offer	the fully underwritten offer made under this Prospectus for the issue of 33,333,333 fully paid ordinary Shares in the Company at the Offer Price to raise \$10 million.
Offer Letter	an offer letter for Employee Options made in accordance with the Employee Option Plan Rules.
Offer Price	\$0.30 per Share.
Opening Date	the date on which the Offer opens.
Option(s)	an option to acquire a Share in the Company.
PACS	physical access control systems.
Prospectus	this document (including the electronic form of the prospectus) and any supplementary or replacement prospectus in relation to this document.
Recommendations	ASX Corporate Governance Principles and Recommendations.
RightCrowd or Company	RightCrowd Limited ACN 108 411 427
RightCrowd Business	the business operated by RightCrowd and its subsidiaries, more fully described in section 2.
Sale	the offer by the Seller to sell 2,500,000 Shares at a sale offer price of \$0.30 per Share.
Sale Shares	Shares being sold under the Sale.
Salmon	Salmon Earthmoving Services Pty Ltd ACN 010 336 688 ATF Crownhurst No 3 Trust and Pylmon Pty Ltd ACN 092 221 666 ATF GA&R R Salmon Superannuation Fund No 2.
Seller	CNI Pty Ltd ACN 131 410 556.
Share(s)	fully paid ordinary Share(s) in the Company.
Share Registry	Boardroom Pty Limited.
Shareholder	a holder of one or more Shares in the Company.
Timetable	the transaction timetable as agreed between the Company and Morgans.
Underwriting Agreement	the underwriting agreement between the Company and Morgans dated on or about the date of this Prospectus.

CORPORATE DIRECTORY



RightCrowd Limited

183 Varsity Parade,
Varsity Lakes QLD 4227
Telephone: +61 7 5556 3300

Australian legal advisor

GRT Lawyers

Level 2, 400 Queen Street
Brisbane, QLD 4000
Telephone: +61 7 3309 7000

Lead manager and underwriter

Morgans Corporate Limited

Level 29, 123 Eagle Street,
Brisbane QLD 4000
Telephone: +61 7 3334 4888

Investigating Accountant and auditor for RightCrowd Limited

BDO Audit Pty Ltd

Level 10, 12 Creek Street
Brisbane QLD 4000
Telephone: +61 7 3237 5999

Share Registry*

Boardroom Pty Limited

Level 12, 225 George Street
Sydney, NSW 2000
Telephone: 1300 737 760

*This entity is included for information purposes only. They have not been involved in the preparation of this Prospectus.

The first part of the document discusses the importance of maintaining accurate records of all transactions. It emphasizes that every entry, no matter how small, should be recorded to ensure the integrity of the financial data. This includes not only sales and purchases but also expenses, income, and any other financial activities.

The second part of the document provides a detailed breakdown of the accounting process. It starts with the identification of the accounting period, followed by the collection and classification of data. The next steps involve the recording of transactions in the journal, the posting of these transactions to the ledger, and the preparation of financial statements.

The third part of the document focuses on the analysis and interpretation of the financial statements. It explains how to use the balance sheet, income statement, and cash flow statement to assess the financial health of the organization. It also discusses the importance of comparing the current period's performance with the previous period and with industry benchmarks.

The fourth part of the document addresses the role of the accountant in the organization. It highlights the need for the accountant to be not only a technical expert but also a strategic advisor. This involves understanding the business operations and providing insights that can help management make better decisions.

The fifth part of the document discusses the challenges and opportunities in the field of accounting. It notes that while the profession is becoming more automated, it also offers many opportunities for growth and specialization. Accountants who stay current with the latest technologies and regulations will find themselves in high demand.

The sixth part of the document provides some practical advice for students and professionals alike. It suggests that a strong foundation in the basic principles of accounting is essential, and that continuous learning is key to success in this field. It also encourages the development of soft skills such as communication and problem-solving.

The seventh part of the document concludes with a summary of the key points discussed. It reiterates the importance of accuracy, attention to detail, and a commitment to ethical standards. It also expresses confidence in the future of the accounting profession and the role of accountants in building a successful organization.

