



INVESTOR UPDATE

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CEO

Leslie Milne
CFO

22 November 2018

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AGENDA

- Business Positioning
- Market
- Business Update
- Financial Highlights
- OffSite Vision Acquisition
- Ticto Acquisition
- Looking Ahead

Today's presenters



PETER HILL

BSc
MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

- Founder, majority shareholder, Managing Director and Chief Executive Officer of RightCrowd since inception
- Significant experience and success in the security software industry



LESLIE MILNE

BA (Hons) Acc and Fin
FCCA
CHIEF FINANCIAL OFFICER

- More than seven years with SAP in senior finance, software, strategy and commercial roles
- Five years as Chief Financial Officer of Becrypt Limited
- Additional roles with various accounting firms, private corporations and government controlled institutions

BUSINESS POSITIONING



RightCrowd
software makes
physical security
systems smarter



Escalating global security concerns seeing
growth in the market for RightCrowd services



RightCrowd is at the tip of the physical security
industry's technology transformation



Accelerating execution across sales, marketing,
support and R&D programs

1

**INTEGRATE OPERATIONAL
AND BUSINESS SYSTEMS**

2

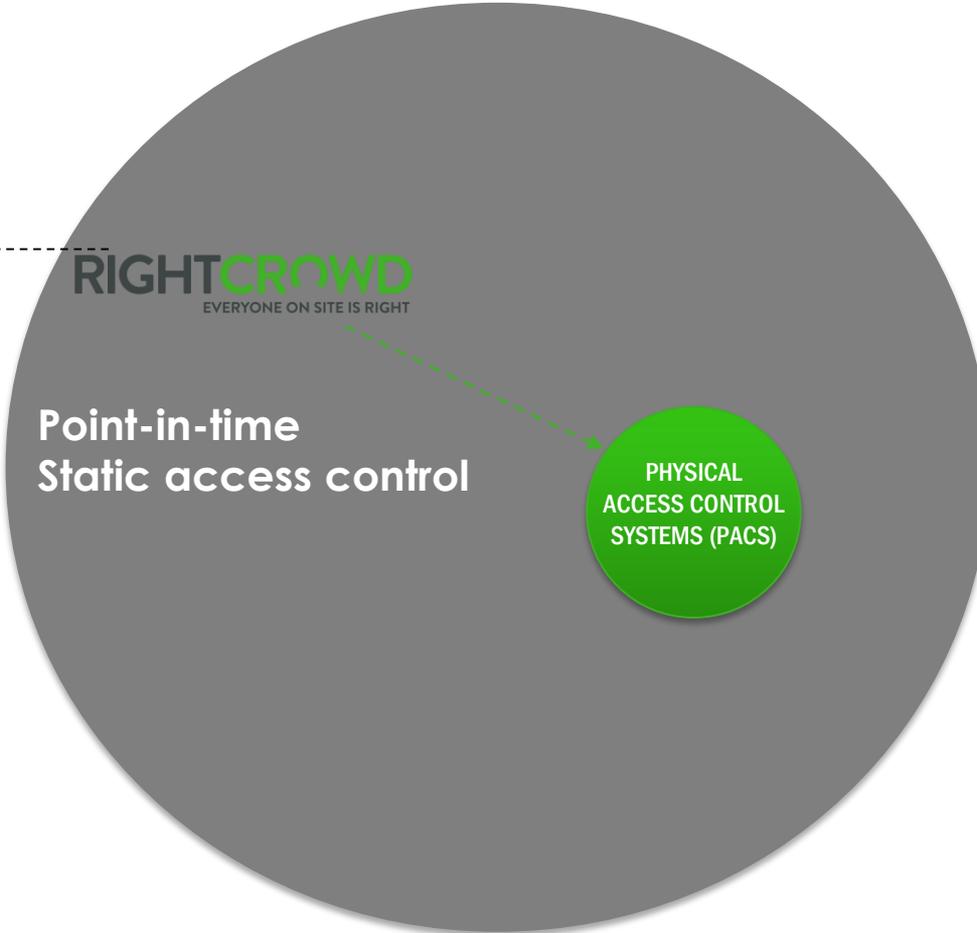
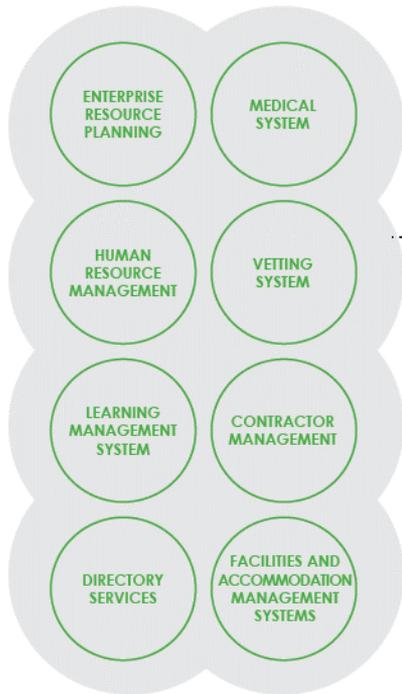
**APPLY BUSINESS AND
COMPLIANCE RULES**

3

**ENFORCE RULES THROUGH
SECURITY SYSTEMS**

4

**LOCK IN
BUSINESS BENEFITS**



- Trained for the job
-
- Certified to be in the area
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- Drug & alcohol tested
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- Appropriate rest period
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- Accommodation available
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- Evacuated safely in emergency
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- Billing correct
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- Auditable

MARKET

MARKET DRIVERS - EVOLVING CLIENT NEEDS



CYBER SECURITY

- Increasing insider threats
- Frequency and complexity of cyber attacks



PHYSICAL SECURITY

- Terrorism concerns
- Increasing perimeter protection
- Growing insider threats



SAFETY

- Protection of people, assets and reputation



PRIVACY

- Maintaining intellectual property integrity



COMPLIANCE

- Satisfying increasing regulatory requirements



COMMERCIAL BENEFITS

- Automated contract administration and compliance
- Mitigating risk of litigation



BUSINESS AUTOMATION

- Reduction in employee expenses
- Enables new business processes

PHYSICAL SECURITY JOINS THE \$100 BILLION CLUB



ENTERPRISE SYSTEMS

>\$100 BILLION PA



CYBER SECURITY INDUSTRY

>\$100 BILLION PA

LIMITATIONS

- Siloed systems
- Siloed internal processes
- Siloed safety, security and compliance

IMPACT

- Compromised safety, security and compliance
- Unexplored improvement potential

ENTERPRISE SECURITY RISK MANAGEMENT (ESRM) EMERGES



ENTERPRISE SYSTEMS

>\$100 BILLION PA



CYBER SECURITY INDUSTRY

>\$100 BILLION PA



**EMERGING MARKET:
>\$1BILLION PA 2021**

- Physical security and IT convergence
- RightCrowd is at the tip of the industry's technology transformation
- Currently only a few companies addressing this market



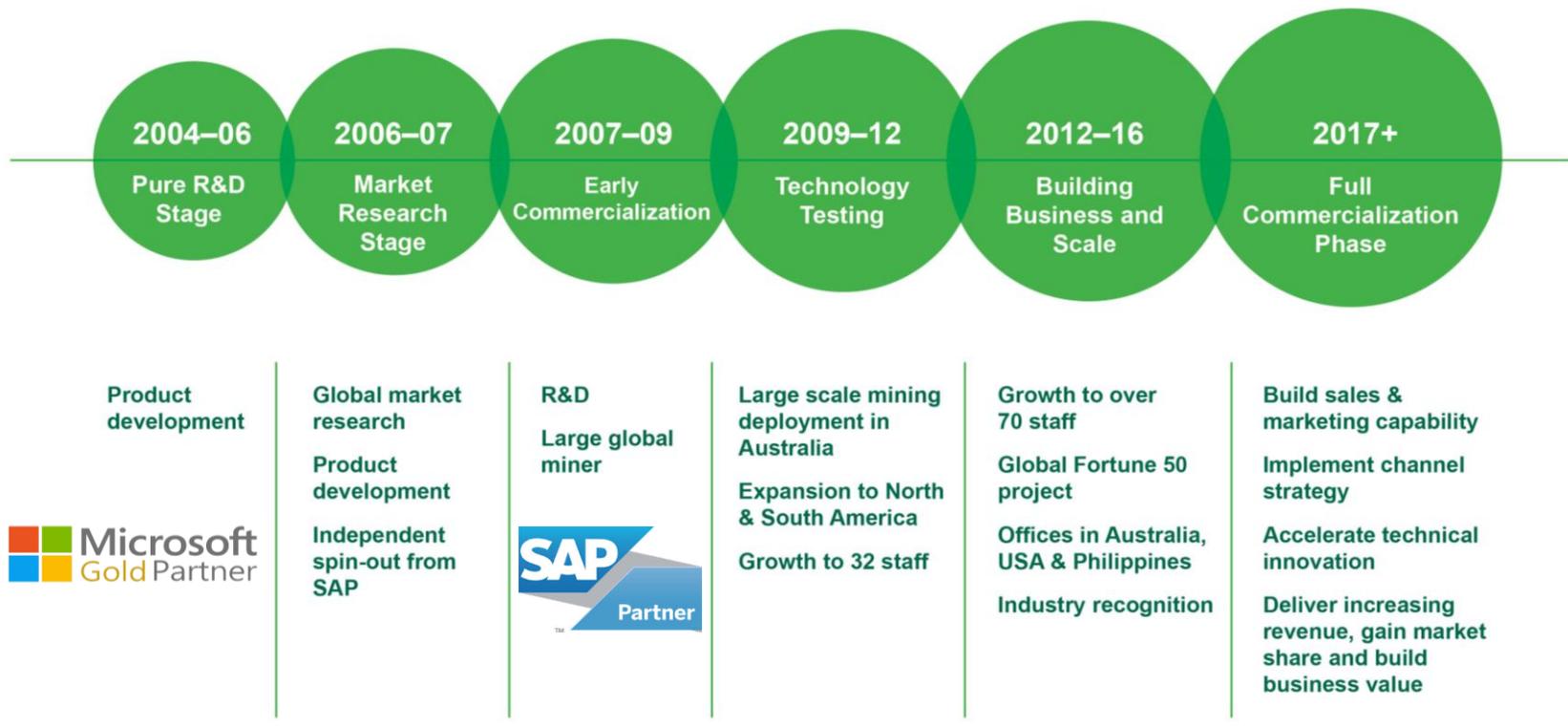
PHYSICAL SECURITY INDUSTRY

>\$100 BILLION PA

BUSINESS UPDATE

Robust development and commercialisation pathway

Over the past 10 years, RightCrowd has worked with a number of major global clients - including US Fortune 50 companies - to develop and commercialise a world leading security, safety and compliance software technology platform



RightCrowd Essentials recent security awards:

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



COMMITMENT TO SCALE AND BEST PRACTICE

“A quarter of a million visitors, employees and contractors go about their business daily in over 200 countries, so enabling and allowing access, and revoking or denying it dynamically is critical to our business efficacy, and to meet the standards we have set to safeguard our valued employees and contractors.

Microsoft Global Security's commitment to partnering with companies, like RightCrowd, who demonstrate a willingness to participate in standards and interoperability, ultimately leading to more transparency, and products which integrate better into the security ecosystem for the benefit of everybody.”

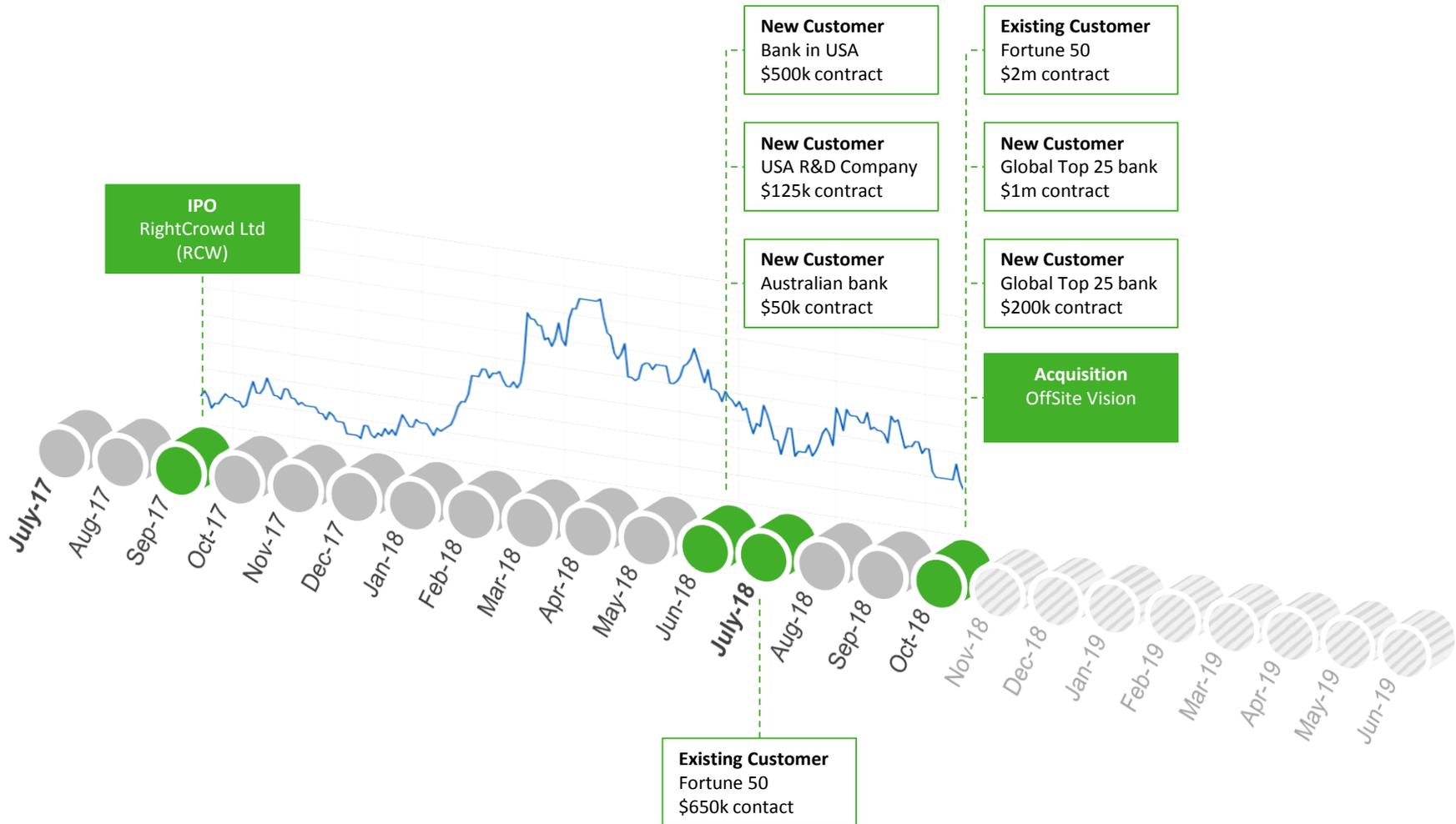
Mike Faddis

Director

MICROSOFT GLOBAL SECURITY

18th August, 2016

TIMELINE FOR FY 2019 AND FY 2020



IPO funds converted to strong sales momentum and growing pipeline of opportunities

SALES MOMENTUM INCREASING – LAST QUARTER

- **Australian Government owned entity** deployed a security management solution across selected locations nationally
 - Streamlines manual security management processes while delivering enhanced safety, security and compliance
 - Initial subscription and implementation revenue is approximately **\$200,000**
- **Australian financial services company (ASX50)** has recently deployed RightCrowd at a select number of sites
 - Enables employees to initiate access requests for visitors and allows the business to use automated workflows to manage its visitors in compliance with company policies
 - Initial annual subscription and implementation revenue is approximately **\$50,000**
- **North American research and development organisation**, which provides services directly to government, industry, and universities, specialising in the design and development of advanced technology solutions
 - Deploying an enhanced visitor management solution, which includes an in-house visitor pre-registration portal, with browser-based functionality designed to streamline the management of processes affecting employees, contractors, vendors and visitors
 - Initial subscription and implementation revenue is approximately **\$125,000**
- **US bank (Fortune 500)** will streamline, automate, and secure the process of requesting and approving physical access to its offices across the country
 - Solution will automate and help ensure compliance and full auditability of its physical security processes
 - Initial annual subscription and implementation revenue is approximately **\$500,000**
- A number of these projects are being deployed in conjunction with physical access control systems that RightCrowd has more recently integrated with
- Successfully delivered **further consulting activity with its larger customers** on additional projects that drive digital transformation and improve business efficiency
 - These types of projects are expected to continue into future quarters
 - Existing **Fortune 50** client to undertake **\$650,000** of services work during the first quarter of FY 2019

FURTHER SALES ANNOUNCED IN OCTOBER

- **Existing Fortune 50 client** accelerating digital transformation and business improvement
 - Successfully delivering further consulting activity with larger customers
 - Consulting services revenue for this is approximately **\$2,000,000** and is expected to be completed within this financial year

- **Global Top 25 bank** selected RightCrowd from a competitive tender process
 - Using RightCrowd to streamline, automate, and secure physical security and access management processes globally
 - Security operations productivity improvements and will ensure compliance and full auditability of its physical security processes
 - Initial software and implementation revenue is approximately **\$1,000,000** and is expected to be completed within this financial year

- **Global Top 25 bank**, purchased RightCrowd for phase 1 deployment
 - Phase 1 will streamline and automate physical security and access management processes
 - Any selected future phases will enable the client to realise operational security improvements, enhancing compliance with policies through the implementation of structured access provisioning and automated attestation processes
 - Phase 1, initial subscription and implementation revenue is approximately **\$200,000** and is expected to be completed within this financial year
 - Also quoted on future phases for **several million dollars**

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE & COMMENTARY

- FY 2018, year on year revenue growth 33.1% (\$4.15m to \$5.52m) per annual report
- Majority of new customers in FY 2018 from North America
- At last investor presentation suggested revenue growth in FY 2019 will exceed the growth rate from FY 2018
- FY 2019 Q1 Sales revenue (unaudited) exceeded \$1.90m
- **Now expect FY 2019 revenue growth to exceed 40% on a year on year basis (recent contracts signed, pipeline information and underlying recurring revenue)**
- **Cash and receivables (including R&D tax incentive rebate) at September 2018 just over \$7.6m**
- Cost base has been fairly stable for the last 4 quarters with relatively small increases in personnel costs and administration and corporate costs
- Headcount growth is being restricted to specific business requirements
- **Expect cash balance (not inc. receivables) to be higher at around \$4.8m at end of Q2 FY 2019 as per our 4C commentary**

BUILDING GLOBAL MOMENTUM - NEXT 24 MONTHS



DRIVE REVENUE GROWTH WITH SALES EXECUTION

- Channel execution driving RightCrowd Essentials commercialisation
- Major Project pursuit
- Deepened client engagement to expand solution potential
- Use North America for EMEA springboard



STABILISE COSTS

- Cost stabilisation in a growing revenue business
- Proportionally small incremental cost growth, only incurred alongside future revenue growth



REFINE STRUCTURE TO SUPPORT GROWTH PLANS

- Additional in region project delivery and support
- Leverage offshore efficiencies
- Reap business efficiencies from re-organisation and focus



BUILD AWARENESS WITH MARKETING PROGRAM

- Build and utilise digital marketing platform
- Develop brand awareness, and evolve industry relations



DEEP R&D LEADING TO NEW INNOVATIVE PRODUCTS

- Extend functionality with mobile technologies
- Continued evolution of cloud technology platform
- Extend analytics, AI and machine learning
- Emergence of converged Physical/Cyber centric products

OFFSITE VISION ACQUISITION

1

INTEGRATE OPERATIONAL AND BUSINESS SYSTEMS

2

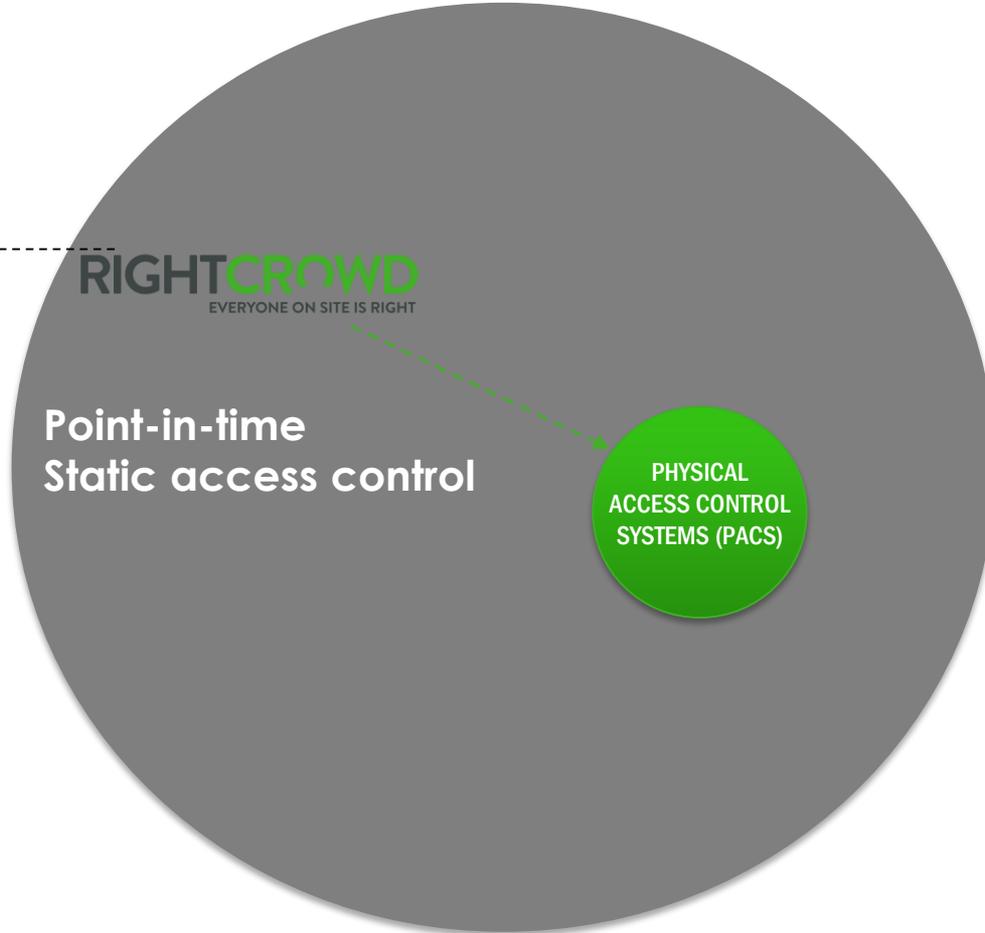
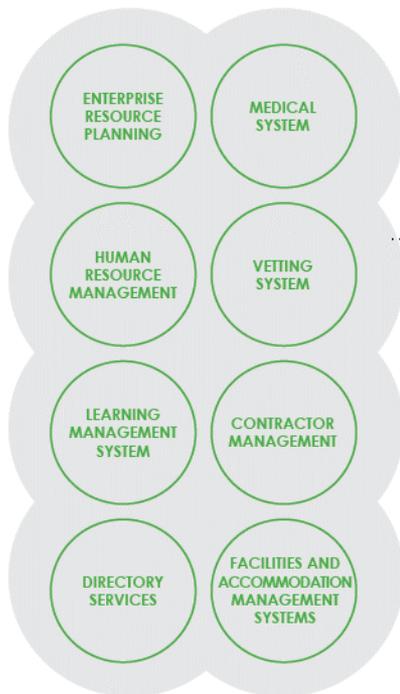
APPLY BUSINESS AND COMPLIANCE RULES

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ENFORCE RULES THROUGH SECURITY SYSTEMS

4

LOCK IN BUSINESS BENEFITS



- Trained for the job
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- Certified to be in the area
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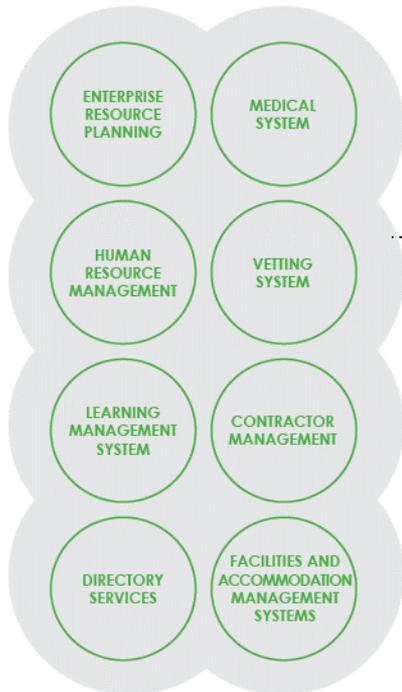
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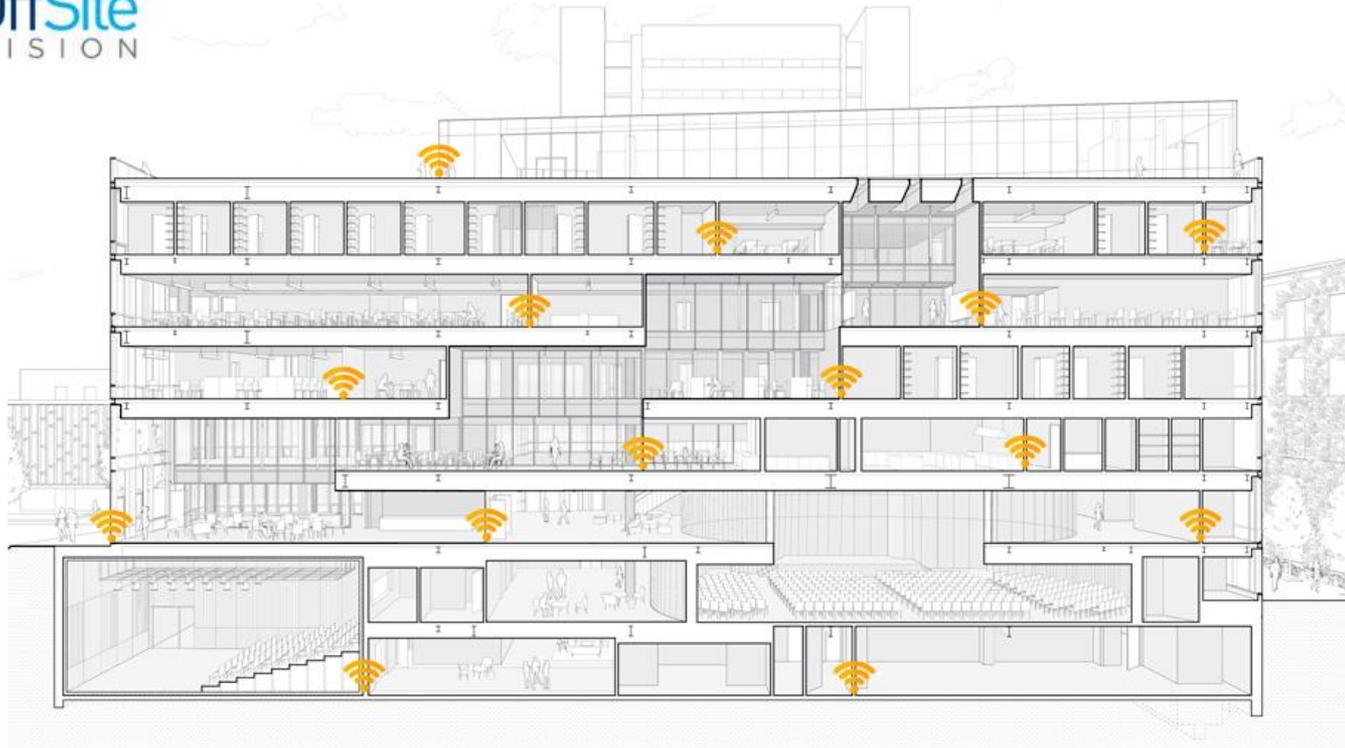
ENFORCE RULES THROUGH SECURITY SYSTEMS & WEARABLES

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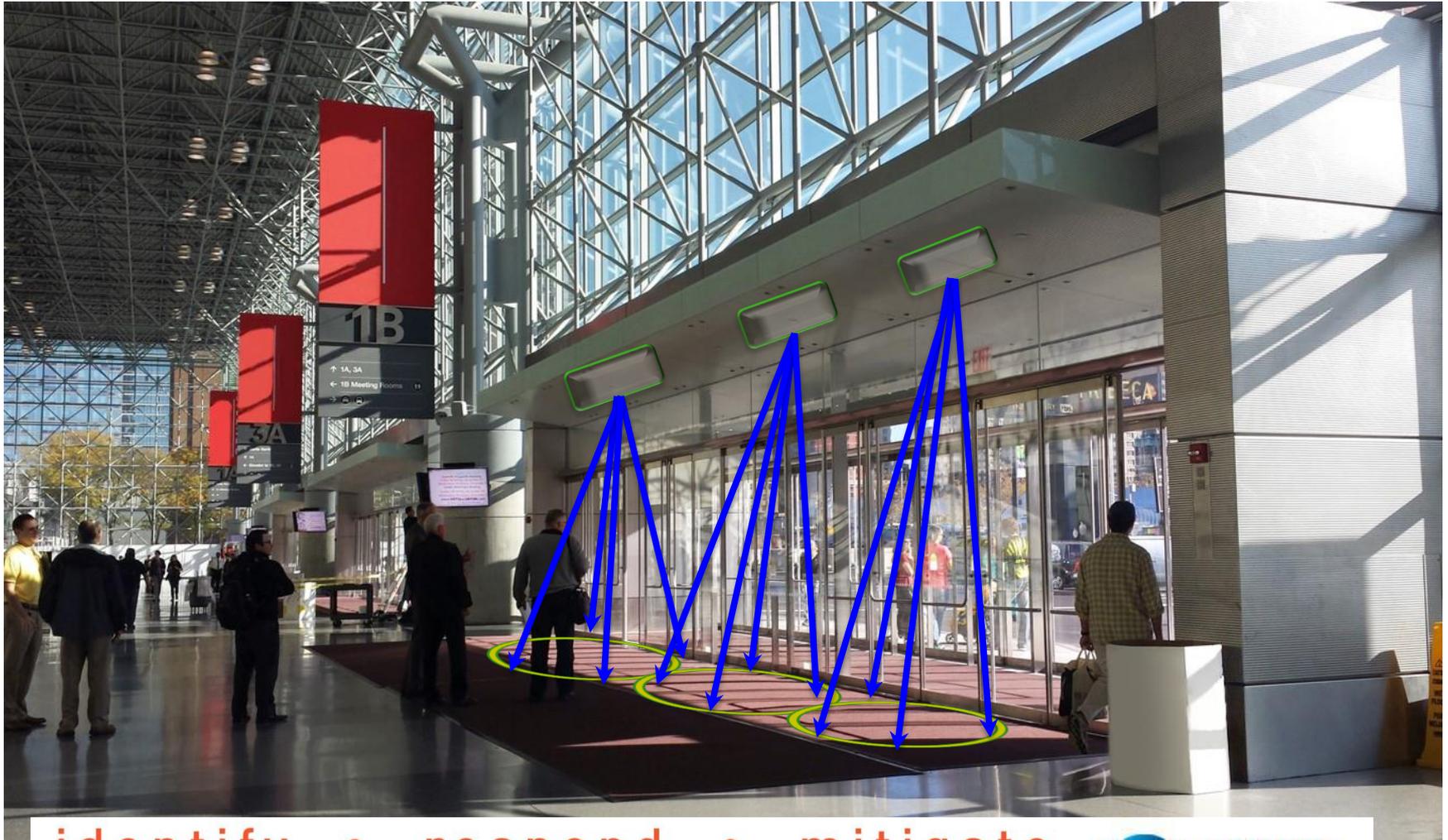


***Identify & account for everyone
in or out of a facility!***

- Real-time on demand location snapshots & reports
- Enhance decision making during dynamic emergency situations
- Include data for elevators, stairwells, utilities or hazardous material areas and key emergency contacts
- High value asset tracking

identify • respond • mitigate

EVACUATION USE CASE



identify • respond • mitigate

<https://www.youtube.com/watch?v=yPzAS1yw-54&feature=youtu.be>

<https://www.youtube.com/watch?v=XXPqhbMdmgM>



KEY TERMS – OFFSITE VISION ACQUISITION

Upfront consideration

- Initial cash payment of USD 5,000
- Initial issue of fully paid RightCrowd shares valued at USD 1,277,778, issued to the vendors at the equivalent of AUD 0.50 per share (at an exchange rate of USD 0.72 to AUD 1)

Earn-Out

- Issue of fully paid RightCrowd shares up to the value of USD 1,000,000, based on specific performance criteria over a period of up to two years from acquisition date
- Majority of earn-out stock allocated to the current management team of OffSite Vision Holdings

Support for OffSite business

- RightCrowd has agreed to provide an estimated AUD 500,000 of it's working capital to deliver current projects

Escrow / Other

- All shareholders of OffSite Vision Holdings have agreed to escrow shares for 24 months from transaction completion
- Shares issued in accordance with RightCrowd's 15% placement capacity

BENEFITS – OFFSITE VISION ACQUISITION



Acquired significant security-related intellectual property, SaaS-based revenue model, ready for growth. Estimated sales bookings \$500,000 this financial year and over \$1 million in FY 2020



Experienced New York based executives



A physical base for RightCrowd on the East Coast of the United States with better access to the region and customers



A highly differentiated product providing more granular control over people and high-value assets extending our reach in the Physical Security Market



Expands RightCrowd's addressable market to include access to new vertical markets: US Federal Government, New York State Government, High-rise buildings, Utilities, Pharmaceutical, Convention Centres and Arenas

TICTO ACQUISITION

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INTEGRATE OPERATIONAL AND BUSINESS SYSTEMS

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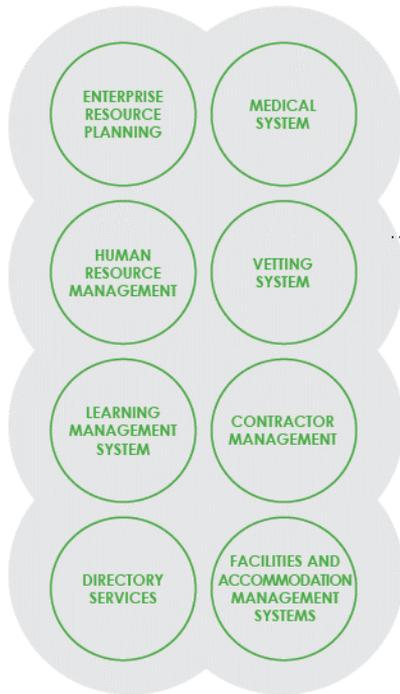
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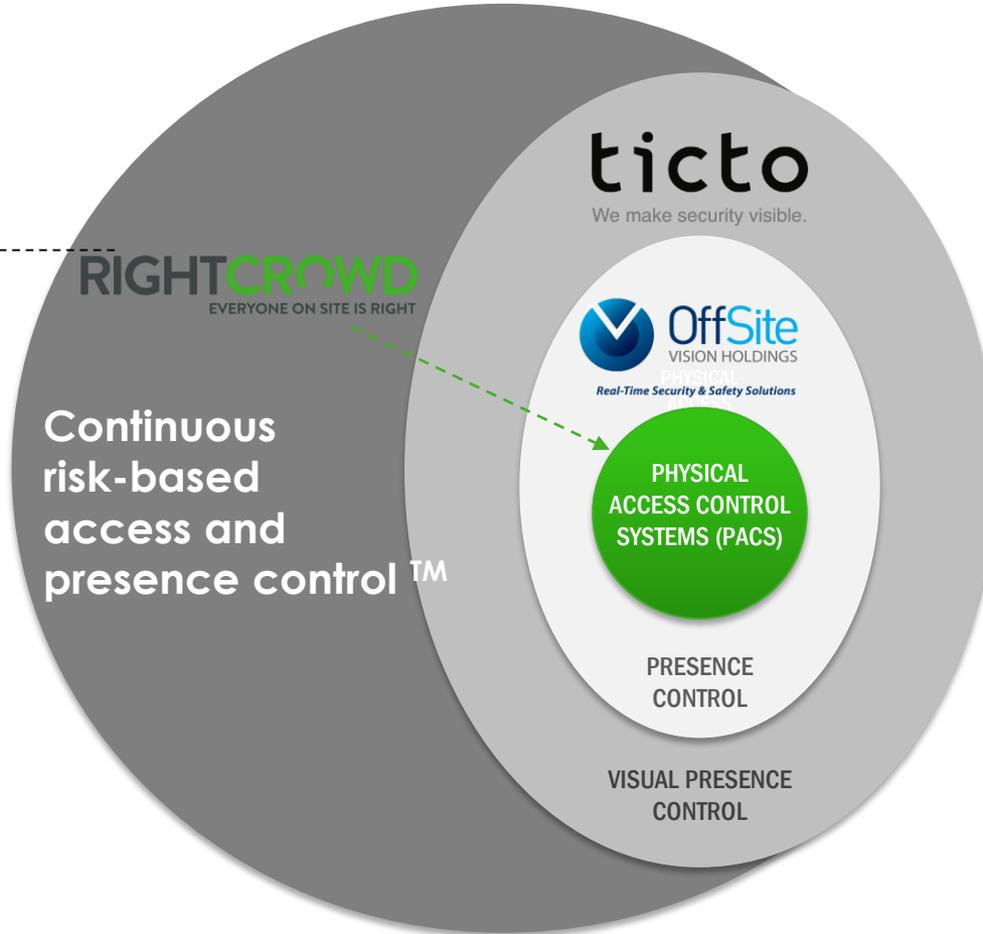
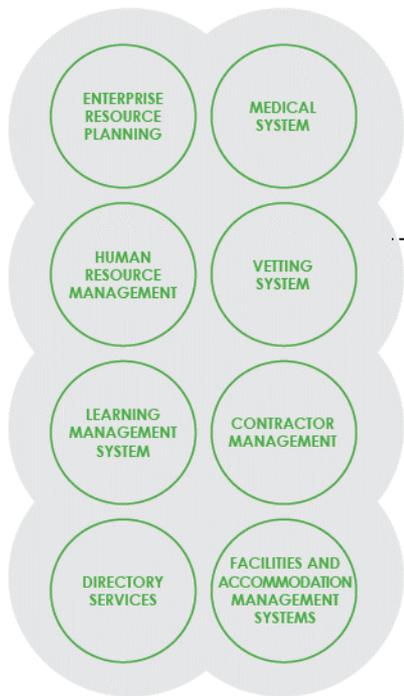
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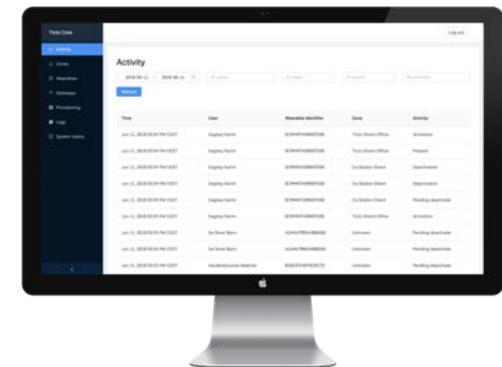
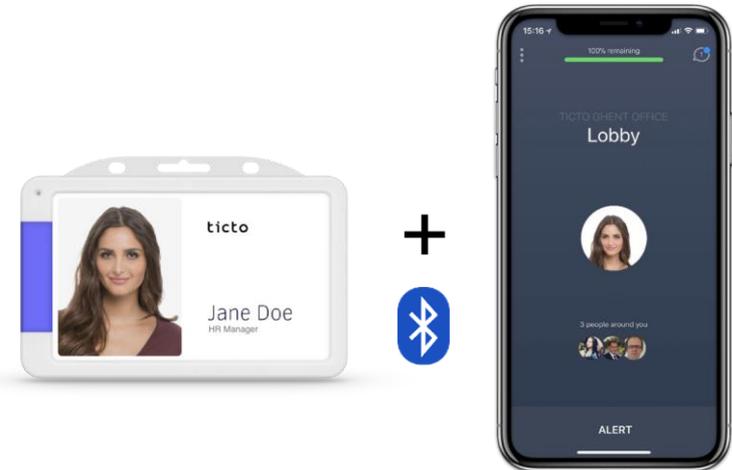
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SECURITY WEARABLES THAT PROVIDE INSTANT VISUAL VERIFICATION OF AUTHORIZED PRESENCE

- Everyone authorized shows same colour - colour changes over time (patented)
- Delivers continuous security awareness and engagement
- Addresses the widespread tailgating problem
- Enables new forms of frictionless access and presence control
- Provides a security and safety oriented communication platform
- Connects people and infrastructure in a smart digital way



USE CASES

Visitor Management

- Make a great first impression while ensuring visitors respect your security access policies

Secure Areas

- Enable safety, security and compliance in security sensitive areas

Open Offices

- Intuitive and flexible solution to ensure authorised presence in leased facilities, open space offices, co-working environments or temporary spaces



https://player.vimeo.com/video/269827627?app_id=122963&wmode=opaque

https://player.vimeo.com/video/269826581?app_id=122963&wmode=opaque

REASONS FOR TICTO ACQUISITION

- Ticto's solution is a great fit with RightCrowd's vision and strategy.
- Enables the move from **point-in-time static access control** to **continuous risk-based access and presence control**™
- Where RightCrowd's current platform allows organisations to define and manage safety, security and compliance rules that are linked up with business systems, Ticto wearables can close the loop by enforcing those rules and feeding the enforcement validation back to RightCrowd
- Significantly increases RightCrowd's addressable market by offering enhancements to existing physical access control deployments and also enabling a completely standalone deployment of RightCrowd/Ticto or any other security system/Ticto
- Ticto's technology is unique and is protected by a patent (granted in the US, pending in Europe and China)
- Ticto geographically complements RightCrowd. The experienced team is based in Europe giving RightCrowd a centrally located base to serve the European market
- Shortened sales lead times. Easy to understand and deploy Ticto product, will enable rapid acceleration of reseller partnerships around the world, which in turn is expected to pull through additional RightCrowd sales.

RSA Conference Innovation Sandbox Contest – Ticto

- RSA Conference conducts information security events around the globe that connect participants to industry leaders and highly relevant information. It also delivers, on a regular basis, insights via blogs, webcasts, newsletters and more so participants can stay ahead of cyber threats. The RSA Conference Innovation Sandbox Contest brings out cybersecurity's boldest new innovators who have made it their mission to minimize infosec risk. Each year, 10 finalists grab the spotlight for a three-minute pitch while demonstrating groundbreaking security technologies to the broader RSA Conference community.
- **In 2015, for the first time in the history of the competition, the RSAC Innovation Sandbox Contest had a voting deadlock for the ultimate winner**
- **When the deadlock was broken, Ticto was runner-up, with the winner being Waratek**
- **Post the award, two members of the 2015 RSA Conference Innovation Sandbox Contest judging panel either invested in Ticto, or accepted a Board appointment to the company**
- **Judging Panel for 2015 RSA Innovation Sandbox "Most Innovative Company"**
 - Asheem Chandna, partner at Greylock Partners
 - Gerhard Eschelbeck, vice president of security engineering at Google
 - Renee Guttman, vice president for information risk at Accuvant
 - Patrick Heim, head of trust and security, DropBox (formerly at Salesforce)
(Now Ticto Board Member)
 - Paul Kocher, president of Cryptography Research.
(Now Ticto Investor)



TICTO BACKGROUND

- Founded in Belgium in 2013
- Initial funding - €6 million (approx. AUD\$10 million) from family & friends, angel investors, professional funds, security luminaries
- Runner Up RSA Most Innovative company in 2015 – 2 RSA judges are now involved with Ticto. One as shareholder and another on the board
- Dec 2017 funding round - Post money valuation of €13.6 million (approx. AUD\$22 million) – Supported at this price by sophisticated security investors
- Significant value created since this capital raise as the new badge product is now being manufactured and released to the market, with several proof of concept deployments going live successfully, as well as progressing distribution discussions with several security multi-nationals
- Extensive technical due diligence by completing initial product integrations and deployment of proof of concept at customer in the USA
- Currently being acquired by RightCrowd for €14.2 million (approx. AUD\$23 million) with RightCrowd shares at AUD\$0.50

KEY TERMS – TICTO ACQUISITION

Consideration

- Issue of fully paid RightCrowd shares valued at EUR 14,200,000 issued to the vendors at the equivalent of AUD 0.50 per share (at an exchange rate of EUR 0.62 to AUD 1)

Support for Ticto business

- RightCrowd has agreed to provide an estimated AUD 4.5m of it's working capital over 2 years to cover further R&D and deliver current projects

Escrow / Other

- The majority of the consideration shares will be subject to escrow periods between 12 and 24 months. The management team and key employees of Ticto have agreed to escrow 75% of their shares for 24 months from completion of the transaction and 25% for 12 months from completion of the transaction.
- For other shareholders an escrow period of 12 or 15 months applies.
- Shares will be issued after RightCrowd shareholder approval

BENEFITS – COMBINED RIGHTCROWD / TICTO / OFFSITE VISION



TECHNOLOGY - heightens technology stack, potential to integrate all three in deployments, synergies between software and hardware, larger IP portfolio. Patented product enabling new forms of access and presence control



EXPERTISE – employees with strong start-up track record, plus experienced senior executives, world-class advisory board with potential for RightCrowd directorships



GEOGRAPHY - Physical bases for RightCrowd in Europe and USA East Coast results in better access to the region and customers



EXISTING RELATIONSHIPS - current clients, current joint pitches/tenders, broader security industry penetration, leverage global distribution agreements



RISK MITIGATION - more clients, more resellers, more industries, more products and services, more geographies, more market segments, diversified revenue streams and models, larger skew toward recurring revenue

LOOKING AHEAD

Growing Demand for Expanded RightCrowd



High Growth Revenue, Plateaued Costs

- Expect to exceed 40% year on year revenue growth in FY19
- RightCrowd Costs plateaued



Increasing Market Momentum

- Recent wins with 2 of the world's top 25 banking and financial services companies (by market cap), plus a fortune 500 bank
- Recent \$2m professional services contract with existing Fortune 50 customer
- Growing pipeline of opportunities



Game Changing Acquisitions

- 2 acquisitions in the security wearables space will enable RightCrowd to move from Point-in-time static access control to Continuous risk-based access and presence control TM
- Additional growing SaaS-based recurring revenue
- Experienced senior security executives, plus strong start-up backgrounds
- USA East Coast base near New York City and European base in Belgium, provides better sales access to those markets and much improved support and deployment opportunities

RIGHT MARKET, RIGHT PRODUCT, RIGHT TIME



ESCALATING GLOBAL SECURITY CONCERNS

- Escalating global security concerns
- Heavy investment in cyber and IT security
- Triggered significant Physical Security technology upgrades
- Seeing significant growth in the market for RightCrowd solutions



TIP OF PHYSICAL SECURITY TECHNOLOGY TRANSFORMATION

- RightCrowd is Physical Security platform agnostic
- Integrates Physical Access Control Systems and Business systems
- Makes Physical Security systems smarter
- RightCrowd has the largest scale proven deployments globally



EXECUTION ACCELERATING

- Sales & marketing focus
- Accelerating partnership development opportunities
- Optimising product suite for broad commercialisation
- Focused R&D to remain at the industry lead

Moving from **Point-in-time access control** to **Continuous risk-based access and presence control™**

Q&A