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ASX Announcement

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The Company Announcements Office
ASX Limited
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Company Update

Summary

- The recent capital raise of \$6m was significantly oversubscribed and provides funds for growth.
- Rision has added new beta clients including a US-based staffing agency that places over 1,000 workers per week and a large music festival event.
- Rision continues to work with beta customers including Pizza Hut Israel and the Maidstone Hotel.
- Rision has entered into three new partnerships that expand product offerings to increase the market potential of Rision's products. They include an eForm provider, an eLearning business and a loyalty company.
- Rision continues to develop its existing channel partnerships that are expected to assist the company with its ambitions for sustained longer-term growth (beyond 2016). The company has joined the ADP® Marketplace and has partnered with global contingent workforce solution provider CXC Global Services (see announcements dated 8 February 2016 and 16 November 2015, respectively).
- Recent technology developments include an enterprise mobile roster, which allows businesses to roster their entire workforce from their mobile phone.

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Background

Rision Limited provides cloud-based human resources solutions to organisations that manage contingent workers, including full and part time employees that work shifts, casual staff and contractors.

The employment landscape is witnessing a rapid global move to a contingent workforce. Currently 35% of the Australian workforce is contingent¹, and this is expected to grow to over 40% by 2020². Oxford Economics report that 85% of Australian companies plan to increase their use of contingent employees³. In the USA the

¹ "Underemployed Workers Australia", Australian Bureau Statistics, 2015

² <http://archersolutions.com.au/workforce-solutions/>

³ Oxford Economics Workforce 2020 Report on Australia

growth rate is more rapid with over 40.4% of today's workforce classified as contingent⁴ and this is predicted to grow to over 50% by 2020⁵.

While contingent workforces can provide cost savings to businesses and flexibility to employees, they also present challenges. Human resources and business managers have to manage demanding recruitment schedules due to high turnover of staff; award compliant rostering schedules; and dynamic payrolls as pay rates vary across employees on a weekly basis. Job seekers report spending too much time applying for work and those that are employed are increasingly juggling multiple jobs⁶.

Businesses using contingent workforces can also incur significant related costs in the form of recruitment and placement fees, as well as the cost of management time and the integration of multiple internal and external systems that support multiple aspects of workforce management from recruitment, on-boarding, scheduling, and payroll.

Rision is set to disrupt traditional methods of employee management. Rision's mobile and enterprise cloud platform is designed to solve the multiple challenges of recruiting, scheduling and paying contingent workers.

Rision's products include:

- JobMatch: Helps businesses find and recruit employees with the right skills and experience, without having to trawl through hundreds of job applications.
- Roster: Provides an intuitive interface to manage rostering of staff quickly and efficiently, including easy communications to employees to offer and confirm rosters.
- LastMinute: Every employer is familiar with the problem of an employee being unavailable at very short notice. LastMinute helps managers fill a shift immediately, from known candidates with the required availability, skills and expertise.
- TimeSheet: Enables online completion and approval of hours worked, to ensure everyone gets paid what they are owed.

Rision's integrated mobile platform reduces the cost, time and effort that managers and HR professionals spend managing employees, while enabling transparent communications with employees - and the entire process can be managed through mobile apps.

Rision allows employees to easily find and manage their work. It has wide applicability across a range of industries and Rision has already attracted business users in restaurant, fast food, cleaning, catering and hotel industries.

Strategy Overview

Rision's aim is to become a leading global provider of mobile employee management solutions to dynamic, large scale employment industries that use contingent workers.

The industry focus includes hospitality, retail, transport and healthcare, as these are the markets that face the greatest negative cost and productivity impact from existing processes used to manage contingent workforces. Additionally the company will target staffing agencies that place staff into these sectors.

⁴ "Contingent Workforce: Size, Characteristics, Earnings, and Benefits", U.S. Government Accountability Office

⁵ "Workplace Trends", Forbes Oct 2013

⁶ US Office of Labor Statistics

The current approach is twofold:

1. Commercialising enterprise opportunities in Australia, the USA, and Israel by running trials of Rision's services in parallel with customers' existing systems to demonstrate and quantify the benefits of the Rision system, and subsequently launch to a full scale roll out and integration into the customer's business.

These trials provide a pathway to scale the business while also providing Rision with an opportunity to further develop its understanding of the dynamics of the contingent workforce and the opportunities and challenges faced by employers and employees. The current trials reported below are in our targeted industries and are providing substantial technology and market insights that will aid commercialisation and future technology developments.

2. Sales of current Rision products to Small and Medium Businesses (SMBs) and smaller staffing agencies, with 'off the shelf' solutions to meet less complex needs. Sales to SMBs will drive early revenues.

In order to achieve this vision, Rision will focus on continued customer focused technology development to ensure the company positions itself as a technology leader, complemented by an industry leading direct salesforce and strategic channel partners, thereby accelerating customer acquisition.

Rision has appointed a direct sales and business development team with deep expertise in enterprise technology sales in the USA and Australia and will continue to grow the sales team.

The company will also target sales growth through strategic channel partnerships, including technology partners and resellers, to provide a way for Rision to scale at speed to become a significant global provider of contingent workforce management solutions. Rision will partner with a number of strategic technology partners, including accounting, payroll and eForm companies to provide enhanced services to business customers. Rision has already announced several major reseller partnerships that can help drive sales pipelines, including Endeavour Technologies and CXC Global Services, and the company expects to progressively announce trials with additional resellers over the next 12 months. Rision is also working with advocates and advisers, such as industry associations, unions and chambers of commerce who can assist the company in reaching broader business and employee audiences while also continuing to develop its understanding of the contingent workforce marketplace across different industries from both an employer and employee perspective. Importantly, Rision can support the activities of advocates including supporting business customers with compliance to labour laws and regulations, and protecting workers rights including ensuring they are paid correctly.

Over the next year Rision will launch a consumer acquisition campaign, targeted at job seekers, who can register with the platform in order to find work. Once employed, they will continue to use Rision to manage their workload and communications with their new employer.

Recent Achievements

The recent capital raise of \$6m was significantly oversubscribed and provides funds to execute the Rision growth strategy outlined above.

The company has on-boarded new beta clients including:

- A US-based staffing agency, placing over 1,000 workers per week.
- An Australian local government, which is trialling the product across its pool of casual workers.
- A large music festival, with over 600 stage staff and volunteers being rostered across 37 venues.

As previously announced, other beta clients are using the system including in fast food (e.g. Pizza Hut), hotels (e.g. Maidstone Hotel), cleaning (e.g. Solutions Property Services) and restaurant industries (e.g. Fino Restaurant).

The company is also in early stage discussions with a pipeline of potential enterprise customers, some of which employ many thousands of staff.

A major part of Rision's strategy over the last 6 months has been putting the right organisational structure in place. We now have a Board comprising people with extensive experience in technology, start-ups, corporate, government and corporate governance.

In recognition of the major opportunities in the US market where it is estimated over 40% of the workforce is contingent, one Board member and the Head of Global Strategy are both US residents with extensive knowledge relevant to Rision's strategy.

A key focus of January and February has been the hiring of new staff members to support the company's growth, across operations and administration. Key appointments include:

- Michael Hawkins as Head of Business Development and Sales to drive sales across enterprises in industries include retail and hospitality. Michael is an experienced human resources sales executive, with over 10 years experience selling HR technology to enterprise customers in Australia and the UK. He began his career in recruitment, before working as Head of Sales for Thomson Reuters.
- Dr Elena Toh as Operations Manager to manage on-boarding and the delivery of services to Rision customers. Elena has a PhD, is undertaking an MBA and brings experience in business development strategy and operations.

Rision has entered into three new technology partnerships in line with the strategy outlined above of - expanding our product offerings to increase the market potential of Rision's products:

- Affirm Software Pty Ltd is a leading provider of paperless business workflow solutions, that automates the origination, storage and management of contracts and other documents. Affirm's new employee onboarding solution, Onboard Express, is particularly synergistic to the products offered by Rision, significantly speeding up the contractual process associated with recruitment. Affirm and Rision have entered into a Memorandum of Understanding and the companies plan to undertake joint sales and marketing activities to target customers. Affirm's existing customers include large-scale enterprises including national retailers and the Australian Tax Office.
- Futura Group Pty Ltd is a leading provider of eLearning resources to the hospitality industry. Rision has entered into a Memorandum of Understanding with Futura Group to provide job seekers access to training courses to improve their qualifications and improve their employability. Futura Group will assist Rision to drive lead generation and sales, through introductions to potential clients & partners.
- Loyalty Corp Pty Ltd is a leading loyalty and rewards program provider, incentivising millions of Australians daily, through engaging digital and mobile interactive loyalty platforms. Rision and Loyalty Corp have entered into a Memorandum of Understanding to develop programs to accelerate the acquisition of end users of both companies.

Rision continues to develop its existing channel partnerships that are expected to assist the company with its ambitions for sustained longer-term growth (beyond 2016) including:

- Rision has joined the ADP® Marketplace, a new cloud-based “one-stop-shop” designed to help employers dynamically manage an ecosystem of enterprise applications from ADP and world-class partners. The partnership with ADP will allow Rision to provide its services to ADP customers.
- CXC Global Services – a leading provider of contingent workforce solutions in 60 countries. Rision is working with CXC Global Services in coordinating sales efforts across North America and beyond with a focus on rapidly expanding on-demand economy employersⁱ.
- Endeavour Technologies (Genpact) – Rision’s technology development partner, whose client’s include Mercedes Benz, Tesco, Cisco, has recently been acquired by Genpact - a global leader in digitally-powered business process management and services with hundreds of strategic clients including numerous Fortune Global 500 companies. Rision and Endeavour Technologies have entered into a Reseller Agreement to continue building a global sales channel targeting SMBs and large-scale enterprise clients.

Recent technology enhancements to Rision include the development of a mobile roster for businesses, which will allow managers to roster their entire staff from their mobile phone, and translating the Rision application into Hebrew ahead of trials in Israel.

2016 Objectives

The Company's objectives for 2016 include:-

- Demonstrable revenue.
- Successful completion of enterprise trials with roll out plans in place.
- The creation of pathways to attract significant numbers of potential employees for Rision customers.
- Technology development with the ability to meet specific needs of enterprise customers but also able to drive scalability in 2017 and beyond.

Ongoing technology development will continue to be a key focus of the company. Planned enhancements to the system include:

- Improvements to roster, including the full integration of the Australian Employment Awards system across multiple industries.
- Integrations with payroll providers and other technology partners.
- Improvements to the JobMatch function based on industry needs.
- Rollout of the platform in multiple languages.

Rision will build a larger sales team, with an initial focus on SMBs to drive early sales revenues.

Key company executives, including Head of Global Strategy, Steven Salsberg, and Head of Business Development and Sales, Michael Hawkins, will pursue sales to enterprise customers, which are expected to involve trials followed by technology customisation and integrations before revenue will be generated. A key focus of the company in the third quarter FY2016 is the successful delivery of current trials, particularly the Pizza Hut Israel trial, which has the potential to expand into other countries.

Revenues, and importantly the acquisition of large numbers of employees from large enterprises, are not expected until the first quarter of FY2017.

The company will focus on converting opportunities offered from existing channel partnerships including GenPact, ADP and CXC Global services and aims to enter into other channel partnership agreements with organisations that are similar in scope and size.

ⁱ The on demand economy includes companies such as Uber, Air BnB, Freelancer and so forth. The emergence of these companies has created massive growth in 'self-employed contingent workers.'

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