Update August 2013 (and a bit of September) - CriticalArc

Website:

www.criticalarc.com

Update:

Capital Raising

The priority for August was to complete the capital raising. This was completed in time to activate the Commercialisation Australia Experienced Executive grant. Thanks to everyone involved!

Sales & marketing

It's been a very busy month for sales efforts in Australia as we are in the middle of the decision making season for 2014 budgets in Australian Universities.

In August the following occurred:

- **Operational Trial at RMIT.** Very successful. RMIT are likely to commence using SafeZone this year (outside of the normal budgeting cycle).
- **Operational Trial at UniSA.** Very successful. We met with around 100 stakeholders in the process. The most common comment was: "when can we have it?". We have full organisational support. Final decision is dependent on Facilities team budgeting process. Very likely to go ahead for 2014
- **Meeting with Adelaide and Flinders Universities.** Previously these weren't strong prospects due to a variety of factors. However they are now very real prospects for 2014, with Flinders the highest probability due to a renewed focus on security. Flinders' main campus is an ideal environment for SafeZone.
- **Visit to 6 universities in NZ.** Robert visited 6 universities in NZ with 5 out of the 6 requesting commercial proposals...with the only exception being Canterbury who is dealing with big budget cuts due to falling student numbers and the rebuilding efforts after the Christchurch earthquakes. Two universities in particular have budget allocated and desire to purchase something like SafeZone. This is AUT in Auckland and Otago in Dunedin The next step is two operational Trials.
- **Briefing of Melbourne Airport Team.** The MSS Security Melbourne Airport team were briefed on SafeZone and are keen to use it during the pilot
- **ANU.** Met with security team and the UniSafe (Campus Safety Team). Broad organisational support up to Pro-Vice Chancellor level. Have had positive discussions with IT department regarding "implementation". One remaining issue of network coverage in a few areas on campus. A one-day technical trial is planned. ANU would be another ideal location for the use of SafeZone.
- **University of Canberra.** Met with the security team. We'd previously had no contact at UC as they have had a very low priority on security. THis has changed and a new manager from the security industry is in place. They are starting from a very low base as far as systems are concerned (no CCTV, very limited access control). In the end they will not go ahead this year. They are approaching the security enhancement process as a big capital project. However, we feel that this is the type of situation where SafeZone can have the biggest impact, so we'll stay close to this one. for following years.

- **Macquarie University has confirmed that it is a "no" from them.** This is a little frustrating to us as we see Macquarie as a place where SafeZone can solve a bunch of problems. The security manager is acting as a gatekeeper there. We'll pursue additional angles in future.
- **UWS remains keen** - meeting with IT Director (and acting CFO) next week - thanks to Craig for the hook up.

Last but not least. We had verbal confirmation yesterday that Deakin University are going ahead with at least a 3 year contract worth $130k per year. The system will be commissioned and the team trained so that they're ready for O' Week in 2014.

Product development
Most of the effort has been on finalising the Lone Worker Safety feature for release after a significant amount of testing. This includes a new design for the SafeZone app which we're now very happy with. We're excited to be able to release this.

Hiring
Robert Christie officially started on the first day possible - 2nd September and wasted no time getting going with a successful trip to NZ.
Jason Persson - We're delighted to confirm that Jason has accepted our offer to join us as a Senior Software Engineer. Jason has 13 years of experience in a variety of companies (big and small) and both Jahmai and I worked closely with him at Honeywell. Jason's first day will be 7th October.

Initial meeting of candidate board members
Evan Penn, Ian Buddery and I got together for a few hours to share detail and outline a "100 day plan". We came away comfortable with the current pipeline and with some immediate actions. Most importantly is an aggressive approach to the UK market (including planning to hire a salesperson) and to conduct initial investigations in the US ASAP.

Ian's appointment to the board as chairman has been supported by the investors. It's great to have Ian on board with his wealth of experience and practical approach. The directors will be:

Ian Buddery - Chairman and Independent Director
Evan Penn - Investor Director
Glenn Farrant - CEO and Founder Director
Jahmai Lay - CTO and Founder Director

Plans for the next month

Glenn to visit UK and US
➢ US - Visit ASIS (one of the largest security trade shows) in Chicago
➢ UK - Exhibit at the "Higher Education Business Continuity Conference", follow up with UK leads from earlier visits, follow up on candidates for UK Sales role.
➢ US - Visit universities as a "Customer Discovery" exercise to understand the security and safety environment in the US.

Kick off legal and accounting groundwork for entering UK (entities, contracts, etc)

Australian Market

➢ **Adelaide Visit (Robert)** - Follow up with Flinders and Adelaide

➢ **Perth Visit (Robert)**
  ▪ Curtin account management visit
  ▪ UWA
  ▪ Edith Cowan University
  ▪ Perth Transit Authority opportunity

- **Customer visit to Newcastle University - 20 Sep (Glenn)**
- **Short technical trial at QUT (Brisbane) (Robert)**
- **Initial Roll-out coordination meeting with Deakin (Robert)**

Product
- Release of new versions of SafeZone App, OmniGuard Mobile and OmniGuard Web (enabling the Lone Worker features for everyone)
- Commence development of "multi-region subscription" feature

People
- Recruit for part-time admin
- Commence recruitment process for UK salesperson

Best Regards

Glenn

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Glenn Farrant
CEO
CriticalArc