

30 July 2024

Gathid Ltd – Release to ASX

- **4C**
 - **Quarterly Activity Statement & Business update**
 - **Fortune 500 customer secured after Quarter end, increasing ARR to \$1m**
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Gathid – 4C

The Directors have approved the 4C release for the fourth quarter of the 2024 financial year.

Gathid divested its RightCrowd physical access business in Q1. Since that time, the Appendix 4C Reports have reflected cash inflows and outflows for the Gathid business only.

The Company closed the period with a cash & cash equivalents balance of \$7.44m.

Annual Recurring Revenue (ARR) was \$0.7m at the end of Q4 FY24. The company did not close any new customer deals during Q4 but has closed a significant new Fortune 500 customer since the end of the quarter, increasing our ARR to \$1m. During the quarter, 3 existing customers renewed their annual subscription for a further 12-month period and one customer has moved from a month-by-month contract to an annual contract. These renewals and the progress of new sales opportunities towards the end of the sales cycle increase the Board confidence that the Gathid platform's products are relevant to its target market.

Sales revenue in Q4 was 169k (up from 158k in the previous quarter).

The Company's operating activities net cash outflow was stable between Q3 and Q4 at around \$1.1m notwithstanding the outflows have been impacted by an investment in marketing expenditure during this quarter in order to drive lead and opportunity generation for FY25. The Company has continued to face costs in relation to the divestment of its physical security business during last year with fees for the expert determination impacting the Payments to Suppliers line in the 4C.

Update on sale of RightCrowd physical security business

The period since completion of the sale of the physical security businesses on 21 September 2023 has been challenging as the Board and management necessarily focused on finalization of all aspects of that sale. As advised via announcements to the ASX on 29 February and 19 April, the Company disputes the Buyer's (Bloom) calculation of the Completion Statement and in accordance with the provisions of the Sale Agreement, the dispute has been referred to an expert for determination. The expert determination process has reached a conclusion, but the parties dispute the determination's impact on the Completion statement. As a result, there is

uncertainty as to the final amount due in relation to the consideration for the sale of the physical security businesses. The Directors and management are continuing to work through all possibilities to ensure this matter reaches a satisfactory resolution for Gathid shareholders but cannot currently provide a time frame for finalisation.

Q4 ARR

During the 4th Quarter, the Company maintained its Software recurring revenue (ARR – Annual Recurring Revenue) at \$700k although it did not add any new customers during the period. All existing customers due to renew their contract with Gathid during this period have done so.

New Customer contract after Quarter end and outlook

Since the Quarter end the company has added a significant new customer. This manufacturing company is in the top 200 of the Fortune-500 and has selected Gathid to improve the identity governance of its business. Initial Annual Recurring Revenue value is USD \$185,000 per annum.

The Board, having approved the FY25 budget, continues to support management in maintaining the growth trajectory of the business but with spending management in mind. The company expects to continue some carefully managed increase in its headcount in order to ensure speed to market of its software platform improvements and to ensure the highest level of support for its growing customer base.

During Quarter 4 a team from Gathid attended Identiverse (tradeshow held in Las Vegas). The team was pleased with the number of leads that were identified. The conversations held with potential customers and with critical players in the market space have given the Board confidence that the Gathid solution is relevant to its target market.

Marketing strategies have resulted in a pipeline of opportunities in Asia, Australia/Oceania, UK and the USA. With a sales capability now established in those geographies, activity is now on sales negotiation and completion.

Given the challenges related to the completion of the transaction referred to earlier in this announcement, the Board is generally pleased with this progress and is satisfied that the company has a sales pipeline and marketing strategy to continue growing its client base.

ASX listing

The Company has continued to work with the ASX to provide information sought by them as part of their decision-making process regarding the lifting of the suspension of trading of the Company's securities. At this date the Company is awaiting the resolution of the dispute over the consideration due for the sale of the physical security businesses to be able to provide to the ASX the requisite business spending model for the next 12 months. The Board continues to hold the view that the level of business operations that has been achieved is sufficient to warrant continued quotation of its securities under Listing Rules 12.1 and 12.3

Peter Hill, CEO and Managing Director said:- "Reflecting on this past quarter, Gathid has made significant strides and is demonstrating our platform's strong market fit and potential. We launched Gathid at the Identiverse conference in the United States, solidified our foundation with key customer renewals and recently won an exciting new Fortune 500 customer, adding

\$280,000 in ARR, increasing our current ARR to \$1m. Our investment in marketing is setting the stage for an even more dynamic year ahead, with a robust pipeline across key global markets."

Selection of Gathid Coverage Throughout Last Quarter

25/6/2024	SecurityInfoWatch	Real Words or Buzzwords?: Micro-Automation
22/6/2024	Security Magazine	Beyond compliance theater: Crafting a compliance strategy that works
22/5/2024	Dataversity	Taming Access Creep: Strategies to Rein in Unnecessary Privileges
15/5/2024	Easy Prey Podcast	Challenges of Employee Onboarding and Offboarding with Craig Davies
1/5/2024	Dark Reading	The Cybersecurity Checklist That Could Save Your M&A Deal
16/4/2024	Enterprise Times UK	Security News From The Week Beginning 8 April 2024
10/4/2024	CSO	Gathid's New Access Mapping Tech Promises Affordable And Streamlined IAM
10/4/2024	Enterprise Security Tech	Gathid Revolutionizes Identity and Access Governance with Innovative Directed Graph Model
10/4/2024	SecurityInfoWatch	Gathid Introduces Model For Identity And Access Governance

Related Entities:

Payments to related entities during the Quarter were \$0.107m which represented the Managing Director and Executive Director's remuneration and fees paid to the Board of Directors of Gathid.

Note to Market:

None of the information included in this announcement should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis.

This Company presentation may include certain statements, estimates or projections with respect to the anticipated future performance of the Company, the projects or both.

Those statements, estimates or projections are based on assumptions about future events and management actions that may not necessarily take place and are subject to significant uncertainties, many of which are outside the control of the Company. Those assumptions may, or may not, prove correct. No representation is made as to the accuracy of those statements, estimates or projections.

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The release of this announcement was authorised by the Board of Directors.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Gathid Limited (formerly RightCrowd Limited)

ABN

20 108 411 427

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	312	4,288
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	-	(26)
(c) advertising and marketing	(286)	(540)
(d) leased assets	(23)	(234)
(e) staff costs	(806)	(6,289)
(f) administration and corporate costs	(420)	(2,208)
1.3 Dividends received (see note 3)		
1.4 Interest received	89	315
1.5 Interest and other costs of finance paid	-	(2)
1.6 Income taxes paid	24	(28)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,109)	(4,724)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		(10)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	13,500
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets	-	120
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other cash held by entities disposed of		(1,114)
2.6	Net cash from / (used in) investing activities	-	12,495

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities / convertible debt securities or sale of business streams	-	(1,260)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	-	(1,542)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	(2,802)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,553	2,426
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,109)	(4,723)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	12,495

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(2,802)
4.5	Effect of movement in exchange rates on cash held	-	48
4.6	Cash and cash equivalents at end of period	7,444	7,444

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	7,444	8,553
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,444	8,553

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(107)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		0
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>The Group had a loan facility with RH Capital Finance Co. for \$1.4m with an interest charge of 15% per annum. This loan was settled in full prior to the receipt of funds from Bloom in relation to the acquisition of the RightCrowd physical security business streams.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,109)
8.2 Cash and cash equivalents at quarter end (item 4.6)	7,444
8.3 Unused finance facilities available at quarter end (item 7.5)	
8.4 Total available funding (item 8.2 + item 8.3)	7,444
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	6.71
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
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8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 July 2024

Date:

Board of Directors

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.