

5 November 2024

Gathid Ltd – Release to ASX

- 4C
- **Quarterly Activity Statement & Business update**
- **4 new customers added in the 1st Quarter of FY25, increasing ARR to \$1.2m**

Gathid – 4C

The Directors have approved the 4C release for the first quarter of the 2025 financial year.

The Appendix 4C Reports reflect cash inflows and outflows for the Gathid business (in FY24 flows were also included for the period that the divested business lines were part of the group).

The Company closed the period with a cash & cash equivalents balance of \$6.78m. (Q4 7.44m)

Annual Recurring Revenue (ARR) increased 71% in the quarter to \$1.2m at the end of Q1 FY25, up from \$0.7m at the end of FY24.

The company closed a significant new Fortune 500 customer and 3 other new customers, taking the total number of customers to 16. During the quarter, 4 existing customers renewed their annual subscription, including one customer who renewed for 2 years. These renewals and the progress of new sales opportunities towards the end of the sales cycle supports the Board's confidence that the Gathid platform's products are continuing to gain traction in the company's market area.

Sales revenue in Q1 was \$272k (up from \$169k in the previous quarter).

The Company's operating activities net cash outflow decreased in Q1 from the Q4 quarter mainly due to increased customer receipts from the new contracts mentioned earlier. The spend on staff in Q1 showed a slight increase following a small number of business-critical hires. The Company has continued to incur costs in relation to the divestment of its physical security business, including fees for the expert determination. These costs are included in 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 finalisation of all aspects of that sale. The finalisation work has continued through Q1 but has not yet reached its conclusion. 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 was referred to an expert for determination. The expert determination process reached a conclusion on 27 June 2024, but the parties don't agree with 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.

Q1 ARR

During the 1st Quarter of the FY25 year, the Company substantially increased its Software recurring revenue (ARR – Annual Recurring Revenue) from \$0.7m to \$1.2m, a 71% increase this Quarter. In addition, all existing customers due to renew their contract with Gathid during this period have done so. This included a customer signing a renewal for a 24-month period and agreeing to pay the full amount up front and one customer increasing its annual subscription due to an expansion in the number of users and systems on the Gathid platform.

New Customer contracts and outlook

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

The other 3 new customers in the quarter also added more than \$180,000 in ARR, and these customers are situated in the US, New Zealand and the Middle East.

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 has undertaken 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. Some additional headcount increases will be required and these have been approved in the budget but timing will be managed in relation to the alignment with the sales close cycle.

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 continues on sales negotiation and completion.

Given the continuing challenges related to the completion of the transaction referred to earlier in this announcement, the Board is generally pleased with this progress, in particular the addition of 4 new enterprise customers, and is satisfied that the company has a sales pipeline and marketing strategy to continue growing its client base.

During quarter 2 of FY25 a team from Gathid will be attending the Australian Cyber Conference in Melbourne and will be looking to build the Company's sales pipeline further and talk to more organisations about the way that Gathid can help them to manage identity governance. The Board is delighted that in connection with this prestigious event the Company has been selected by AISA as one of the 3 finalists in the Start-up of the year category.

ASX listing

The Company has been waiting 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 and has therefore not been able to provide ASX with the information required. 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. Having said that, the audit opinion in respect of the FY24 Financial Statements may result in further actions being required by the ASX before any relisting takes place.

Peter Hill, CEO and Managing Director said: "We are thrilled to be selected as a finalist for the AISA Start-up of the Year award. This recognition reflects our commitment to innovation and excellence. Our platform is now trusted by a diverse range of customers across various geographies and industry segments, from small enterprises with under 1,000 employees to those with over 100,000. We are also seeing the continual renewal of contracts by our customers, which is a testament to the value they see in the Gathid platform.

In the first quarter of FY25, we increased our Annual Recurring Revenue (ARR) by 71% to \$1.2 million, up from \$0.7 million at the end of FY24. We are excited about the future and remain committed to delivering exceptional value to our customers and shareholders."

Selection of Gathid Coverage Throughout Last Quarter

| | | |
|------------|--------------|---|
| 01/10/2024 | Forbes.com | 17 Trending Business Topics That Need A CTO's Perspective: https://www.forbes.com/councils/forbestechcouncil/2024/09/30/17-trending-business-topics-that-need-a-ctos-perspective/ |
| 26/09/2024 | Forbes.com | From AI To AR: E-Commerce Tech That's Now Nonnegotiable: https://www.forbes.com/councils/forbestechcouncil/2024/09/25/from-ai-to-ar-e-commerce-tech-thats-now-nonnegotiable/ |
| 24/09/2024 | Forbes.com | 20 Tech Pros On Top Trends In Software Testing: https://www.forbes.com/councils/forbestechcouncil/2024/09/23/20-tech-pros-on-top-trends-in-software-testing/ |
| 18/09/2024 | Forbes.com | Understanding and Controlling the Blast Radius: https://www.forbes.com/councils/forbestechcouncil/2024/09/18/understanding-and-controlling-the-blast-radius/ |
| 14/09/2024 | Forbes.com | Top Tech Tools And Processes That Can Also Boost Cybersecurity: https://www.forbes.com/councils/forbestechcouncil/2024/09/13/top-tech-tools-and-processes-that-can-also-boost-cybersecurity/ |
| 09/09/2024 | Betanews.com | The role of AI in securing identity [Q&A]: https://betanews.com/2024/09/09/the-role-of-ai-in-securing-identity-qa/ |
| 08/08/2024 | Forbes.com | How Toxic Roles Could Be Putting Your Company at Risk: https://www.forbes.com/sites/forbestechcouncil/2024/08/08/how-toxic-roles-could-be-putting-your-company-at-risk/ |

| | | |
|------------|------------|--|
| 19/07/2024 | Forbes.com | Here Are 20 Work Habits Tech Leaders Love To See: https://www.forbes.com/councils/forbestechcouncil/2024/07/18/developers-here-are-20-work-habits-tech-leaders-love-to-see/ |
| 15/07/2024 | Forbes.com | Digital Twins: The New Frontier in Cybersecurity: https://www.forbes.com/sites/forbestechcouncil/2024/07/15/digital-twins-the-new-frontier-in-cybersecurity/ |
| 26/06/2024 | Forbes.com | 20 Reasons Tech Leaders Fail At Communication (And How To Improve): https://www.forbes.com/councils/forbestechcouncil/2024/06/25/20-reasons-tech-leaders-fail-at-communication-and-how-to-improve/ |

Related Entities:

Payments to related entities during the Quarter were \$0.110m 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.

- END

Investor contact:

PETER HILL

Chief Executive Officer

peter.hill@gathid.com

+61 417 065 888

LESLIE MILNE

Chief Financial Officer

leslie.milne@gathid.com

+61 421 160 807

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 September 2024

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 638 | 638 |
| 1.2 Payments for | | |
| (a) research and development | | |
| (b) product manufacturing and operating costs | - | - |
| (c) advertising and marketing | (91) | (91) |
| (d) leased assets | (25) | (25) |
| (e) staff costs | (949) | (949) |
| (f) administration and corporate costs | (308) | (308) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | 64 | 64 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | 15 | 15 |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | | |
| 1.9 Net cash from / (used in) operating activities | (657) | (657) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | | |
| (b) businesses | | |
| (c) property, plant and equipment | (10) | (10) |
| (d) investments | | |
| (e) intellectual property | | |
| (f) other non-current assets | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | | |
| | (b) businesses | | |
| | (c) property, plant and equipment | | |
| | (d) investments | | |
| | (e) intellectual property | | |
| | (f) other non-current assets | | |
| 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 | | |
| 2.6 | Net cash from / (used in) investing activities | (10) | (10) |

| | | | |
|-------------|--|----------|----------|
| 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 | | |
| 3.5 | Proceeds from borrowings | | |
| 3.6 | Repayment of borrowings | | |
| 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 | - | - |

| | | | |
|-----------|--|-------|-------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 7,444 | 7,444 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (657) | (657) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (10) | (10) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 6,777 | 6,777 |

| 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 | 6,777 | 7,444 |
| 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) | 6,777 | 7,444 |

| 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 | (110) |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | |
| <i>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.</i> | | |

| 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. | | |
| | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (657) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 6,777 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | |
| 8.4 Total available funding (item 8.2 + item 8.3) | 6,777 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 10.32 |
| <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? | |
| | |
| 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.

05 November 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.