

19 April, 2024

Gathid Ltd – Release to ASX –

- **4D and Interim (half-year) review and**
 - **Business update**
-

Gathid – 4D and Half-year review

The Directors have approved the interim financial statements for the 6 months to 31 December 2023 and these have been subject to a review audit by BDO as outlined in their Report.

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 announcement to the ASX on 29 February, 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 is ongoing with the Company due to submit responses this week to the latest queries from the expert.

Whilst establishment of the Gathid business continues to progress, the Board and management continue to necessarily devote significant time to resolving the dispute with Bloom. Taking this into account, the Board is satisfied with the performance of the Gathid business since the divestment of the physical security business lines. In the Gathid business, Revenue increased to \$284k (Dec 2022 \$73k) during the 6 months to December 2023. Whilst the loss for this business increased to \$755k (Dec 2022 \$415k) in the 6-month period this was lower than budgeted.

The financial statements also reflect the discontinued operations of the divested business lines including the gain on sale (see Notes 11 and 13). This gain reflects the consideration paid by Bloom at the time of completion of the transaction (\$13,500k) and does not include any Adjustment Amount as it is currently the subject of an Expert Determination. As the Directors cannot ascertain the outcome of the Determination with reasonable certainty no amount has been included in the financial statements for the half year.

Gathid – Business Update

Since 1 January 2024 the Company has increased its Software recurring revenue (ARR – Annual Recurring Revenue) to over \$700k with the addition of 3 new customers. These new customers are in different business sectors (online retail, financial technology and health insurance) and are based in different geographies (North America, Europe and Australia). The only customer supported under the OEM agreement with RightCrowd has not renewed its subscription with RightCrowd during the same period. All other existing customers due to renew their contract with Gathid during this period have done so.

The Board, having approved the FY24 budget, continues to support management in maintaining the growth trajectory of the business but with spending management in mind. Since the transaction date the company has added 4 FTE (Full-time equivalent) staff in Sales, Marketing and Customer Success roles, clearly showing the focus on customer acquisition, customer experience and retention in line with the stated objectives.

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 pivoting to sales negotiation and completion.

As part of the channel sales strategy to supplement our own direct sales strategy, during Q3 the Company signed 2 more partner agreements to increase the sales reach of the company in the Australia and Middle East markets. The Company is currently training these partners to enhance their effectiveness in creating sales opportunities.

The new partners are:-

The Missing Link – Australia – IT Consulting and Support -
<https://www.themissinglink.com.au/>

Sinerima – Middle East and Africa – IT security -

During the 3rd quarter the Company added additional resources in the Marketing area by engaging US-based, Hope Frank, as Chief Marketing Officer and Jillian Taylor as Head of Growth Marketing. Both bring a wealth of experience that will allow the company to develop more traction in the fast-growing Identity Governance market space.

Focus has continued on the Company's digital marketing campaigns. The management team is encouraged by the increased sales pipeline that has been identified through this go-to-market plan, and the efforts of the direct and channel partner sales teams.

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 growth through the remainder of this financial year and beyond.

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. The half-year financial statements, attached, are one of the important pieces of the decision-making process. The Board considers 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:- ' The company has continued to make good progress in setting in place foundations for growth, with new customers added and expansion of the sales pipeline. The marketing effort to enhance the company's brand and market position has resulted in some valuable media coverage (examples below) and has us well prepared for Gathid's US launch at the major Identiverse Conference in Las Vegas at the end of next month. The management team is confident that the company can build on the foundational work that has been done and achieve significant growth.

Media coverage

1. Help Net Security, [Week in review: Backdoor found in XZ utilities, weaponized iMessages, Exchange servers at risk](#)
31/3/2024
2. Help Net Security, [Cybersecurity essentials during M&A surge](#)
27/3/2024
3. SecurityBrief AU, [IWD 2024: Celebrating Women and Neurodiverse Individuals in Cybersecurity](#)
7/3/2024
4. CSO, [Gathid's new access mapping tech promises affordable and streamlined IAM](#)
10/4/2024
5. SecurityInfoWatch, [Gathid introduces model for identity and access governance](#)
10/4/2024
6. Enterprise Times, [Gathid debuts its patented Identity Model](#)
10/4/2024

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.