

October 31st, 2023

Gathid FY24 Q1 Quarterly Activities Report, Business Update and Appendix 4C

Gathid Ltd (formerly RightCrowd Limited) ("Gathid" or the "Company") is a leading developer of identity governance management software and until 21 September 2023 was also a leading global developer of physical security, safety, and compliance software (this was within the divested RightCrowd business). The Company is pleased to provide its Quarterly Activities Report in conjunction with the release of the Appendix 4C – Quarterly Cash Flow Report for the period ended 30 September 2023.

Summary: *(All figures are unaudited and expressed in AUD unless stated otherwise)*

- On the 30 June 2023 the Company signed a conditional Share Purchase Agreement with Bloom RC Holdings (Bloom) for the sale of the RightCrowd, Workforce Access, Visitor Management and Presence Control businesses for \$13.5m. The shareholders approved the sale of those businesses at an EGM on 23 August 2023 and the transaction completed on 21 September 2023. Gathid will retain the SaaS-based earlier-stage, Gathid Software (formerly Access Analytics) and the completion of the transaction will allow it to focus on the rapidly growing, global Identity Governance and Cyber Security markets.
- The Company's focus in Q1 FY24 was the maintenance of 'business-as-usual' across the revenue streams in the combined business and progressing the matters necessary for the sale to be completed. In line with the Share Purchase Agreement the management team maintained strict control of the group cost base as well as ensuring revenue contract renewals were completed in a timely way.
- The Appendix 4C report contains cash inflows and outflows for the combined business streams until 21 September 2023 and Gathid only, from 22 September to 30 September 2023. Cash balances as of 30 September 2023 are Gathid bank accounts only.
- The contextual information in this Activities Report is in relation to the Gathid business (formerly Access Analytics) only, to allow easier comparison with performance in upcoming quarters.
- The Company's sales revenue in Quarter 1 was \$0.13m (up from \$0.10m in the prior Quarter). Due to the need to for the small management team to focus on activities necessary to complete the sale of the relevant businesses, the Company did not close any new contracts in Q1 FY24 although an expansion sale was made to an existing customer in July 2023. At the end of the quarter the Company was generating revenue from 8 customers and has several proof-of-concept trials in progress with potential customers.

- ARR closed at \$0.57m, up from \$0.55m at the end of last Quarter. The pipeline for new Gathid software opportunities remains strong and the Company has signed a new customer contract since the end of the quarter.
- The external debt funding line of \$1.4m drawn down in Q4 of FY23 was repaid in full from the proceeds of the sale of the RightCrowd physical security businesses.
- The Company closed the period with a cash & cash equivalents balance of \$10.6m.
- Further information on the Gathid solutions and the Company's plans post the sale of the RightCrowd physical security businesses will be presented at the upcoming Annual General Meeting.

Gathid CEO and Managing Director, Peter Hill, said:

"With the successful sale of our physical security business lines to Bloom Equity Partners and the exciting rebrand to Gathid, we are now well capitalized and positioned for substantial growth. Our retained Identity Governance platform is poised to lead us into new market opportunity.

Gathid officially launched at the Australian Cyber conference in Melbourne earlier this month. The conference was attended by over 5,000 cyber professionals, and the business was met with great interest from the industry. Along with generating many sales opportunities here in Australia, it also signaled strong endorsement of the value Gathid brings.

*The sale of the physical security businesses was a time-consuming task but has provided Gathid with the necessary resources to accelerate into the rapidly growing Identity and Cyber Security Markets. Gathid, which has a patented way of easily finding anomalies in **gathered identities**, and their access, across enterprise systems, has faster sales cycles, requires minimal resources to deploy, and is a pure SaaS-based platform.*

The Gathid product now has proven deployments in Finance, Banking, Insurance, Mining, Food & Beverage, Government and Higher Education markets. The increasing number of deployments and regular enquiries give confidence the Gathid technology has found 'product-market fit' and will move into the scale-up stage as it targets the Identity and Cyber Security markets.

It was an incredible journey in the physical security market over the last 2 decades working with the largest companies in the world. This provided many valuable lessons, insights and experiences for our move into the wider Identity and Cyber market. I'd like to send a special "thank you" to all the great people who contributed to the business over many years, and I wish those that have moved with the RightCrowd business to new ownership, all the very best.

We are looking forward to, and ready to take on, the new opportunities being presented to Gathid."

Related Entities: Payments to related entities during the Quarter were \$0.1m which represented the Managing 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 September 2023

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	3,746	3,746
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(26)	(26)
(c) advertising and marketing	(58)	(58)
(d) leased assets	(155)	(155)
(e) staff costs	(3,928)	(3,928)
(f) administration and corporate costs	(778)	(778)
1.3 Dividends received (see note 3)		
1.4 Interest received	13	13
1.5 Interest and other costs of finance paid	(2)	(2)
1.6 Income taxes paid	(52)	(52)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(1,241)	(1,241)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(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	13,500	13,500
	(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	(1,253)	(1,253)
2.6	Net cash from / (used in) investing activities	12,247	12,247

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)	(1,260)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings	(1,542)	(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)	(2,802)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,426	2,426
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,241)	(1,241)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	12,247	12,247

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)	(2,802)	(2,802)
4.5	Effect of movement in exchange rates on cash held	48	48
4.6	Cash and cash equivalents at end of period	10,678	10,678

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	10,678	2,307
5.2	Call deposits		119
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)	10,678	2,426

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	(92)
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 <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.		
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.			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,241)
8.2	Cash and cash equivalents at quarter end (item 4.6)	10,678
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	10,678
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	8.61
<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?	
	On 21 September 2023 the transaction to sell its physical security related businesses closed. Proceeds from the divestment have been received and are reflected in this document. The Company settled the loan from R H Capital Finance Co as part of the completion of the transaction. The sale provides sufficient funding for the Company's future operations as the main business undertaking of the Company in the current quarter will no longer require funding.	
	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?

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.

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.

Date:31 October 2023

Authorised by: ..Board of Directors.....
(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.