

17 April 2025

Gathid Ltd – Release to ASX

- **4C**
- **Quarterly Activity Statement & Business update**
- **2 new customers and 1 customer expansion in Q3**
- **ARR Increased to \$1.695m at the end of March 2025**

Gathid – 4C

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

The Company closed the period with a cash & cash equivalents balance of \$4.94m. (Q2 5.64m)

Annual Recurring Revenue (ARR) increased 25% in the quarter to \$1.695m, up from \$1.35m at the end of Q2 FY25. This represents an increase of over 142% since the end of FY24 (\$0.7m at 30 June 2024).

The company secured contracts with an additional two new customers, bringing the total number of implementations to 19. During this quarter, a customer closed in Q1 of FY25 expanded its subscription to add additional capacity in the platform and 3 existing customers renewed their annual subscription, maintaining the high renewal rate.

The advancement of new sales opportunities approaching the end of the sales cycle, coupled with the strong renewal performance, continues to reinforce the Board's confidence that Gathid's SaaS platform is delivering clear value to customers and steadily gaining traction in the market.

Sales revenue in Q3 was \$454k (up from \$390k in Q2 FY25). The increase relates to the 2 new contracts and the full quarter effect of the new Q2 contracts. Services revenue in Q3 was slightly lower than the previous quarter following the completion of the first phase of working with an existing customer.

The Company's operating activities net cash outflow decreased in Q3 from the Q2 quarter mainly due to increased customer receipts. The spending on staff in Q3 showed a slight increase following a small number of business-critical hires. Corporate and administration costs showed a large decrease in Q3 as the company did not have the large cash spend on insurance, audit and other

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professional fees that occurred in Q2. The Company has continued to incur costs in relation to the divestment of its physical security business, including some specific advice regarding the dispute with Bloom. These costs are included in the Payments to Suppliers line in the 4C.

The Board is satisfied that the progress that is being made in the business during this financial year meets its expectations for growth and cost management.

Update on sale of RightCrowd physical security business

Since the completion of the sale of the physical security businesses on 21 September 2023, the period has been challenging as the Board and management have been required to focus on finalising all aspects of the transaction. Efforts have continued through Q3 but finalisation has not yet been reached. As previously communicated through ASX announcements on 29 February and 19 April 2024, the Company disputes the Buyer's (Bloom) calculation of the Completion Statement. In accordance with the Sale Agreement, the dispute was referred to an expert for determination. The expert's decision, issued on 27 June 2024, has not been accepted by both parties. Bloom's interpretation of the Determination is that Gathid owes \$666,891 to Bloom, which is disputed by Gathid. Consequently, there remains uncertainty regarding the final amount due or owed for the sale. At the time of this update, the Buyer has petitioned the Court for resolution, and on 6 February 2025 Gathid filed a defense and counter claim. Pursuant to the defense and counterclaim, Gathid claims damages for the sum of not less than \$2,200,640 from Bloom. The details of the dispute, which have been included in Gathid's Defense document, relate to the treatment of inventory and any excess annual leave balances. Gathid believes the inventory balance was incorrectly determined to be \$nil as part of the Determination, as a specific clause was included in the SPA that there would be no adjustment to the carrying value of inventory. The inventory was valued in the books and records at \$2,689,323 at the relevant time. The other disputed item is the excess annual leave where the parties do not agree on the treatment based on the principle of aggregation and the difference in value is \$178,208.

The Directors and management continue to explore all options to ensure a satisfactory resolution for Gathid shareholders, including dialogue with RightCrowd executives, but are currently unable to provide a specific timeframe for completion.

Q3 ARR

During Quarter 3 of the FY25 year, the Company increased its Software recurring revenue (ARR – Annual Recurring Revenue) from \$1.35m to \$1.695m. Since 30 June 2024 ARR has increased by over 142%, from \$0.7m. The year to date includes 7 new customers for the Gathid Software platform, with 2 new customers in Q3. In Q3 an existing customer who closed their initial contract in Q1 expanded their subscription to roll out more user identities in the platform. The 2 customers due to renew their subscription in Q3 did so. In addition, a customer due to re-contract in Q4 did so with a small increase in software ARR.

New Customer contracts and outlook

In the last Quarter, the company has added 2 new customers. The new customers are, again, in new market verticals (government and telecommunications) for Gathid, which provides further evidence that the Gathid platform can provide a solution for a wide variety of enterprise customers.

The Board continues to support management in maintaining the growth trajectory of the business but with spending management in mind in line with the FY25 budget. As a result of the level of growth, 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 whilst included in the budget, 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 some sales capability now established in those geographies, activity continues on sales negotiation and completion.

Given the continuing challenges related to the completion of the physical security business sale transaction referred to earlier in this announcement, the Board is generally pleased with this progress, in particular the addition of a further 7 new enterprise customers since the end of the preceding financial year, and is satisfied that the company has a sales pipeline and marketing strategy to continue growing its client base.

During quarter 3 of FY25 a team from Gathid attended the AISA Australian Cyber Conference in Canberra and had quality discussions with potential prospects for the platform. This follows on from the highly successful attendance at AISA Melbourne where the company won the prestigious Start-up of the Year category in the Cyber Security Awards.

Winning this award was not just a milestone for us but a signal to the industry that our unique approach to identity management is setting new standards in how identity is governed and secured. As the industry shifts towards a more dynamic, data-driven approach to identity governance, Gathid is not just adapting to the changing demands of identity governance; we are defining them.

ASX listing and future considerations

Notwithstanding a satisfactory resolution of the dispute over the consideration due for the sale of the physical security businesses has not been achieved, the company is now in the course of preparation of an updated submission for ASX on this and will update shareholders as necessary on progress.

Whilst necessarily focusing on responding to, and resolving, the dispute with Bloom and the development of the Gathid business, the Board continues to actively consider all options available to it in respect of maximizing value to shareholders so that action can be taken when it is appropriate to do so.

Peter Hill, CEO and Managing Director said:- "This quarter continues to demonstrate the growing momentum of our identity governance platform, with strong ARR growth, consistent renewals, and expansion from existing customers validating the value we're delivering. We are now active across more than ten distinct industry verticals—including financial services, government, retail, insurance,

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manufacturing, logistics, higher education and telecom—proving the scalability and adaptability of our solution in highly regulated and operationally complex environments. As we look ahead, our focus remains on disciplined execution, continuing to grow our customer base and deepening platform capabilities.”

Selection of Gathid Coverage Throughout Last Quarter

Date	Publication	Article
24/01/2025	Forbes	How To Smartly (And Safely) Leverage GenAI In Business: https://www.forbes.com/councils/forbestechcouncil/2025/01/23/how-to-smartly-and-safely-leverage-genai-in-business/
30/01/2025	Forbes	Demystifying Knowledge Graphs: Unlocking The Power Of Connected Data: https://www.forbes.com/councils/forbestechcouncil/2025/01/30/demystifying-knowledge-graphs-unlocking-the-power-of-connected-data/
06/03/2025	Forbes	OWASP's Top 10 NHI Risks: A Wake-Up Call For Modern Cybersecurity: https://www.forbes.com/councils/forbestechcouncil/2025/03/05/owasp-top-10-nhi-risks-a-wake-up-call-for-modern-cybersecurity/
12/03/2025	Forbes	18 Essential Elements Of A Robust Zero-Trust Environment: https://www.forbes.com/councils/forbestechcouncil/2025/03/11/18-essential-elements-of-a-robust-zero-trust-environment/
		Gathid Labs Series
18/03/2025	N/A	Achieving Essential Eight Compliance: How Gathid Simplifies Identity and Access: https://gathid.com/blog/achieving-essential-eight-compliance-how-gathid-simplifies-identity-and-access/
18/03/2025	N/A	Case Study: How Gathid Transformed Essential Eight Compliance for a Government Agency: https://gathid.com/blog/case-study-how-gathid-transformed-essential-eight-compliance-for-a-government-agency/

Related Entities:

Payments to related entities during the Quarter were \$0.106m which represented the Managing Director and Executive Director’s remuneration, and fees paid to the Board of Directors of Gathid.

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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.

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Appendix 4C

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

Name of entity

Gathid Ltd

ABN

20 108 411 427

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	648	1,703
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(117)	(288)
(d) leased assets	(25)	(75)
(e) staff costs	(927)	(2,862)
(f) administration and corporate costs	(345)	(1,172)
1.3 Dividends received (see note 3)		
1.4 Interest received	69	166
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / received	-	15
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(697)	(2,513)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(2)	(12)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	(2)	(12)
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	5,641	7,444
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(697)	(2,513)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(12)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	-	24
4.6	Cash and cash equivalents at end of period	4,942	4,942

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	4,942	5,641
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)	4,942	5,641

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	(106)
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. 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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(697)
8.2 Cash and cash equivalents at quarter end (item 4.6)	4,942
8.3 Unused finance facilities available at quarter end (item 7.5)	
8.4 Total available funding (item 8.2 + item 8.3)	4,942
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.09
<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.

Date:

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.

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