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Gathid Ltd

**Appendix 4E
(UNAUDITED)**

Year Ended 30 June 2024



**Gathid Ltd ABN 20 108 411 427
and Controlled Entities
Preliminary Financial Report for the Year Ended 30 June 2024 (unaudited)**

Appendix 4E

The following information meets the requirements of the Appendix 4E of Gathid Ltd ('the Group' or 'the Company') for the financial year ended 30 June 2024.

The Appendix 4E covers the reporting period from 1 July 2023 to 30 June 2024. The previous corresponding period is 1 July 2022 to 30 June 2023.

Results for announcement to the market

Summary of financial information:

This Appendix has been prepared by considering the RightCrowd Workforce Access / Visitor Management and Presence Control businesses as Discontinued operations following the completion of the contract for sale with Bloom RC Holdings on 21 September 2023. The continuing operations consist of the Gathid Software (formerly Access Analytics) business stream.

AUD \$	1 July 2023 to 30 June 2024	1 July 2022 to 30 June 2023	Change (\$)	Change (%)
CONTINUING OPERATION				
Revenue from Continuing operations	643,933	371,259	272,674	73%
(Loss) from ordinary activities after tax attributable to members	(3,391,574)	(1,239,501)	(2,152,073)	(174)%
Gain / (Loss) after tax on sale of discontinued operations (note 1)	9,338,334	-	9,338,334	
Net profit/(loss) for the period attributable to members	4,313,628	(1,239,591)	5,553,219	448%
DISCONTINUED OPERATIONS				
Revenue from Discontinued operations	3,529,675	15,315,196	(11,785,521)	(77)%
Profit/(loss) from ordinary activities after tax attributable to members	(1,633,131)	(8,139,497)	6,506,366	80%
Net profit/(loss) for the period attributable to members	(1,633,131)	(8,139,497)	6,506,366	80%

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Note 1: Proceeds from sale of RightCrowd physical access business.

On 30 June 2023, the Company entered into a Share Purchase Agreement with Bloom RC Holdings Inc. Under the terms of the Agreement the Company sold 100% of the issued share capital of RightCrowd Software Pty Ltd and RightCrowd NV for a purchase price of \$13,500,000 adjusted for amounts specified in the Agreement. The final consideration is in dispute and remains in dispute notwithstanding receipt of an Expert Determination. The outcome of the dispute is not able to be reliably estimated at the date of these financial statements. Therefore, sales proceeds recognised in these financial statements reflect cash received to date. Total proceeds from sale and therefore the net result on sale recorded in the FY24 financial statements may change if the dispute is resolved prior to finalisation of the audited accounts for FY24.

Dividends

No dividend has been proposed or declared for the year ended 30 June 2024.

Commentary on Results for the Period

On the 30 June 2023 the Company signed a conditional Share Purchase Agreement with Bloom RC Holdings (Bloom) for the sale of the Workforce Access, Visitor Management and Presence Control businesses for \$13.5m. This was subject to shareholder approval at the EGM on 24th August 2023 and was approved by shareholders on that date. Gathid Ltd retains the SaaS-based earlier-stage, Gathid Software (formerly Access Analytics) business and the completion of the transaction will allow it to focus on the rapidly growing, global Identity Governance and Cyber Security markets. As a result, the financial statements for the financial year ended 30 June 2024 and the comparative results have been prepared to separately disclose the part of the business which has been divested.

At a Group level, the Board is satisfied with the revenue performance of the Gathid Software business, with revenue growing 73% to \$643,933 in the year from \$371,259 in FY23. Over the year the Gathid business added 5 new customers covering various industry sectors and across the United States, Europe and Australia.

Annual Recurring Revenue (ARR) for Gathid Software has also pleasingly improved during FY24 to \$700k at the end of the year compared to \$550k last year. Year-on-Year ARR growth for Gathid Software is approximately 27%.

The business has faced an increase in costs in the year with additional headcount required to build marketing and sales momentum as well as the costs related to the transaction to sell the RightCrowd part of the business.

The divestment of the Physical Security related products to Bloom will provide the resources and focus required to allow the Gathid Software business to accelerate its growth into the Identity and Cyber security markets.

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The Board is satisfied that the Gathid business is well positioned to take advantage of the market opportunity with growing sales pipeline and greater brand awareness as it enters the new financial year. In early FY25 the company has added another 2 new customers, one a Fortune 200 US company and the other a listed New Zealand company. In addition to the sales achieved, several potential clients are well-progressed with proof-of-concept trials of the solution in their businesses.

Following shareholder approval of the sale of the Physical Security related products to Bloom, the company continues to work on the completion of the sale, as has been outlined in previous market releases.

Financial Statements

Basis of Preparation

The financial statements have been prepared by applying Australian Accounting Standards Board, (AASB) mandatory Standards for the current reporting period but particularly note that the classifications, measurements and disclosures required by AASB 5 Non-current Assets Held for Sale and Discontinued Operations has been applied.

Status of Audit

The 30 June 2024 financial statements and accompanying notes for Gathid Ltd are in the course of being audited and as such these results and financial disclosures may be subject to some adjustment upon completion of the audit.

Control Gained or Lost over Entities in the Year

During the year ended 30 June 2024, Gathid Software Pty Ltd was set up as a wholly owned subsidiary of Gathid Ltd and as part of the transaction to sell the physical security business to Bloom RC Holdings, control of RightCrowd Software Pty Ltd, RightCrowd Europe, RightCrowd NV, RightCrowd Canada, RightCrowd Software Inc (USA) and RightCrowd Software Inc (Philippines) was lost.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated Group	
		2024 \$	2023 \$
Continuing operations			
Revenue	2	643,933	371,259
Other income	2	524,823	443,881
Employee benefits expense	3	(2,494,374)	(1,638,761)
Depreciation and amortisation expense	3	-	(39,626)
Finance costs	3	(64,358)	(5,510)
Other expenses (inc Cost of sales)	3	(2,003,153)	(368,202)
Profit/(Loss) before income tax		(3,393,129)	(1,236,961)
Income Tax Expense		-	(2,540)
Net Profit/(Loss) for the year from continuing operations		(3,393,129)	(1,239,501)
Profit /(Loss) after income tax from discontinued operations		(1,633,131)	(2,594,003)
Gain on sale of discontinued operations		9,338,334	-
Impairment expense on discontinued operation		-	(5,548,035)
Profit / (Loss) after income tax attributable to operations		4,312,074	(9,381,539)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss when specific conditions are met			
Exchange differences on translating foreign operations, net of tax		-	470,959
Total comprehensive loss for the year		4,312,074	(8,910,580)
Earnings per share for profit from continuing operations attributable to ordinary equity holders of the Company		\$	\$
Basic and diluted earnings per share	4	(0.013)	(0.005)
Earnings per share for profit from discontinued operations attributable to ordinary equity holders of the Company			
Basic and diluted earnings per share	4	(0.006)	(0.031)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the attached notes

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Consolidated Group	
		2024	2023
ASSETS		\$	\$
Cash and cash equivalents	5	7,442,526	192,351
Trade and other receivables	6	1,122,749	657,874
Other assets		47,962	46,978
Assets classified as held for sale	11	-	10,175,203
TOTAL CURRENT ASSETS		8,613,237	11,702,406
Property, plant and equipment		9,167	59,874
TOTAL NON-CURRENT ASSETS		9,167	59,874
TOTAL ASSETS		8,622,404	11,132,190
LIABILITIES			
Trade and other payables	10	194,376	49,576
Borrowings		-	232,823
Contract liabilities	8	436,457	375,000
Liabilities relating to assets held for sale	11	-	7,306,439
Tax liabilities		49,520	-
Provisions	9	372,162	311,000
Other liabilities		220,526	-
TOTAL CURRENT LIABILITIES		1,272,952	8,274,538
Borrowings		-	74,000
Provisions	9	53,477	33,000
TOTAL NON-CURRENT LIABILITIES		53,477	107,000
TOTAL LIABILITIES		1,326,428	8,381,538
NET ASSETS		7,295,975	2,750,652
EQUITY			
Issued capital	10	56,440,603	56,133,457
Reserves		33,323	1,077,618
Accumulated Losses		(49,177,951)	(54,460,423)
TOTAL EQUITY		7,295,975	2,750,652

The above Consolidated Statement of Financial Position should be read in conjunction with the attached notes

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
30 JUNE 2024

Note	Issued Capital \$'000	Accumulated Losses \$'000	Foreign Currency Translation Reserve \$'000	Share Based Payment Reserve \$'000	Total \$'000
Consolidated Group					
Balance at 1 July 2022	56,133	(45,082)	(1,134)	1,237	11,155
Comprehensive income					
(Loss) for the year continuing operations	-	(1,241)	-	-	(1,241)
(Loss) for the year discontinued operations	-	(8,139)	-	-	(8,139)
Other comprehensive income for the year	-	-	471	-	471
Total comprehensive income for the year	-	(9,380)	471	-	(8,908)
Transactions with owners, in their capacity as owners, and other transfers					
Share options and performance rights expensed during the year	-	-	-	504	504
Transfer of expired options	-	-	-	-	-
Total transactions with owners and other transfers	-	-	-	504	504
Balance at 30 June 2023	56,133	(54,461)	(663)	1,741	2,750
Balance at 1 July 2023	56,133	(54,461)	(663)	1,741	2,750
Comprehensive income					
(Loss) for the year continuing operations	-	(3,393)	-	-	(3,393)
Gain / (Loss) for the year relating to discontinued operations	-	7,705	-	-	7,705
Other comprehensive income for the year	-	-	444	-	444
Total comprehensive income for the year	-	4,312	444	-	4,756
Transactions with owners, in their capacity as owners, and other transfers					
Share options expensed during the year	-	970	-	(1,182)	(212)
Shares issued for exercised options	307	-	-	(307)	-
Total transactions with owners and other transfers	307	970	-	(1,489)	(212)
Balance at 30 June 2024	56,441	(49,178)	(219)	252	7,296

The above Consolidated Statement of Changes in Equity should be read in conjunction with the attached notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE
2024

	Note	Consolidated Group	
		2024	2023
		\$	\$
CONTINUING OPERATIONS			
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		672,610	478,614
Payments to suppliers and employees		(4,920,205)	(1,951,120)
Interest received		314,929	1,581
Finance costs		(56)	(1,829)
Grants received		-	365,000
Net cash from operating activities	6	(3,932,721)	(1,107,754)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(10,064)	(3,230)
Proceeds from sale of property		119,769	-
Cash retained by divested subsidiaries		(1,114,449)	-
Net cash from investing activities		(1,004,744)	(3,230)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from sale of business		13,500,000	
Proceeds from borrowings		-	1,400,000
Repayment of borrowings		(1,477,433)	(30,602)
Repayment of lease liabilities		(78,726)	(68,606)
Transaction costs		(1,259,885)	-
Net cash from financing activities		10,683,956	1,300,297
Net increase / (decrease) in cash held		5,746,491	189,313
Effect of movements in exchange rates on cash held		-	116,014
Cash and cash equivalents at beginning of financial year		2,413,018	4,683,980
Cash flow from Continuing operations		5,746,491	305,327

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE
2024

	Note	Consolidated Group	
CONTINUING OPERATIONS		2024	2023
		\$	\$
Cash flow from Discontinued operations	11	(715,852)	(2,576,289)
Cash and cash equivalents at end of financial year	5	7,443,657	2,413,018
		<u>7,443,657</u>	<u>2,413,018</u>

The above Consolidated Statement of Cash Flows should be read in conjunction with the attached notes.

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The consolidated financial statements and notes represent those of Gathid Ltd and Controlled Entities (the “consolidated group” or “group”).

The separate financial statements of the parent entity, Gathid Ltd, have not been presented within this financial report as permitted by the Corporations Act 2001.

Note 1: Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). Significant accounting policies adopted in the preparation of these financial statements were presented in the 2023 Financial Report, have not changed in the current year and have been consistently applied 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 Workforce Access, Visitor Management and Presence Control businesses. As a result, only the Gathid Software (formerly Access Analytics) business stream will be retained, and the following financial statements have only applied the Reporting standards required to reflect a Discontinued operation.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Group	
	2024	2023
	\$	\$
a. Revenue from continuing operations		
Sales Revenue:		
- Subscription software and support and maintenance sales	604,593	279,986
- Consulting services	39,339	91,318
	643,933	371,305
- Interest received	364,063	-
- R&D Refund	160,760	443,881
	524,823	443,881

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Total Sales Revenue & Other Income	1,168,756	815,186

NOTE 3: LOSS BEFORE INCOME TAX

Loss before income tax from continuing operations includes the following specific expenses:

a. Expenses	2024	2023
	\$'000	\$'000
Employee benefits expense:		
- salaries and wages	2,198	1,489
- defined contribution superannuation expense	193	58
- employee share benefits expense	53	42
- payroll taxes	27	27
- Increase in employee benefit provisions	23	23
	2,494	1,639
Depreciation and amortisation expense:		
- depreciation expense	-	40
	-	40
Finance costs:	-	6
Other expenses:		
Rent expense	71	15
Travel and trade show expense	55	37
Professional and consulting expense	294	124
Cost of sales	116	46
Other expenses	1,174	146
Transaction costs	293	-
	2,003	368

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Included within total expenses for the year are costs incurred in respect of ongoing research and development activities. Although the group may be eligible to capitalise a portion of these costs for accounting purposes, a conservative approach has been taken and these costs have been expensed to the statement of profit or loss and other comprehensive income as incurred.

NOTE 4: LOSS PER SHARE

	2024	2023
	\$	\$
a. Reconciliation of earnings to profit or loss for Continuing operations:		
Profit/(Loss) Continuing operations	(3,393,129)	(1,239,501)
Earnings used to calculate basic loss per share	(3,393,129)	(1,239,501)
Earnings used in the calculation of dilutive loss per share	(3,393,129)	(1,239,501)
Reconciliation of earnings to profit or loss for Discontinued operations:		
Profit/(Loss) Discontinued operations	(1,633,131)	(8,142,038)
Earnings used to calculate basic loss per share	(1,633,131)	(8,142,038)
Earnings used in the calculation of dilutive loss per share	(1,633,131)	(8,142,038)
Gain on sale of discontinued operations	9,338,334	-
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted loss per share	263,524,821	262,105,669

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NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2024	2023
	\$	\$
Cash at bank and on hand	7,443,657	192,351
	7,443,657	192,351
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash at bank beginning of year	2,413,018	4,683,980
Cash flow continuing operations	5,746,491	305,327
Cash flow discontinued operations	(715,852)	(2,576,289)
Cash and cash equivalents per statement of cash flows	7,443,657	2,413,018
Continuing operation	7,443,657	192,351
Discontinued operations	-	2,220,667

The cash at bank above for FY23 is an estimate of the total balance that should be allocated to the Continuing operation based on a similar estimate basis used for other accounts items. This is based on an appropriate headcount allocation as the group was continuing to pay all liabilities of the combined business at 30 June 2023.

NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2024	2023
	\$	\$
CURRENT		
Trade receivables	57,225	213,993
R & D Refundable Tax Offset receivable	653,881	443,881
Other receivables	459,605	-
Accrued revenue	-	-
Total current trade and other receivables	1,170,711	657,874

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NOTE 7: TRADE AND OTHER PAYABLES

CURRENT

Trade payables	194,376	49,576
Current tax liabilities	49,420	-
Sundry payables	220,536	-
	464,332	49,576

NOTE 8: OTHER LIABILITIES

Consolidated Group

	2024	2023
	\$	\$
CURRENT		
Contract liabilities	436,457	375,000
	436,457	375,000

Contract liabilities

Contract liabilities are revenue received in advance of the performance obligations being fully satisfied. The liabilities relate to software as a service contracts for Gathid's customers.

NOTE 9: PROVISIONS

Consolidated Group

	2024	2023
	\$	\$
CURRENT		
Employee benefits – Annual and Long service leave	373,128	311,000
Provisions - Current	373,128	311,000

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	Consolidated Group	
	2024	2023
	\$	\$
NON-CURRENT		
Employee benefits – Long service leave	53,477	33,000
Provisions – Non - Current	53,477	33,000
	53,477	33,000

NOTE 10: ISSUED CAPITAL

a.	Ordinary Shares	Consolidated Group	
		No.	\$
	Balance at 1 July 2022	260,149,975	11,239,567
	Share movements during the 2023 financial year:		
	- Exercise of performance rights	1,806,527	21,678
	- Impact of changes in share price	-	(8,102,944)
	Balance at 30 June 2023	261,191,816	3,158,302
	Share movements during the 2024 financial year:		
	- Exercise of performance rights	333,025	6,764
	- Impact of changes in share price	-	1,578,382
	Balance at 30 June 2024 at Market Value	263,524,841	4,743,447
	Balance at 30 June 2024 at Issued Value	263,524,841	56,440,603

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NOTE 11: DISCONTINUED OPERATIONS

Description

On 30 June 2023, the Company entered into a Share Purchase Agreement with Bloom RC Holdings Inc. Under the terms of the Agreement the Company sold 100% of the issued share capital of RightCrowd Software Pty Ltd and RightCrowd NV for a purchase price of \$13,500,000 less amounts specified in the Agreement. These two companies, and their subsidiaries, operate the Company's Workforce Access, Visitor Management and Presence Control businesses. The Agreement was approved by the shareholders at an EGM held on the 24 August 2023. Following the sale, the Company's remaining business is its Access Analytics business. The consideration amount may be adjusted by Net Debt, Transaction costs and other items specified in the Agreement.

Financial performance information

The information in the 30 June 2024 column is for the discontinued operation for the period 1 July 2023 to 21 September 2023.

Discontinued operations		30 June 2024 (\$)	30 June 2023 (\$)
Revenue from contracts with customers		3,529,675	15,315,196
Other income		764,366	2,660,888
Cost of goods sold		(73,789)	(437,060)
Employee benefits expense		(3,576,681)	(15,630,520)
Depreciation and amortisation expense		(223,960)	(935,834)
Finance costs		(22,473)	(130,787)
Foreign currency gain /(loss)		110,620	(94,186)
Transactions cost on sale		(1,389,110)	-
Other expenses		(650,518)	(3,302,742)
Loss before income tax		(1,531,870)	(2,555,045)
Income tax expense		(101,261)	(36,417)
Loss after tax for the year		(1,633,131)	(2,591,462)
Impairment expense on discontinued operations		-	(5,548,035)
Net loss for the year		(1,633,131)	(8,139,497)

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Cash flow information

	30 June 2024 (\$)	30 June 2023 (\$)
Cash flow from discontinued operations		
Net cash (used in) from operating activities	(557,765)	(1,603,300)
Net cash (used in) from investing activities	-	(29,068)
Net cash (used in) from financing activities	(219,825)	(945,090)
Net cash (used in) discontinued operations	(728,852)	(2,577,459)
Foreign exchange differences	-	116,014

Carrying amounts of assets and liabilities disposed

	30 June 2024 (\$)	30 June 2023 (\$)
ASSETS		
Cash and cash equivalents	-	2,233,667
Trade and other receivables	-	4,749,568
Inventories	-	789,603
Short term deposits	-	5,320
Other assets	-	286,357
TOTAL CURRENT ASSETS	-	8,064,515
Property, plant and equipment	-	1,342,409
Other intangible assets	-	768,280
TOTAL NON-CURRENT ASSETS	-	2,110,689
TOTAL ASSETS	-	10,175,203
LIABILITIES		
Trade and other payables	-	(739,283)
Borrowings		(2,370,631)
Contract liabilities	-	(2,684,475)
Tax liabilities	-	2,022
Provisions	-	(1,440,072)
TOTAL CURRENT LIABILITIES	-	(7,232,439)
Provisions	-	(74,000)
TOTAL NON-CURRENT LIABILITIES	-	(74,000)
TOTAL LIABILITIES	-	(7,306,439)
NET ASSETS	-	2,868,764

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The FY23 Cash and cash equivalents line in the table above is an estimate of the total balance that should be allocated to the Discontinuing operation based on a similar estimate basis used for other accounts items. This is based on an appropriate headcount allocation. Under the purchase agreement with Bloom any cash net of debt borrowings, at the completion date will be retained by Gathid Ltd.

Accounting policy for discontinued operations

A discontinued operation is a component of the Company that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

NOTE 12: Net Tangible Asset Backing

AUD (\$)	1 July 2023 to 30 June 2024	1 July 2022 to 30 June 2023
Net tangible asset backing per ordinary share for continuing operation – based on number of shares at y/e	0.028	0.010

NOTE 13: Details of entities where control has been gained or lost over entities in the period

During the year ended 30 June 2024, Gathid Software Pty Ltd was set up as a wholly owned subsidiary of Gathid Ltd and as part of the transaction to sell the physical security business to Bloom RC Holdings, control of RightCrowd Software Pty Ltd, RightCrowd Europe, RightCrowd NV, RightCrowd Canada, RightCrowd Software Inc (USA) and RightCrowd Software Inc (Philippines) was lost.

Note 14: Details of Associates and Joint Ventures

There are no associates or joint ventures of the Company.

NOTE 15: Proceeds from sale of RightCrowd physical access business.

On 30 June 2023, the Company entered into a Share Purchase Agreement with Bloom RC Holdings Inc. Under the terms of the Agreement the Company sold 100% of the issued share capital of RightCrowd Software Pty Ltd and RightCrowd NV for a purchase price of \$13,500,000 adjusted for

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amounts specified in the Agreement. The final consideration is in dispute and remains in dispute notwithstanding receipt of an Expert Determination. The outcome of the dispute is not able to be reliably estimated at the date of these financial statements. Therefore, sales proceeds recognised in these financial statements reflect cash received to date. Total proceeds from sale and therefore the net result on sale recorded in these FY24 unaudited financial statements may change if the dispute is resolved prior to finalisation of the audited accounts for FY24. The information provided in the Appendix 4E is based on the information which will be contained in the FY24 Annual Report, which has been prepared in accordance with the Corporations Act 2001, and Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board.

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