

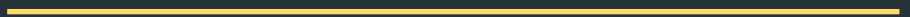


For personal use only

**Gathid Ltd**

**Appendix 4D - Interim Financial Report**

**31 December 2024**



## Appendix 4D

### Interim Financial Report (31 December 2024)

#### 1. Company details

Name of entity:	Gathid Ltd and its controlled entities
ABN:	20 108 411 427
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

#### 2. Results for announcement to the market

	31 December 2024 (\$)	Change on Prior Period
Revenue from continuing operations	661,651	Increase of 133%
Loss for the half year from continuing operations	(1,814,454)	Increase of 140%

Refer to the Review of Operations and Business Outlook included within the Directors' Report for commentary on the half-year's results, financial position, and likely developments in future years.

#### 3. Net tangible assets

	31 December 2024	30 June 2024
Net tangible assets per ordinary security (cents)	2.09	2.77

The net tangible asset per ordinary security is calculated based on 263,524,841 ordinary shares on issue at 31 December 2024 and 263,524,841 shares that were on issue at 30 June 2024.

#### 4. Entities over which control has been gained or lost during the period

There have been no changes in controlled entities during the period to 31 December 2024.

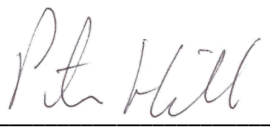
## 5. Dividends

No dividends have been paid or declared in the current reporting period or since the end of the reporting period.

## 6. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

**Signed**

Signed 

Date: 28 February 2025

**Peter Hill**  
**CEO**

**Gathid Ltd**  
**ABN 20 108 411 427**  
**Interim Financial Report**  
**(Half Year Ended 31 December 2024)**

**TABLE OF CONTENTS**

Directors report	5
Auditor's independence declaration	8
Condensed consolidated statement of profit or loss and other comprehensive income	9
Condensed consolidated statement of financial position	10
Condensed consolidated statement of changes in equity	11
Condensed consolidated statement of cash flows	13
Notes to the condensed consolidated financial statements	14
Directors' declaration	23
Independent Auditor's review report	24

Gathid Ltd is a Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is at Suite 205, 15 Lake Street, Varsity Lakes Queensland. Its shares are listed on the Australian Securities Exchange though they are currently suspended from trading.

Releases, financial reports and other information are available on our website:  
[www.gathidltd.com](http://www.gathidltd.com).

## Directors report

The directors of Gathid Ltd (the “Company”) present their report consisting of Gathid Ltd (“the Company”) and the entities it controlled (“the Group”) at the end of, or during, the half year ended 31 December 2024 and the review report thereon.

### **Directors**

The following persons were directors of the Company during the whole of the half-year and up to the date of this report:

Name	Period of Directorship
Robert Baker	Since 2017
Craig Davies	Since 2019
Peter Hill	Since 2004

### **Principal Activities**

The principal activity of the business is the development of, and sales and marketing of, the Gathid Software platform.

### **Review of Operations**

The Group’s loss before and after income tax for the half-year was \$1,814,454 (31 December 2023: loss of \$754,514 from continuing operations). The profit after tax for 31 December 2023 of \$6,950,689 included a loss on discontinued operations of \$1,633,131 and a gain on the sale of the RightCrowd Workforce Management and Presence Control business lines of \$9,338,334. This gain on sale was determined based on the sale price of the disposed business before the determination of the completion payment or any other adjustments under the Share Purchase Agreement (SPA). The financial statements included the results of the divested businesses to the time of divestment which were shown as discontinued operations throughout the financial statements.

The Group’s net loss from continuing operations shows a 140% increase on the net loss in the prior half year. This result reflects the first full six-month reporting period of the start-up phase of the Gathid Software platform and normal costs associated with corporate compliance activities.

Since the divestment and up to 31 December 2024, the focus of management and the Board has been to continue the establishment of the Gathid business and to finalise the completion of the financial adjustments per the SPA. From an operational perspective the Group has continued to build the business to support its customers and prospects including the continued development of the Gathid software platform. In the period covered by this report the company has signed 6 new enterprise customers, increased the sales opportunity pipeline and renewed the contracts of customers due to renew in the period.

## **Revenue**

Revenue for the half year from continuing operations was 661,651 (31 December 2023: \$284,297) representing a 133% increase on the same half year in the prior year. The increase in revenue reflects new customers since the prior comparative half year and the full half-year effect of contracts closed in earlier periods.

The Gathid Software business continues to concentrate its activities on an international go-to market campaign and as a result of this more than 50% of revenue is from customers based in North America.

## **Other Income**

The Group's other income from continuing operations totalled \$321,812 (31 December 2023: \$126,919) and includes accruals for the R&D rebate for Gathid Ltd for FY25 as well as interest income. Other income in the prior comparative period included only interest income.

## **Operating Expenses**

The Group's cost base has substantially changed following the divestment of the physical security business. The Group retained a small core of essential staff and has recruited additional staff to build on the market opportunity in the cyber-security and identity governance market. Staff costs are the largest line item in the operating expenses of the business.

During this half year period the business continued to incur costs relating to the business sale transaction and related dispute, \$155,917 (31 December 2023 \$1,389,110).

Costs are being carefully managed as the Group grows its enterprise customer base.

## **Cashflows**

The cashflow from continuing operations reflects how the business has carefully managed its operational cash to maintain the growth of the business in its start-up phase. The comparative cash flow also shows the inflow of the initial consideration from the transaction to sell the physical security business, the settlement of the funding facility with Rocking Horse LLC and the costs incurred in closing the transaction.

## **Financial Position**

The cash position on the 31st of December 2024 was \$5,641,047 (30 June 2024: 7,442,526). The balance at 31 December 2024 reflects the net loss for the six months then ended.

## **Business Outlook**

Gathid is currently on track to achieve its FY25 budget in terms of new Annual Recurring Revenue and cost base. The sales pipeline for the Gathid software platform is healthy and shows the increasing interest in the platform from prospects considered to be in the ideal customer profile. Management continues to focus on new customer acquisition, as well as retention of the existing customer base to build its position in this growing segment of the market. The identity and access management market is evolving, with ongoing investment activity reflecting strong demand for innovative solutions. Gathid is well-positioned to prosper in this dynamic environment and continue its growth.

### *Status of Settlement of Sale Completion Adjustments.*

As advised at the time of signing the SPA, the sale consideration is subject to a final adjustment to the sale amount ("Adjustment Amount") following the calculation of internal accounts at the date of completion.

Late in 2023, Bloom, the purchaser of the RightCrowd physical identity businesses, provided a completion statement which stated that an Adjustment Amount to the total purchase price of AU\$1,341,845 was owed by Gathid to Bloom under the Share Purchase Agreement ("SPA"). Gathid disputed Bloom's calculation of several referred items in the completion statement. Gathid and Bloom ultimately referred the disputed items in the completion statement to an Expert for determination. The Expert issued its determination in respect of each of the referred items ("Determination") in June 2024, however the Expert did not quantify the overall impact its assessment of the referred items has on the total Adjustment Amount payable by one party to the other under the SPA. Bloom's interpretation of the Determination is that Gathid owes \$666,891 to Bloom, which is disputed by Gathid. While Gathid has engaged in negotiations in an attempt to resolve this dispute, the parties remain in dispute over the total Adjustment Amount due under the SPA. In December 2024, Gathid received a letter serving Bloom's claim and statement of claim in the District Court of Queensland. Gathid is defending the proceedings and, on 6 February 2025, filed a defence and counter claim. Pursuant to the defence 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 Defence 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. At the date of this report, Bloom has requested further particulars of Gathid's defence and counterclaim, which Gathid is in the process of preparing.

As is customary for a business sale, any warranty claims must be made within the period specified in the SPA. Gathid received a letter in September 2024 from Bloom which referred to eight separate potential claims (of which five are potential warranty claims) under the SPA. The majority of matters raised by Bloom lacked particularisation and no actual claim was made. Gathid denies liability in respect of the matters raised. The Board is disappointed that the finalisation of the sale to Bloom has not been able to be resolved.

### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

Signed



Date: 28 February 2025

**Peter Hill**  
CEO

## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

### To the directors of Gathid Ltd

As lead auditor for the review of Gathid Ltd for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Gathid Ltd and the entities it controlled during the period.

William Buck

**William Buck (Qld)**  
ABN 21 559 713 106

M. Monaghan

**M J Monaghan**  
Partner

Brisbane, 28 February 2025

For personal use only



## Condensed consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2024

	Note	31 December 2024 (\$)	31 December 2023 (\$)
Revenue from contracts with customers	4	661,651	284,297
Other income	5	321,812	126,919
Cost of sales		(115,132)	(39,741)
Employee benefits expense		(1,908,074)	(600,454)
Depreciation		(3,535)	-
Transaction costs on sale of RightCrowd business		(155,917)	-
Other expenses	6	(637,644)	(525,535)
Foreign exchange gains realised		22,385	-
<b>Loss before and after income tax from continuing operations</b>		<b>(1,814,454)</b>	<b>(754,514)</b>
<b>(Loss) after income tax from discontinued operations</b>		<b>-</b>	<b>(1,633,131)</b>
<b>Gain on sale of discontinued business</b>		<b>-</b>	<b>9,338,334</b>
<b>Profit / (loss) for the half year</b>		<b>(1,814,454)</b>	<b>6,950,689</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Exchange differences on translation of continuing operation		-	110,000
Exchange differences on translation of discontinued operation		-	334,052
<b>Total other comprehensive income for the half year, net of tax</b>		<b>-</b>	<b>444,052</b>
<b>Total comprehensive income / (loss) for the half year</b>		<b>(1,814,454)</b>	<b>7,394,741</b>
<b>Total comprehensive income / (loss) for the half-year attributable to owners of the Company arises from:</b>			
Continuing operations		(1,814,454)	(644,514)
Discontinuing operations		-	8,039,255
		<b>(1,814,454)</b>	<b>7,394,741</b>
<b>Earnings per share (cents) from continuing operations attributable to owners of the Company</b>			
Basic and diluted (loss) per share (cents)		(0.69)	(0.2)
<b>Earnings per share (cents) from discontinued operations attributable to owners of the Company</b>			
Basic and diluted earnings / (loss) per share (cents)		-	3.1
<b>Earnings per share for profit / (loss) attributable to owners of the Company</b>			
Basic and diluted earnings / (loss) per share (cents)		(0.69)	2.8

The above condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

## Condensed consolidated statement of financial position

As at 31 December 2024

	Note	31 December 2024 (\$)	30 June 2024 (\$)
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		5,641,047	7,442,526
Trade and other receivables	7	1,476,473	1,170,711
Other assets		47,945	-
<b>TOTAL CURRENT ASSETS</b>		<b>7,165,465</b>	<b>8,613,237</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant, and equipment		16,598	9,167
<b>TOTAL NON-CURRENT ASSETS</b>		<b>16,598</b>	<b>9,167</b>
<b>TOTAL ASSETS</b>		<b>7,182,063</b>	<b>8,622,404</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		153,128	194,376
Contract liabilities	8	905,834	436,457
Tax liabilities		49,420	49,420
Provisions		413,056	372,162
Other liabilities		106,948	220,536
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,628,386</b>	<b>1,272,951</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		44,076	53,477
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>44,076</b>	<b>53,477</b>
<b>TOTAL LIABILITIES</b>		<b>1,672,462</b>	<b>1,326,428</b>
<b>NET ASSETS</b>		<b>5,509,601</b>	<b>7,295,976</b>
<b>EQUITY</b>			
Issued capital	10	56,440,603	56,440,603
Reserves		61,403	33,324
Accumulated losses		(50,992,405)	(49,177,951)
<b>TOTAL EQUITY</b>		<b>5,509,601</b>	<b>7,295,976</b>

The above condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Condensed consolidated statement of changes in equity

For the half year ended 31 December 2024

	Note	Issued capital (\$)	Accumulated losses (\$)	Foreign currency translation reserve (\$)	Share based payment reserve (\$)	Total (\$)
Balance at 1 July 2024		56,440,603	(49,177,951)	(218,962)	252,285	7,295,976
<b>Comprehensive income for the half year:</b>						
(Loss) for the half year		-	(1,814,454)	-	-	(1,814,454)
<b>Total comprehensive income for the half year</b>		-	<b>(1,814,454)</b>	-	-	<b>(1,814,454)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Share options and performance rights expensed / (credited) during the half year	9	-	-	-	28,080	28,080
<b>Total transactions with owners of the Company</b>		-	-	-	<b>28,080</b>	<b>28,080</b>
Balance at 31 December 2024		56,440,603	(50,992,405)	(218,962)	280,365	5,509,601

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Condensed consolidated statement of changes in equity

For the half year ended 31 December 2023

	Note	Issued capital (\$)	Accumulated losses (\$)	Foreign currency translation reserve (\$)	Share based payment reserve (\$)	Total (\$)
Balance at 1 July 2023		56,133,457	(54,473,722)	(663,014)	1,740,982	2,737,703
<b>Comprehensive income / (loss) for the half year:</b>						
Loss for the half-year		-	6,950,689	-	-	6,950,689
Other comprehensive income		-	-	444,052	-	444,052
<b>Total comprehensive income / (loss) for the half year</b>		-	<b>6,950,689</b>	<b>444,052</b>	-	<b>7,394,741</b>
<b>Transactions with owners in their capacity as owners:</b>						
Share options and performance rights expensed during the half year	9	-	-	-	(374,118)	(374,118)
<b>Total transactions with owners of the Company</b>		-	-	-	<b>(374,118)</b>	<b>(374,118)</b>
Balance at 31 December 2023		56,133,457	(47,523,033)	(218,962)	1,366,864	9,758,326

The above condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Condensed consolidated statement of cash flows

For the half year ended 31 December 2024

	Note	31 December 2024 (\$)	31 December 2023 (\$)
<b>Cash flows from operating activities</b>			
Receipts from customers		1,056,681	3,818,449
Payments to suppliers and employees		(2,983,867)	(6,204,258)
Transaction costs relating to the disposal of entities		-	(1,259,885)
Interest paid		-	(2,490)
Interest received		97,049	126,900
Income tax (paid) - refunded		14,854	(52,024)
<b>Net cash used in operating activities</b>		<b>(1,815,283)</b>	<b>(3,573,309)</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of entities, net of cash divested		-	11,024,511
Proceeds from / (payments for) other assets		(10,092)	119,769
<b>Net cash provided by / (used in) investing activities</b>		<b>(10,092)</b>	<b>11,144,280</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	(168,000)
Repayment of lease liabilities		-	(181,056)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(349,056)</b>
Net increase / (decrease) in cash and cash equivalents		(1,825,375)	7,221,915
Cash and cash equivalents at the beginning of the half-year		7,443,875	2,413,018
Effect of exchange rate changes on cash and cash equivalents		22,547	48,318
<b>Cash and cash equivalents at the end of the half-year (includes assets held for sale at 31 December 2023)</b>		<b>5,641,047</b>	<b>9,683,251</b>
<b>Cash flows of discontinued operations</b>		<b>-</b>	<b>(2,325,000)</b>

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

## Notes to the condensed consolidated financial statements

### 1. General information

The financial statements cover Gathid Ltd (the "Company") and its controlled entities ("the Group") as at and for the half year ended 31 December 2024. The Group's interim financial report is in Australian Dollars, which is the Company's functional and presentation currency.

Gathid Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 205, 15 Lake Street  
Varsity Lakes, QLD, 4227

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on . The directors have the power to amend and reissue the financial statements.

### 2. Material accounting policy information

The principal accounting policies adopted in the preparation of the financial statements are set out below. Unless otherwise stated, the same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

These general-purpose financial statements for the interim half-year reporting period 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

#### Historical cost convention

The financial statements have been prepared under the historical cost convention.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The application of these standards has not resulted in a material impact on the Group or its disclosures.

### 3. Use of judgements and estimates

In preparing these interim financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income, and expense. Actual results may differ from these estimates.

Except for the information disclosed in Note 12, the significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

### 4. Revenue from contracts with customers

Continuing Operations	31 December 2024 (\$)	31 December 2023 (\$)
Software as a Service (recognised over time)	547,428	246,797
Consulting (recognised at a point in time)	114,223	37,500
<b>Total:</b>	<b>661,651</b>	<b>284,297</b>

### Disaggregation of revenue from contracts with customers

The Group's continuing and discontinued operations as well as main revenue streams are those described in the last annual financial statements. In the following table, revenue is disaggregated by service/product line and timing of revenue recognition. The table also includes a reconciliation between the disaggregated revenue with the Group's reportable segments.

	Gathid Software (Access Analytics) <i>Continuing operations</i> (\$)		Workforce Management <i>Discontinued operations</i> (\$)		Presence Control <i>Discontinued operations</i> (\$)		Total (\$)	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
<b>Revenue by service line</b>								
Perpetual software (at a point in time)	-	-	-	32,300	-	-	-	32,300
Subscription software and support and maintenance (over time)	-	-	-	1,397,169	-	-	-	1,397,169
Consulting (at a point in time)	114,223	37,500	-	938,841	-	-	114,223	976,341
Software as a service (over time)	547,428	246,797	-	1,078,162	-	79,636	547,28	1,404,595
Presence control hardware (at a point in time)	-	-	-	1,060	-	2,126	-	3,186
<b>Total</b>	<b>661,651</b>	<b>284,297</b>	<b>-</b>	<b>3,447,532</b>	<b>-</b>	<b>81,762</b>	<b>661,651</b>	<b>3,813,591</b>
<b>Timing of recognition</b>								
Point in time recognition	114,223	37,500	-	972,201	-	2,126	114,223	1,011,827
Over time recognition	547,428	246,797	-	2,475,331	-	79,636	547,428	2,801,764
<b>Total:</b>	<b>661,651</b>	<b>284,297</b>	<b>-</b>	<b>3,447,532</b>	<b>-</b>	<b>81,762</b>	<b>651,651</b>	<b>3,813,591</b>



## 5. Other income

Continuing Operations	31 December 2024 (\$)	31 December 2023 (\$)
Research and development grant	180,000	-
Foreign currency gain on transactions	-	-
Other income	141,812	126,919
<b>Total:</b>	<b>321,812</b>	<b>126,919</b>

The Group receives a research and development rebate from the Australian Taxation Office each year based on qualifying research and development expenditure incurred.

The Group has a research and development incentive receivable of \$833,881 (30 June 2024: \$653,881) which relates to claims from the 2023 and 2024 financial years and an estimate for the half year for the 2025 financial year.

## 6. Other expenses

Continuing Operations	31 December 2024 (\$)	31 December 2023 (\$)
Rental etc	46,675	45,883
Travel & Trade Shows	40,795	22,217
Professional and consulting	119,954	135,217
Advertising and marketing	168,035	81,931
Communication	3,525	6,941
Software and IT	165,253	59,918
Insurance	29,509	15,244
Bank and Finance charges	342	60,758
Other expenses	63,556	97,427
<b>Total:</b>	<b>637,644</b>	<b>525,535</b>

## 7. Trade and other receivables

	31 December 2024 (\$)	30 June 2024 (\$)
<b>Trade receivables:</b>		
Trade receivables arising from contracts with customers	181,773	57,225
Less: allowance for expected credit loss	-	-
	<b>181,773</b>	<b>57,225</b>
<b>Other receivables:</b>		
Research and development grant receivable	833,881	443,881
Other receivables	460,819	669,605
	<b>1,294,700</b>	<b>1,113,486</b>
<b>Total:</b>	<b>1,476,473</b>	<b>1,170,711</b>

The Group's trade receivables have increased since the end of the FY24 financial year due to some new contracts closed in the second quarter of the year.

The Other receivables summary includes claims from the 2023 financial year and estimates for grants receivable for the 2024 financial year and the first half of the 2025 financial year.

## 8. Contract Liabilities

	31 December 2024 (\$)	30 June 2024 (\$)
Contract Liability - Software Subscription	893,828	430,833
Contract Liability - Services	12,006	5,623
	<b>905,834</b>	<b>436,457</b>

Contract liabilities relate to invoices raised in respect of Software Subscription revenue (software as a service) and services (installation and configuration services), for which the related performance obligations under the contracts have not been met as at end of the period. The performance obligations for Software Subscription revenue will be satisfied over the underlying contract periods, which are typically over a period of 12 months. For services revenue the performance obligations are generally met in the first month of a new subscription contract.

## 9. Share based payment arrangements

The Group issued a new tranche (Tranche D) of performance rights on 9 October 2024 which were accounted for as share-based payment transactions in accordance with AASB 2 *Share-based Payment*. The rights were valued using a Black Scholes valuation model, the key inputs and assumptions of which are set out below:

	Tranche D
Number of performance rights granted	15,245,050
Exercise price	-
Grant date	09/10/2024
Vesting date	09/10/2025
Expiry date	09/10/2034
Vesting period (years)	1.0
Volatility	102%
Dividend yield	0%
Risk-free interest rate	2.16%
Fair value at grant date	\$274,411

The Group had previously issued three tranches of performance rights in prior periods with the following details.

	Tranche A	Tranche B	Tranche C
Number of performance rights (originally granted)	1,716,774	4,029,806	8,153,982
Exercise price	-	-	-
Grant date	28/02/2020	28/02/2020	29/10/2021
Vesting date	30/09/2020	30/09/2021	30/09/2023
Expiry date	30/09/2030	30/09/2031	30/09/2033
Vesting period (years)	0.6	1.5	1.9
Volatility	68%	68%	69%
Dividend yield	0%	0%	0%
Risk-free interest rate	1.12%	1.12%	0.99%
Fair value at grant date	\$309,019	\$685,067	\$1,241,027

The below is a reconciliation of the number of performance rights from 1 July 2024 to 31 December 2024:

	Tranche A	Tranche B	Tranche C	Tranche D
Opening balance at 1 July 2024	260,772	779,850	632,700	-
Awarded	-	-	-	15,245,050
Not awarded or forfeited (b)	-	-	-	(400,000)
Closing balance at 31 December 2024 (a)	260,772	779,850	632,700	14,845,050

(a) All performance rights outstanding in Tranches A to C at 31 December 2024 are fully vested and may be exercised by the holder by the expiry date noted in the above table. Performance rights in Tranche D have not vested based on the conditions of the Employee Share Plan.

(b) Rights which were forfeited following the end of employment or where vesting conditions were not met. The cumulative expense for any rights is reversed to the profit and loss to reflect the number of rights that ultimately vested.

The total share-based payment expense / (income) recognised in the employee benefits expense line of the condensed consolidated statement of profit or loss and other comprehensive income is:

Gathid Long Term Incentive Plan	Amount recognised in profit or loss	
	31 December 2024 (\$)	31 December 2023 (\$)
Tranche C	-	(374,118)
Tranche D	28,080	-
<b>Total share-based payment expense</b>	<b>28,080</b>	<b>(374,118)</b>

No other share-based payment arrangements were issued during the year.

## 10. Issued capital

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value, and the Company does not have a limited amount of authorised capital. Holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

There is no current on-market share buy-back.

The capital risk management policy remains unchanged from the most recent annual financial statements for the year ended 30 June 2024.

The following is a reconciliation of the movement in issued capital:

	31-Dec-24 (# of Shares)	31-Dec-24 \$	31-Dec-23 (# of Shares)	31-Dec-23 \$
Opening balance at 1 July	263,524,841	56,440,603	263,191,816	56,133,457
Exercise of performance rights	-	-	226,089	-
<b>Closing balance at 31 December</b>	<b>263,524,841</b>	<b>56,440,603</b>	<b>263,417,905</b>	<b>56,133,457</b>

The Group issued 0 (31 December 2023: 226,089) shares to eligible employees through exercise of vested performance rights issued from Tranche A, B, and C of the Gathid long term incentive plan. No shares were issued from Tranche D of the plan.

## 11. Operating segments

The Group only has one operating segment (Gathid Software) following the disposal of the physical security business lines on 21 September 2023 and the operating results have been covered in the Group's financial statements.

## 12. Commitments and contingencies

### Sale of Physical security business lines

As disclosed in the FY 24 Annual Report, the Group sold the physical security business lines to Bloom, with the completion of the sale on 21 September 2023. The Group indicated in its announcement on 25 September 2023 that, pursuant to the terms of the Agreement between the Group and Bloom, there would be a final adjustment to the sale amount ("Adjustment Amount") following the calculation of internal accounts at the date of completion. Since that time, the Group has been working through the process with Bloom to assess and agree the Adjustment Amount in relation to the final consideration value for the sale.

Bloom provided a completion statement which stated that an Adjustment Amount of AU\$1,341,815 is owed by the Group to Bloom. The Group disputed the calculations in Bloom's Completion Statement on the basis that Bloom's calculations of net debt, net working capital and, subsequently, the Adjustment Amount do not correctly reflect the applicable accounting principles and various other provisions in the Agreement. The Group considers that a correct calculation of the Adjustment Amount results in an amount owing to the Company of AU\$2,200,640. Gathid and Bloom ultimately referred the disputed items in the completion statement to an Expert for determination. The Expert issued its determination in respect of each of the referred items ("Determination") in June 2024, however the Expert did not quantify the overall impact its assessment of the referred items has on the total Adjustment Amount payable by one party to the other under the SPA. Bloom's interpretation of the Determination is that Gathid owes \$666,891 to Bloom, which is disputed by Gathid. In December 2024, Gathid received a letter serving Bloom's claim and statement of claim in the District Court of Queensland. Gathid is defending the proceedings and, on 6 February 2025, filed a defence and counter claim. Pursuant to the defence 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 Defence 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. At the date of this report, Bloom has requested further particulars of Gathid's defence and counterclaim, which Gathid is in the process of preparing.

As is customary for a business sale, any warranty claims must be made within the period specified in the SPA. Gathid received a letter in September 2024 from Bloom which referred to eight separate potential claims (of which five are potential warranty claims) under the SPA. The majority of matters raised by Bloom lacked particularisation and no actual claim was made. Gathid denies liability in respect of the matters raised.

The Directors currently cannot ascertain with reasonable certainty the final outcome of the expert determination and have therefore not included any amount in the financial statements for the half year ended 31 December 2024.

#### Other commitments and contingencies

The Directors are not aware of any other commitments or contingencies relating to the group as at 31 December 2024 (30 June 2024: Nil).

### **13. Events after the reporting period**

Except for the matter disclosed in Note 12, no matters or circumstances has arisen since 31 December 2024 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

### **14. Related party transactions**

There are no related party transactions other than remuneration included in the financial statements for this period. In the same period for the previous financial year, the Group was party to a month-by-month, market-rate, property lease for an office at 5 Prosper Crescent, Burleigh Heads with The Prosper Trust, which is owned by Peter Hill, the CEO of Gathid Ltd. The Group incurred \$40,500 in respect of this lease for the half year to December 2023.

## Directors Declaration

In the directors' opinion:

(a) the condensed consolidated interim financial report and notes set out on pages 8 to 28, are in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance, for the half year period ended on that date; and
- (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

Signed Peter Hill

Date: 28 February 2025

**Peter Hill**  
**Director**

## Independent auditor's review report to the members of Gathid Ltd

### Report on the half-year financial report



#### Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Gathid Ltd (the Company), and its subsidiaries (the Group) does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### What was reviewed?

We have reviewed the accompanying half-year financial report of the Group, which comprises:

- the consolidated statement of financial position as at 31 December 2024,
- the consolidated statement of profit or loss and other comprehensive income for the half-year then ended,
- the consolidated statement of changes in equity for the half-year then ended,
- the consolidated statement of cash flows for the half-year then ended,
- notes to the financial statements, including material accounting policy information, and
- the directors' declaration.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

For personal use only



## Other Matter

The financial report of the Group for the year ended 30 June 2024 was audited by another auditor who expressed a disclaimer of opinion on the financial report on 31 October 2024, as they were unable to determine whether any adjustments were necessary in respect of the recorded net loss of the discontinued operation to the date of disposal, the gain on sale of the business or other amounts related to the sale due to the lack of books and records and the dispute over the final consideration.

## Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

William Buck

**William Buck (Qld)**  
ABN 21 559 713 106

M. Monaghan

**M J Monaghan**  
Partner

Brisbane, 28 February 2025

For personal use only