

February 29, 2024

## Gathid Ltd – ASX:GTH – Physical Security Business Sale Update and Half-Year Financial Report

Gathid Limited (**ASX: GTH**) (“**Gathid**” or the “**Company**”) refers to its previous announcements on 4 July 2023 and 25 September 2023 regarding the sale of its Workforce Access, Visitor Management and Presence Control businesses to Bloom RC Holdings, Inc (“**Bloom**”) for \$13,500,000, which completed on 25 September 2023.

The Company indicated in its announcement on 25 September 2023 that, pursuant to the terms of a share purchase agreement entered into between Gathid and Bloom (“**Sale Agreement**”) there would be a final adjustment to the sale amount (“**Adjustment Amount**”) following the calculation of internal accounts at the date of completion.

Bloom has provided a completion statement which states that an Adjustment Amount of AU\$1,341,845 is owed by Gathid to Bloom.

Gathid disputes 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 Sale Agreement. The Company considers that a correct calculation of the Adjustment Amount results in an amount owing to the Company of over AU\$2,000,000. Negotiations between the parties have taken place but no agreement in respect of the Adjustment Amount has been reached. Therefore, in accordance with the provisions of the Sale Agreement, the dispute has been referred to an expert for determination. The expert’s determination shall be final and binding, and it is expected that this determination will be made late in the first quarter of 2024.

As a result of the complexities arising from this matter, the half-year financial statements have not been able to be completed in a timely manner. We expect they will be finalised within two weeks.

**ENDS**

**This announcement is authorised for release by the Board of Directors.**

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