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**Houston We Have Limited  
And Controlled Entities**

ABN: 48 142 901 353

**CONSOLIDATED INTERIM FINANCIAL REPORT  
For the Half Year Ended 31 December 2020**

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## Corporate Directory

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### Directors

Andrew Grover	Executive Chairman
Elizabeth Whitelock	Managing Director and Chief Executive Officer
Steven Formica	Non-Executive Director

### Company Secretary

Lisa Wynne

### Business Office

Level 3, 33-35 Atchison Street  
St Leonards NSW 2065  
Telephone: +61 9146 4742

### Registered Office

Level 11, London House  
216 St Georges Terrace  
Perth WA 6000  
Telephone: +61 8 9481 0389  
Facsimile: +61 8 9463 6103

### Website & Email

[www.houstonwehave.ai](http://www.houstonwehave.ai)  
[investor@houstonwehave.ai](mailto:investor@houstonwehave.ai)

### Share Registry

Computershare Investor Services Pty Ltd  
Level 11, 172 St Georges Terrace  
Perth WA 6000  
Telephone: 1300 850 505  
Facsimile: +61 3 9473 2500  
Email: [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au)

### Auditors

KPMG  
Level 11, Corporate Centre One  
Cnr Bundall Road and Slater Avenue  
Bundall QLD 4217

### Securities Exchange

Australian Securities Exchange [ASX: HWH]

## Directors' Report (Continued)

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The Directors present the financial report of the Consolidated Entity for the six months ended 31 December 2020, together with review report thereon. The Consolidated Entity consists of Houston We Have Limited (the Company) and the entities it controlled at period end or from time to time during the financial period.

### Directors

The names of Directors who held office during or since the end of the period:

Andrew Grover                      Executive Chairman

Andrew has 25 years' experience in management, business development, sales & marketing, administration and technology across a diverse range of industries. As a founder and investor in numerous innovative companies, Andrew's businesses have been featured in BRW Fast 100 and Deloitte's Fast 50 over several years. Andrew has had several successful exits and has consulted to medium and top 100 companies. Andrew was also CEO of an executive recruitment agency which was acquired by an ASX listed company.

Elizabeth Whitelock              Managing Director and Chief Executive Officer

Elizabeth is a co-founder of Houston We Have Software Pty Ltd and is the Consolidated Entity's CEO. Elizabeth started her career in the UK working for the Metropolitan Police Force and has over 25 years' experience in senior management and CEO roles. Elizabeth has worked with organisations such as IBM, Information Builders, SAS, Ingres and Microstrategy. These roles have all shared a focus on Information Management Products and Services and have highlighted her strengths in strategic communications, sales, marketing partner programs while cementing customer relationships.

Steven Formica                    Non-Executive Director

Steven brings to the Consolidated Entity practical management and business development experience. He has been a successful businessman and operations manager for over 30 years in several privately held business ventures including manufacturing, construction, landscape contracting, property development and integrated wholesale and retail businesses. More recently he has been a successful investor and non-executive director in mineral resource companies.

Antanas Guoga                    Non-Executive Director (resigned 25 September 2020)

Tony is an entrepreneur, philanthropist and the founder of the Blockchain Centre in Vilnius, Lithuania. He was a member of the European Parliament for Lithuania (2014-2019) including being a member of the European People's Party Group and worked on a range of digital policies in the Internal Market and Consumer Protection Committee. Tony has also held roles as investment advisor to the Mayor of Vilnius and Olympic Attache for the Lithuanian Team at the 2012 London Olympic Games. Tony contributes experience in digital start-ups, business development, management and venture capital.

### Company Secretary

Lisa Wynne has held office as the Company Secretary since her appointment on 11 December 2020 and since the end of the period. Ben Secrett held office until his resignation on 11 December 2020.

### Review of Results and Operations

#### Results Overview

The Consolidated Entity reported a loss for the half year ended 31 December 2020 of \$1,117,302 (31 December 2019: loss of \$1,944,355).

## **Directors' Report (Continued)**

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Included in the loss for the half year were non-cash Share Based Payments expenses of \$631,095, for options issued (as outlined in detail in notes 12 and 13 to the financial statements) and director fees.

Operating revenue for the half year totalled \$501,815 and operating expenses (excluding Share Based Payments expense) totalled \$1,244,812.

### Key Business Activities

During the half, the Group continued its services with the Australian Department of Defence, and this remains the Group's largest contract by value. Despite COVID-19 restrictions, digital client service and delivery was undertaken to increase understanding of the Group's technology and its capability.

The first half of the financial year also saw:

- An agreement with Accenture which allows Accenture to sell The Group's patented AI technology to its clients;
- An agreement with marketplace lending platform Marketlend which sees an annual license fee as well as a per-transaction fee; and
- Additional services in health insurance with funds QCHF and ARHG, including the development of lapsing models and benchmarking of alternative therapy provider service delivery.

### **Financial Position and Cash Flow**

The net assets of the Group as at 31 December 2020 totalled \$2,678,015 compared with \$3,124,222 at 30 June 2020.

The net cash outflow for the Group for the half totalled \$701,840 (31 December 2019: net cash inflow of \$2,888,998).

Cash outflows from operations totalled \$691,282 compared with outflows \$1,010,184 for 31 December 2019, noting that the current period includes receipt of \$226,340 for the government Cash Boost and JobKeeper programs.

The total of investing cash outflows for the period was nil, compared with \$310,074 for the half year to 31 December 2019 (which included the acquisition of Prometheus, net of cash acquired on acquisition of \$245,740).

Net cash outflows from financing activities for the half year to 31 December 2020 was \$10,558. For the prior comparative period, net cash inflows from financing activities totalled \$4,209,556, including an inflow of \$5,400,000 from capital raising, less \$407,698 in cash settled capital raising costs, and the repayment of \$782,746 in borrowings and convertible notes.

### **Dividends**

No dividends were paid during the period and no recommendation is made as to payment of dividends.

### **Events Subsequent to Reporting Date**

There are no matters or circumstances have arisen since the end of the period which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial years.

## Directors' Report (Continued)

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### Lead Auditor's Independence Declaration

The auditor's independence declaration for the period ended 31 December 2020 has been received and is included within the financial statements.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3) of the Corporation Act 2001. Signed in accordance on behalf of the Directors.



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Andrew Grover  
Executive Chairman

26 February 2021

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

To the Directors of Houston We Have Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Houston We Have Limited for the half-year ended 31 December 2020 there have been:

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

KPMG

Jeff Frazer  
*Partner*

Gold Coast

26 February 2021

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**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**Half Year Ended 31 December 2020**

		<b>Consolidated Entity 31 December 2020 \$</b>	<b>Consolidated Entity 31 December 2019 \$</b>
	<b>Note</b>		
<b>Revenue</b>	4	501,815	209,492
<b>Other income</b>	5	256,790	7,708
Audit fees		(50,175)	(42,400)
Consulting and professional fees		(196,847)	(142,525)
Employee costs		(753,065)	(545,494)
Finance expenses		(992)	(13,512)
Marketing and public relations expense		-	(5,124)
Non-Executive Directors' fees		(34,702)	(33,823)
Depreciation and amortisation		(106,146)	(30,276)
Other expenses		(75,062)	(141,609)
Share based payments expenses – Directors' and consultants' fees	13	(631,095)	(1,118,019)
Share of net profits/(losses) of equity accounted associates and joint ventures		198	114
Share registry and listing fees		(28,021)	(77,211)
Acquisition costs		-	(11,676)
<b>Loss before tax</b>		<b>(1,117,302)</b>	<b>(1,944,355)</b>
Income tax benefit/(expense)		-	-
<b>Net loss for the year</b>		<b>(1,117,302)</b>	<b>(1,944,355)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(1,117,302)</b>	<b>(1,944,355)</b>
Basic loss per share (cents)	14	(0.43)	(1.01)
Diluted loss per share (cents)	14	(0.43)	(1.01)

The accompanying notes form part of these consolidated financial statements.

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**Consolidated Statement of Financial Position  
As At 31 December 2020**

	Note	Consolidated Entity 31 December 2020 \$	Consolidated Entity 30 June 2020 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	2,775,264	3,477,104
Trade and other receivables	7	223,927	86,282
<b>Total Current Assets</b>		2,999,191	3,563,386
<b>Non-Current Assets</b>			
Investments in associates and joint ventures		4,545	4,346
Plant and equipment	8	46,485	62,381
Right of use asset		11,553	12,429
Intangible assets and goodwill	9	428,080	507,375
<b>Total Non-Current Assets</b>		490,663	586,531
<b>Total Assets</b>		3,489,854	4,149,917
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	277,749	477,597
Lease liability		23,084	32,076
Employee benefits	11	197,690	173,595
Contract liabilities – unearned income	4	309,008	327,769
<b>Total Current Liabilities</b>		807,531	1,011,037
<b>Non-Current Liabilities</b>			
Lease liability		-	11,750
Employee benefits	11	4,308	2,909
<b>Total Non-Current Liabilities</b>		4,308	14,659
<b>Total Liabilities</b>		811,839	1,025,695
<b>Net Assets</b>		2,678,015	3,124,222
<b>EQUITY</b>			
Contributed equity	12	20,456,670	20,356,670
Reserves	13	2,067,697	1,496,602
Accumulated losses		(19,846,352)	(18,729,050)
<b>Total Equity</b>		2,678,015	3,124,222

The accompanying notes form part of these financial statements.

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**Consolidated Statement of Changes in Equity**  
**Half Year Ended 31 December 2020**

	Note	Contributed Equity \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2020</b>		<b>20,356,670</b>	<b>1,496,602</b>	<b>(18,729,050)</b>	<b>3,124,222</b>
Equity issues	12	100,000	-	-	100,000
Capital raising costs	12	-	-	-	-
Share based payments	13	-	571,095	-	571,095
Loss for the period		-	-	(1,117,302)	(1,117,302)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(1,117,302)	(1,117,302)
<b>Balance at 31 December 2020</b>		<b>20,456,670</b>	<b>2,067,697</b>	<b>(19,846,352)</b>	<b>2,678,015</b>

<b>Consolidated Entity</b>					
		Contributed Equity \$	Share Based Payments Reserve \$	Accumulated Losses \$	Total \$
<b>Balance at 1 July 2019</b>		<b>15,530,264</b>	<b>63,400</b>	<b>(16,058,358)</b>	<b>(464,694)</b>
Equity issued	12	5,513,104	-	-	5,513,104
Capital raising costs	12	(686,698)	-	-	(686,698)
Share based payments	13	-	1,319,638	13,109	1,332,747
Loss for the period		-	-	(1,944,355)	(1,944,355)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		-	-	(1,944,355)	(1,944,355)
<b>Balance at 31 December 2019</b>		<b>20,356,670</b>	<b>1,383,038</b>	<b>(17,989,604)</b>	<b>3,750,104</b>

The accompanying notes form part of these consolidated financial statements.

**Consolidated Statement of Cash Flows**  
**Half Year Ended 31 December 2020**

	Note	Consolidated Entity 31 December 2020 \$	Consolidated Entity 31 December 2019 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		525,945	139,426
Payments to suppliers and employees		(1,442,575)	(1,141,599)
Interest received		-	7,709
Interest paid		(992)	(15,720)
Receipts from grants		226,340	-
Net cash from / (used in) operating activities		(691,282)	(1,010,184)
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		-	(56,113)
Acquisition of subsidiary		-	(500,000)
Acquired cash		-	245,740
Investment in associate		-	(1)
Net cash from / (used in) investing activities		-	(310,374)
<b>Cash flows from financing activities</b>			
Proceeds from equity issues	12	-	5,400,000
Payment for costs of equity issues		-	(407,698)
Repayment of lease liabilities		(10,558)	-
Repayment of convertible notes		-	(520,300)
Repayment of borrowings		-	(262,446)
Net cash provided from / (used in) financing activities		(10,558)	4,209,556
Net increase/(decrease) in cash held		(701,840)	2,888,998
<b>Cash and cash equivalents at beginning of the period</b>		<b>3,477,104</b>	<b>714,039</b>
<b>Cash and cash equivalents at period end</b>	<b>6</b>	<b>2,775,264</b>	<b>3,603,037</b>

The accompanying notes form part of these consolidated financial statements.

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## Notes to the Financial Statements For the Half Year Ended 31 December 2020

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The condensed consolidated financial report covers Houston We Have Limited and its controlled entities (the Group or Consolidated Entity). Houston We Have Limited is a listed public company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity primarily involved in product development, marketing and commercialisation of software, products and services. Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. The financial report was authorised for issue by the Directors on 26 February 2021.

### 1. Basis of preparation

The interim consolidated financial statements for the half year ended 31 December 2020 have been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements of Houston We Have Limited and its controlled entities as at and for the year ended 30 June 2020, which are available upon request from the Company's registered office at level 3, 33-35 Atchison Street, St Leonards, New South Wales 2065.

### Going concern

The financial statements have been prepared on a going concern basis which assumes continuity of normal business activities and realisation of assets and the settlement of liabilities in the ordinary course of business. The Consolidated Entity recorded a loss for the period ended 31 December 2020 of \$1,117,302 (2019: loss of \$1,944,355) and used \$691,282 of cash in operations. The Group had cash and cash equivalents of \$2,775,264 (30 June 2020: \$3,477,104), net assets of \$2,678,015 at 31 December 2020 (30 June 2020: \$3,124,222), and a net current asset position of \$2,191,660.

Management have prepared cash flow projections for the period up to 31 March 2022 that support the Group's ability to continue as a going concern. These cash flows assume the Group will incur net operating cash outflows in the 2021 financial year, as it continues to invest in the research, development and commercialisation of its technology and that the Group maintains expenditures in line with available funding. Sufficient cash reserves are forecast to be maintained during the forecast period.

The directors believe the Group has the ability to meet its debts as and when they fall due for the reasons outlined above.

### 2. Summary of significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2020, unless otherwise stated. The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. A number of new standards are effective from 1 July 2020 but they do not have a material impact to the group's financial statements.

### 3. Critical accounting estimates and judgements

The Directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are consistent with those made at 30 June 2020.

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2020**

	<b>Consolidated Entity 31 December 2020 \$</b>	<b>Consolidated Entity 31 December 2019 \$</b>
<b>4. Revenue</b>		
a. Details of revenue		
Software licence and consulting revenue	501,815	209,492
	<b>501,815</b>	<b>209,492</b>
b. Contract balances		

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers

	<b>31 December 2020 \$</b>	<b>30 June 2020 \$</b>
Receivables which are included in trade and other receivables	55,490	42,033
Contract assets	36,000	-
Contract liabilities	(309,008)	(327,769)

The contract assets relate primarily to the Group's rights to consideration for work completed but not billed at reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Group issues an invoice to the customer.

The contract liabilities relate to the advance consideration received from customers for licenses or services for which revenue is recognised over time.

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**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2020**

**4. Revenue (continued)**

c. Disaggregation of revenue

The Group has reviewed its revenue streams in a manner consistent with 30 June 2020 and provides the following disaggregated information:

Performance obligation	Timing of revenue recognition	31 December 2020 \$	31 December 2019 \$
Provision of software licenses, hardware and installation	Point in time on acceptance by the customer	-	9,560
Software updates, SaaS, technical environment and support services	Over time, over the term of the contracted service period	339,593	135,740
Integration services	Point in time, on integration of the software	-	31,300
Training and consulting services	Over time, as and when services are performed	128,072	32,892
Software licenses as agent	Over time, over the term of the contracted service period	34,150	-
		<b>501,815</b>	<b>209,492</b>
<b>5. Other Income</b>			
Interest income		-	7,708
Government subsidies (Cash Boost and JobKeeper)		256,790	-
		<b>259,790</b>	<b>7,708</b>

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**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2020**

	<b>Consolidated Entity 31 December 2020 \$</b>	<b>Consolidated Entity 30 June 2020 \$</b>
<b>6. Cash and Cash Equivalents</b>		
Cash at bank	2,775,165	3,477,005
Cash on hand	99	99
	<b>2,775,264</b>	<b>3,477,104</b>

	<b>Consolidated Entity 31 December 2020 \$</b>	<b>Consolidated Entity 30 June 2020 \$</b>
<b>7. Trade and Other Receivables</b>		
Trade receivables	55,490	42,033
Provision for impairment of trade receivables	-	-
Contract assets (note 4(b))	36,000	-
GST receivable	51,422	12,079
Other receivables (i)	31,185	31,276
Prepayments	49,830	894
	<b>223,927</b>	<b>86,282</b>

(i) Other receivables includes government grants receivable under the JobKeeper program.

	<b>Consolidated Entity 31 December 2020 \$</b>	<b>Consolidated Entity 30 June 2020 \$</b>
<b>8. Plant and Equipment</b>		
<u>Historical Cost</u>		
Balance at beginning of period	78,830	-
Additions	-	78,830
Balance at end of period	<b>78,830</b>	<b>78,830</b>
<u>Accumulated Depreciation</u>		
Balance at beginning of period	(16,449)	-
Depreciation	(15,896)	(16,449)
Balance at end of period	<b>(32,345)</b>	<b>(16,449)</b>
<u>Carrying Amounts</u>		
Balance at beginning of period	62,381	-
Balance at end of period	<b>46,485</b>	<b>62,381</b>

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2020**

	<b>Consolidated Entity 31 December 2020 \$</b>	<b>Consolidated Entity 30 June 2020 \$</b>
<b>9. Intangibles and Goodwill</b>		
Intellectual property	21	65
Other software	7,259	9,710
Software acquired (i)	281,600	358,400
Goodwill (ii)	139,200	139,200
	428,080	507,375

- (i) Fair value on acquisition of \$460,800 less amortisation of \$179,200.
- (ii) The Group performs its impairment test on an annual basis, or more frequently when circumstances indicate that the carrying value may be impaired. The directors and management have not identified any indicators for impairment at period end. As there were no indicators for impairment, management has not updated its impairment test

	<b>Consolidated Entity 31 December 2020 \$</b>	<b>Consolidated Entity 30 June 2020 \$</b>
<b>10. Other Payables</b>		
Accrued share based payments – Directors' fees	60,000	100,000
PAYG and superannuation payable	51,350	57,351
GST payable	6,746	39,889
Sundry payables and accrued expenses	147,444	230,317
Trade creditors	12,209	50,040
	277,749	477,597

	<b>Consolidated Entity 31 December 2020 \$</b>	<b>Consolidated Entity 30 June 2020 \$</b>
<b>11. Employee benefits</b>		
<u>Current</u>		
Annual leave	132,830	112,053
Long service leave	64,860	61,542
	197,690	173,595
<u>Non-Current</u>		
Long service leave	4,308	2,909
	4,308	2,909



**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2020**

	<b>Consolidated Entity 31 December 2020</b>		<b>Consolidated Entity 30 June 2020</b>	
	<b>No. of Ordinary Shares</b>	<b>\$</b>	<b>No. of Ordinary Shares</b>	<b>\$</b>
<b>12. Contributed Equity</b>				
At 1 July	257,757,713	20,356,670	741,304,799	15,530,264
Consolidation of capital (i)	-	-	(667,174,229)	-
Share issue: reinstatement to quotation on official ASX list (ii)	-	-	180,000,000	5,400,000
Share issue: in lieu of Directors' fees (iii)	4,000,000	100,000	1,170,134	13,104
Share issue: acquisition of Prometheus Information Pty Ltd (iv)	-	-	2,457,002	100,000
Share issue: Performance B shares conversion (v)	-	-	7	-
Capital raising costs (ii)	-	-	-	(686,698)
Contributed equity at end of period	<b>261,757,713</b>	<b>20,456,670</b>	<b>257,757,713</b>	<b>20,356,670</b>

- (i) On 15 August 2019 the Group effected a 10:1 consolidation of its share capital.
- (ii) On 3 September 2019 the Group issued 180,000,000 shares at \$0.03 per share for cash totalling \$5,400,000. There were no amounts unpaid on the shares issued. Costs associated with raising capital and issuing shares totalled \$686,698.
- (iii) On 11 September 2020 4,000,000 shares at \$0.04 per share were issued to Mr A Grover for director fees for the year ended 30 June 2020. In the prior year, on 30 August 2019, 1,170,134 shares at \$0.03 per shares were issued to directors in lieu of directors' fees.
- (iv) On 31 October 2019 2,457,002 shares at \$0.0407 per share were issued as part of the consideration for the acquisition of Prometheus Information Pty Ltd.
- (v) On 31 October 2019 7 ordinary shares were issued subsequent to the expiry of Class B Performance Shares.
- (vi) In the prior year, on 4 April 2019, the Group issued 10,000,000 fully paid ordinary shares to King Corporate for corporate advisory services.

	<b>Consolidated Entity 31 December 2020 No.</b>	<b>Consolidated Entity 30 June 2020 No.</b>
<u>Performance shares</u>		
Balance at beginning of period	11,500,000	30,000,000
Consolidation of capital	-	(27,000,000)
Lapse of performance shares	-	(1,500,000)
Issue of performance shares	-	10,000,000
Balance at end of period	<b>11,500,000</b>	<b>11,500,000</b>

There has been no movement in performance shares during the period. The details of the performance shares are disclosed in detail in the Financial Report for the year ended 30 June 2020.

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2020**

	<b>Consolidated Entity 31 December 2020 No.</b>	<b>Consolidated Entity 30 June 2020 No.</b>
<b>12. Contributed Equity (continued)</b>		
<u>Unlisted options</u>		
Balance at beginning of period	87,000,000	21,000,000
Expiry of options	-	(1,000,000)
Consolidation of capital	-	(18,000,000)
Options granted (note 13)	19,000,000	85,000,000
Balance at end of period	<u>106,000,000</u>	<u>87,000,000</u>

	<b>Consolidated Entity 31 December 2020 \$</b>	<b>Consolidated Entity 30 June 2020 \$</b>
<b>13. Reserves</b>		
<u>Share based payments reserve</u>		
Balance at beginning of period	1,496,602	63,400
Options granted (i)	571,095	1,232,312
Performance shares granted (ii)	-	214,000
Options lapsed (iii)	-	(820)
Performance shares lapsed (iv)	-	(12,290)
Balance at end of period	<u>2,067,697</u>	<u>1,496,602</u>

- (i) The fair value of options at grant date is determined using the Black-Scholes model. The inputs used in the measurement of the fair values at grant date of the options granted during the period are set out in the table below.
- (ii) The fair value of prior period performance shares at grant date is determined using a Monte Carlo simulation model. The inputs used in the measurement of the fair values at grant date and vesting dates of the performance shares issued during the period are set out in the table below. They vested immediately on grant date.
- (iii) On 13 July 2019 1,000,000 options (pre -10:1 consolidation) expired with the vesting criteria being unmet. The corresponding value of \$820 was taken to retained losses.
- (iv) On 8 September 2019 the B Performance Shares lapsed as the milestone was not met. The corresponding value of \$12,290 was taken to retained losses.

**Share option program**

Options are granted under the Company's Incentive Option Scheme, and eligible participants can be employees, consultants or advisors. Options issued pursuant to the Scheme are issued free of charge. The ability for a participant to exercise the options is restricted in accordance with the terms and conditions detailed in the Incentive Option Scheme. The exercise period may also be affected by other events as detailed in the terms and conditions of the scheme. Each option entitles the holder to subscribe for and be allotted one share. Shares issued pursuant to the exercise of options, including bonus issues, and new issues, rank equally and carry the same rights and entitlements as other shares on issue.

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2020**

**13. Reserves (continued)**

**Fair value share options**

The fair value of options at grant date is determined using the Black-Scholes model. The inputs used in the measurement of the fair values at grant date of the options granted during the period and the comparative period are set out in the tables below.

Inputs	Class A Director Options	Class B Director Options	Class A Supplier & Employee Options	Class B Supplier & Employee Options	Employee Options
Number of options	9,000,000	9,000,000	26,000,000	26,000,000	2,000,000
Exercise price	\$0.04	\$0.08	\$0.04	\$0.08	\$0.04
Expiry date	30-Jun-22	30-Jun-23	30-Jun-22	30-Jun-23	01-Nov-24
Grant date	30-Aug-19	30-Aug-19	03-Sep-19	03-Sep-19	31-Oct-19
Share price at grant date	\$0.03	\$0.03	\$0.03	\$0.03	\$0.04
Risk free interest rate	0.67%	0.67%	0.70%	0.70%	0.88%
Volatility	100%	100%	100%	100%	121%
Option value	\$0.0164	\$0.0151	\$0.0163	\$0.0151	\$0.043

Inputs	Class A Supplier Options	Class B Supplier Options	Class A Supplier Options	Class B Supplier Options	Class C Supplier Options
Number of options	2,000,000	2,000,000	5,000,000	10,000,000	10,000,000
Exercise price	\$0.04	\$0.08	\$0.04	\$0.06	\$0.08
Expiry date	30-Jun-22	30-Jun-23	30-Jun-22	31-Dec-23	*
Grant date	13-Aug-20	13-Aug-20	27-Aug-20	27-Aug-20	27-Aug-20
Share price at grant date	\$0.06	\$0.06	\$0.05	\$0.05	\$0.05
Risk free interest rate	0.27%	0.26%	0.25%	0.27%	*
Volatility	100%	83%	99%	82%	*
Option value	\$0.0371	\$0.0276	\$0.0286	\$0.0262	*

\*These options will vest in the event there is a takeover offer before the expiry date. No value has been ascribed to these options based on probability assessments made at grant date.

**Fair value performance shares**

The fair value of performance shares at grant date is determined using a Monte Carlo simulation model. The inputs used in the measurement of the fair values at grant date and vesting dates of the performance shares issued during the prior period are set out in the table below.

Inputs	D Performance Shares	E Performance Shares
Number of performance shares	5,000,000	5,000,000
Hurdle price	\$0.08	\$0.12
Expiry date	30-Aug-22	30-Aug-22
Grant date	30-Aug-19	30-Aug-19
Share price at grant date	\$0.03	\$0.03
Risk free interest rate	0.67%	0.67%
Volatility	100%	100%
Option value	\$0.0231	\$0.0197

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**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2020**

**13. Reserves (continued)**

The terms and conditions of the options granted and on issue during the half year were as follows:

	Grant Date	Expiry Date	Vesting Date	Exercise Price	Grant Date Fair Value	Granted/ on Issue	Exercised / Cancelled	Balance at 31 Dec 20
Director Options 3	13-Jul-16	13-Jul-19	13-Jul-16	\$1.093	\$819	100,000	(100,000)	-
Corporate Advisor Options (i)	04-Apr-19	04-Apr-22	04-Apr-19	\$0.03	\$38,000	2,000,000	-	2,000,000
Class A Director Options (i)	30-Aug-19	30-Jun-22	30-Aug-19	\$0.04	\$147,217	9,000,000	-	9,000,000
Class B Director Options (i)	30-Aug-19	30-Jun-23	30-Aug-19	\$0.08	\$135,876	9,000,000	-	9,000,000
Class A Supplier & Employee Options (i)	03-Sep-19	30-Jun-22	03-Sep-19	\$0.04	\$424,614	26,000,000	-	26,000,000
Class B Supplier & Employee Options (i)	03-Sep-19	30-Jun-23	03-Sep-19	\$0.08	\$391,913	26,000,000	-	26,000,000
Employee Options (ii)	31-Oct-19	01-Nov-24	31-Jul-20	\$0.04	\$70,460	2,000,000	-	2,000,000
Class A Supplier & Employee Options (iii)	13-Aug-20	30-Jun-22	13-Aug-20	\$0.04	\$74,207	2,000,000	-	2,000,000
Class B Supplier & Employee Options (iii)	13-Aug-20	30-Jun-23	13-Aug-20	\$0.08	\$55,257	2,000,000	-	2,000,000
Class A Supplier & Employee Options	27-Aug-20	30-Jun-22	27-Aug-20	\$0.04	\$143,036	5,000,000	-	5,000,000
Class B Supplier & Employee Options	27-Aug-20	31-Dec-23	27-Aug-20	\$0.06	\$262,349	10,000,000	-	10,000,000
	Total grant date fair value of options on issue at 31 December 2020				\$1,742,929			

- (i) Vested immediately on grant date
- (ii) These options vest over a 9 month period from grant date to 31 July 2020 on the condition that continued employment is satisfied from grant date to 31 July 2020.
- (iii) Vested immediately on grant date
- (iv) Vested immediately on grant date

**Share Based Payment Expense**

During the half-year, share based payment expenses of \$571,095 (2019: \$839,720) in relation to options issued, nil in relation to performance shares issued (2019: \$214,000) and \$60,000 (2019: \$64,299) in relation to director fees was recorded in profit and loss.

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**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2020**

	<b>Consolidated Entity 31 December 2020</b>	<b>Consolidated Entity 31 December 2019</b>
<b>14. Loss per share</b>		
Weighted average number of shares on issue (i)	260,192,406	193,138,258
Loss per share (cents)	(0.43) cents	(1.01) cents

- (i) In the prior period, the calculation of the weighted average number of shares has taken into consideration the 10:1 consolidation that occurred on 15 August 2019.

**15. Operating segments**

The Group is organised based on its products and services and has two reportable segments as follows:

- Houston We Have Software segment, which offers products and services across Defence and other sectors; and
- Prometheus Information segment, which offers products and services across the Health Insurance sector.

No operating segments have been aggregated to form the above reportable segments. Segment performance is reviewed based on operating profit or loss in the consolidated financial statements. However, Group corporate overhead costs that are not considered to be appropriate to allocate, are not allocated to operating segments.

**Geographical locations**

All revenue and operating assets are attributed to geographic location based on the location of customers, which are entirely in Australia.

	<b>31 December 2020 \$</b>	<b>31 December 2019 \$</b>
<b>Operating revenue</b>		
Houston We Have Software	210,347	138,596
Prometheus Information	291,468	70,896
<b>Consolidated Group operating revenue</b>	<b>501,815</b>	<b>209,492</b>
<b>Segment profit/(loss) before tax</b>		
Houston We Have Software	(135,884)	(365,814)
Prometheus Information	92,047	2,270
Unallocated	(1,073,465)	(1,580,811)
<b>Consolidated Group profit/(loss) before tax</b>	<b>(1,117,302)</b>	<b>(1,944,355)</b>
	<b>31 December 2020 \$</b>	<b>30 June 2020 \$</b>
<b>Segment net assets</b>		
Houston We Have Software	650,778	268,920
Prometheus Information	728,985	744,945
Unallocated	1,298,252	2,110,356
<b>Consolidated Group net assets</b>	<b>2,678,015</b>	<b>3,124,222</b>

**Notes to the Financial Statements**  
**For the Half Year Ended 31 December 2020**

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**16. Events after the end of the reporting year**

There are no matters or circumstances that have arisen since the end of the year which will significantly affect, or may significantly affect, the state of affairs or operations of the reporting entity in future financial years.

**17. Commitments and contingencies**

- a. Contingent assets  
There are no contingent assets as at 31 December 2020.
- b. Contingent liabilities  
There are no contingent liabilities as at 31 December 2020.

**18. Interests in Controlled Entities**

Company Name	Place of Incorporation	% Ownership 31 December 2020	% Ownership 30 June 2020
HWH Software Pty Ltd	Australia	100%	100%
St Nicholas Mines Pty Ltd	Australia	100%	100%
Prometheus Information Pty Ltd	Australia	100%	100%
Data Distillery Pty Ltd	Australia	50%	50%
Niquaero LLC	Mongolia	100%	100%

## Directors' Declaration

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The Directors of the Houston We Have Limited (the Company) declare that:

1. The interim financial statements and notes that are set out on pages 7 to 21 are in accordance with the *Corporations Act 2001*, including:
  - a. giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the financial period ended on that date; and
  - b. complying with Accounting Standard 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors.



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Andrew Grover  
Executive Chairman

26 February 2021

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# Independent Auditor's Review Report

To the shareholders of Houston We Have Limited

## Conclusion

We have reviewed the accompanying **Interim Financial Report** of Houston We Have Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Houston We Have Limited 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 2020 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated statement of financial position as at 31 December 2020
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date
- Notes 1 to 18 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Houston We Have Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

## 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 Company 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.





### Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim 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 Interim Financial Report

Our responsibility is to express a conclusion on the Interim 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 Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim 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.

KPMG

Jeff Frazer  
*Partner*

Gold Coast

26 February 2021

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