

GetSwift Limited

Appendix 4D

Preliminary Half-year Report

Half-year 31 December 2017

Name of entity
GetSwift Limited

ABN or equivalent company
reference

ABN 57 604 611 556

Half-year

31 December 2017
(Previous corresponding period: 31
December 2016)

Results for announcement to the market

		\$
Revenue for ordinary activities	188.8%	328,696
Net loss after tax (from ordinary activities) for the period attributable to members	964.0%	(5,498,067)
Net loss after tax for the period attributable to members	964.0%	(5,498,067)

Distributions

	Amount per security	Franked amount per security
Interim dividend (per share)	-	-
Final dividend (per share)	-	-
Franking	-	-

Net tangible assets per security

	31 December 2017	31 December 2016
Net tangible asset per security (cents)	51.95	12.50

Explanation of results

The Group reported a loss from ordinary activities for the half-year ended 31 December 2017 of \$5,498,067 (31 December 2016: \$516,760). Refer to the Directors' Report for the Review of Operations.

Audit

These accounts were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

To be read in conjunction with 30 June 2017 Annual Report.

GetSwift Limited

ABN 57 604 611 556

Interim report for the half-year 31 December 2017

GetSwift Limited ABN 57 604 611 556
Interim report - 31 December 2017

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by GetSwift Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' report

The directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of GetSwift Limited and the entities it controlled at the end of, or during, the half-year 31 December 2017.

Directors

The following persons held office as directors of GetSwift Limited during the financial period:

Mr Bane Hunter, Executive Chairman
Mr Joel Macdonald, Managing Director
Ms Jamila Gordon, Non-Executive Director (resigned 20 November 2017)
Mr Brett Eagle, Non-Executive Director
Ms Nevash Pillay, Non-Executive Director (appointed 4 December 2017)

Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the review of operations and activities.

GetSwift is pleased to report continuous growth in delivery volumes and revenues for the period ended 31 December 2017 as utilisation of its software-as-a-service (SaaS) platform increased.

GetSwift is positioned to continue its growth in key markets.

The Company is also in the process of implementing customised solutions for a number of major enterprises which by virtue of their size and complexity will take some time to become revenue generating or may potentially result in a decision not to proceed.

The loss from ordinary activities after income tax amounted to \$5,498,067 (2016: \$516,760).

GetSwift successfully raised \$75million at \$4.00 per share as part of a private placement, with the Group lodging the notice on the Australian Securities Exchange (ASX) on 11 December 2017.

Expenditures and investments are managed within the constraints of actual pipeline expectations and market demands. The company will in 2018-2019 increase its capital investment to significantly and strongly increase the onboarding of clients and accelerate its product R&D.

In addition to this the company expects to increase its staffing requirement, among the clients it is servicing notably in the Americas, Europe, Middle East and Asia (EMEA). This expansion is under way with initial staff hired for projects in Asia, Middle East, and the Americas. Pursuant to the employment agreements with Mr. Bane Hunter and Mr. Joel Macdonald, the Company undertook a review of their remuneration. On the recommendation of the Remuneration Committee the Company increased Mr. Hunter's and Mr. Macdonald's salaries to US\$370,000 commencing 1 January 2018, with eligibility for bonus. A grant for 2017 was awarded.

The Company is also increasing its investment in its governance, compliance, legal and IR functions as it looks to strengthen these functions. The Company will be announcing the relevant appointments as they are selected and confirmed.

With the capital reserves in place the company has the ability to provide a stable, solid foundation for clients. This strategy will allow the company to continue its growth while at the same time providing to prospective and current international partners the evidence that it is capable of supporting their volume requirements and operational scale.

Review of operations (continued)

Cautionary Note:

To the extent this release contains forward-looking statements concerning the Company's plans, objectives and expectations for its business, operations and financial performance and condition, these forward-looking statements are based on current expectations, estimates and projections about the Company's business and the industry in which the Company operates and management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's forward-looking statements in this release may turn out to be inaccurate.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the Group during the period.

Matters subsequent to the end of the period

The Company reported on 21 February 2018 that it had been served with an application to commence class action proceedings against the Company in the Federal Court. The Company intends to contest this action and legal counsel has been engaged.

The Company has today reported it been served with a Notice to produce certain documents to ASIC and has informed ASIC it will cooperate fully with its investigation.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect:

- (a) the Group's operations in future financial periods, or
- (b) the results of those operations in future financial periods, or
- (c) the Group's state of affairs in future financial periods.

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 3.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors.



Mr Joel Macdonald
Managing Director
28 February 2018

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of GetSwift Limited for the half year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink, appearing to read "RSM".

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read "J S Croall".

J S CROALL
Partner

Dated: 28 February 2018
Melbourne, Victoria

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GetSwift Limited
Consolidated statement of profit and loss and other comprehensive income
For the half-year 31 December 2017

	Consolidated entity	
	31 December	31 December
	2017	2016
	\$	\$
Trading revenue	328,696	113,815
Other revenue	302,847	6,152
Total revenue and other income	631,543	119,967
Expenses		
Cost of sales	(19,877)	(10,037)
Staff expenses	(1,703,857)	(295,575)
Consultancy expenses	(267,840)	(117,682)
Administrative expenses	(318,744)	(47,012)
Other expenses	(457,829)	(102,855)
Share based payments	(3,361,463)	(63,566)
Total expenses	(6,129,610)	(636,727)
Loss before income tax	(5,498,067)	(516,760)
Income tax expense	-	-
Loss for the period, net of tax	(5,498,067)	(516,760)
Other comprehensive income		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Foreign currency translation	(24,538)	(8,675)
Total comprehensive loss for the period	(5,522,605)	(525,435)
Total comprehensive income for the period is attributable to:		
Owners of GetSwift Limited	(5,522,605)	(525,435)
	Cents	Cents
Losses per share:		
Basic earnings per share	(3.60)	(0.56)
Diluted earnings per share	(3.60)	(0.56)

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

GetSwift Limited
Consolidated statement of financial position
As at 31 December 2017

		Consolidated entity	
		31 December	30 June
		2017	2017
Note		\$	\$
ASSETS			
Current assets			
		86,523,844	12,683,761
		9,500,000	3,000,000
	4	1,004,652	58,757
	5	391,815	36,018
		97,420,311	15,778,536
Non-current assets			
		24,507	-
		28,304	16,991
		-	1,201
		52,811	18,192
Total assets		97,473,122	15,796,728
LIABILITIES			
Current liabilities			
	6	525,103	123,410
		46,451	29,818
		571,554	153,228
Non-current liabilities			
		4,068	1,028
		4,068	1,028
Total liabilities		575,622	154,256
Net assets		96,897,500	15,642,472
EQUITY			
	7(a)	101,651,752	16,746,761
	7(b)	3,611,807	1,763,703
		(8,366,059)	(2,867,992)
Total equity		96,897,500	15,642,472

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

GetSwift Limited
Consolidated statement of changes in equity
For the half-year 31 December 2017

Consolidated entity	Attributable to owners of GetSwift Limited			Total equity \$
	Share capital \$	Other reserves \$	Accumulated losses \$	
Balance at 1 July 2016	1,061,715	-	(946,402)	115,313
Loss for the period	-	-	(516,760)	(516,760)
Other comprehensive (loss)	-	-	(8,675)	(8,675)
Total comprehensive income for the period	-	-	(525,435)	(525,435)
Transactions with owners in their capacity as owners:				
Shares issued	6,500,000	-	-	6,500,000
Transactions cost	(1,313,134)	-	-	(1,313,134)
Performance rights issued	-	63,566	-	63,566
Options issued	-	616,250	-	616,250
	5,186,866	679,816	-	5,866,682
Balance at 31 December 2016	6,248,581	679,816	(1,471,837)	5,456,560
Balance at 1 July 2017	16,746,761	1,763,703	(2,867,992)	15,642,472
Loss for the period	-	-	(5,498,067)	(5,498,067)
Other comprehensive (loss)	-	(24,538)	-	(24,538)
Total comprehensive income for the period	-	(24,538)	(5,498,067)	(5,522,605)
Transactions with owners in their capacity as owners:				
Transfer from reserves	1,378,807	(1,378,807)	-	-
Exercise of options	110,015	(110,015)	-	-
Shares issued	89,672,994	-	-	89,672,994
Transactions cost	(6,256,825)	-	-	(6,256,825)
Performance rights	-	1,936,798	-	1,936,798
Options issued	-	1,424,666	-	1,424,666
	84,904,991	1,872,642	-	86,777,633
Balance at 31 December 2017	101,651,752	3,611,807	(8,366,059)	96,897,500

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

GetSwift Limited
Consolidated statement of cash flows
For the half-year 31 December 2017

	Consolidated entity	
	31 December	31 December
	2017	2016
	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	333,692	125,435
Payments to suppliers and employees (inclusive of GST)	(2,929,112)	(450,263)
Interest and other finance costs paid	(1,709)	-
Interest received	48,920	6,152
Net cash (outflow) from operating activities	(2,548,209)	(318,676)
Cash flows from investing activities		
Payments for plant and equipment	(9,393)	-
Investment in term deposits	(6,500,000)	-
Net cash (outflow) from investing activities	(6,509,393)	-
Cash flows from financing activities		
Proceeds from issues of shares	88,972,074	6,500,000
Proceeds from exercise of options	700,000	-
Transaction costs related to shares issued	(6,746,415)	(696,884)
Repayment of convertible note	-	(128,503)
Net cash inflow from financing activities	82,925,659	5,674,613
Net increase in cash and cash equivalents		
Cash and cash equivalents at the beginning of the financial year	12,683,761	269,731
Effects of exchange rate changes on cash and cash equivalents	(27,974)	(8,675)
Cash and cash equivalents at end of period	86,523,844	5,616,993

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

1 General information and basis of preparation

These interim financial statements of the Group are for the six months ended 31 December 2017 and are presented in Australian Dollars, which is the Group's presentation currency. These general purpose interim financial statements have been prepared in accordance with the requirements of AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards, and should be read in conjunction with the financial statements of the Group for the year ended 30 June 2017 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The interim financial statements have been approved and authorised for issue by the board of directors on 28 February 2018.

2 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 2017.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements. The principal accounting policies adopted are consistent with those of the previous accounting period and corresponding interim reporting period; unless stated otherwise.

3 Segment information

Due to the current size of the operations the Group does not differentiate its revenue and expenses by the geographical locations and all internal management reporting is prepared on a consolidated basis. The Board of Directors (Chief Operating Decision Makers) evaluates the results on a Group wide basis as it is not practical to determine financial results on a location basis at this point.

4 Trade and other receivables

	Consolidated entity	
	31 December	30 June
	2017	2017
	\$	\$
Trade receivables	83,182	29,590
Other receivables	921,470	29,167
	<u>1,004,652</u>	<u>58,757</u>

5 Other current assets

	Consolidated entity	
	31 December 2017 \$	30 June 2017 \$
Current assets		
Prepayments	171,653	36,018
Other assets	220,162	-
	391,815	36,018

6 Current liabilities - Trade and other payables

	Consolidated entity	
	31 December 2017 \$	30 June 2017 \$
Current liabilities		
Trade payables	177,020	-
Accrued expenses	17,723	-
Payroll tax and other statutory liabilities	100,171	80,364
Other payables	230,189	43,046
	525,103	123,410

7 Equity

(a) Share capital

	31 December 2017 Shares	30 June 2017 Shares	31 December 2017 \$	30 June 2017 \$
Ordinary shares				
Ordinary shares - fully paid	186,449,425	125,396,346	101,651,752	5,699,615
Prepaid shares*	-	-	-	11,047,146
	186,449,425	125,396,346	101,651,752	16,746,761

*The shares had been fully paid as at 30 June 2017.

(i) Ordinary shares

Rights of each type of share

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting or by proxy, is entitled to one vote. Upon a poll every holder is entitled to one vote per share held. The ordinary shares have no par value.

7 Equity (continued)

(a) Share capital (continued)

(i) Ordinary shares (continued)

Details of shares issued during the current period

Date	Details	Number	Issue price \$	Total \$
1/7/17	Opening balance	125,396,346	-	16,746,761
14/08/17	Issue of shares to institutional and professional investors*	13,808,932	0.80	-
16/08/17	Issue of shares to institutional and professional investors	16,281,608	0.80	13,025,286
30/10/17	Performance Rights - issue of shares (Class A and B)	10,975,612	-	-
30/10/17	Transfer from reserves on issue of shares for performance rights (Class A & B)	-	-	1,378,807
22/12/17	Placement of ordinary shares	18,986,927	4.00	75,947,708
28/12/17	Issue of shares from exercise of options	1,000,000	0.70	700,000
28/12/17	Transfer of reserve from exercise of options	-	-	110,015
	Less: transaction costs			(6,256,825)
		186,449,425		101,651,752

*The shares had been fully paid as at 30 June 2017.

(b) Reserves

	Consolidated entity	
	31 December 2017 \$	30 June 2017 \$
Reserves		
Performance rights	(1,155,368)	(597,378)
Share-based payments	(2,480,976)	(1,166,325)
Foreign currency translation	24,537	-
	(3,611,807)	(1,763,703)

(i) Performance rights issue

As part of the successful completion of the ASX listing, on 9 of December 2016, the Group issued 32,926,828 performance rights over the ordinary shares to the key executives of the Group. Each of the performance rights entitles the holder to be issued one fully paid ordinary share of the Group for no cash consideration upon vesting. The performance rights will convert into ordinary shares upon achievement of six performance milestones and will expire if the milestones are not achieved within 48 months of the ASX listing. The total value of the ordinary shares that could be received upon conversion of the performance rights is \$4,299,357.

It was noted that the milestones for Class A and B performance rights were achieved in the period. These were converted to shares on 30 October 2017.

7 Equity (continued)

(b) Reserves (continued)

(i) Performance rights issue (continued)

The performance milestones include:

Class of performance rights	Performance condition	Expiry date
Class A	Performance rights to vest upon achievement of 250,000 deliveries in a calendar month	48 months
Class B	Performance rights to vest upon achievement of 375,000 deliveries in a calendar month	48 months
Class C	Performance rights to vest upon achievement of 750,000 deliveries in a calendar month	48 months
Class D	Performance rights to vest upon achievement of GetSwift revenue of either \$5 million in a full financial year, or \$1.25 million in any 3-month period ending on 31 March, 30 June, 31 October or 31 December	48 months
Class E	Performance rights to vest upon achievement of GetSwift revenue of either \$10 million in a full financial year, or \$2.5 million in any 3-month period ending on 31 March, 30 June, 31 October or 31 December	48 months
Class F	Performance rights to vest upon of GetSwift revenue of either \$15 million in a full financial year, or \$3.75 million in any 3-month period ending on 31 March, 30 June, 31 October or 31 December	48 months

The fair value of performance rights have been calculated adopting the share offer price as the market price for use in the Black Scholes model to then calculate the option price of GetSwift shares as at 9 December 2016, in a 12 month and 48 month period from the date of GetSwift ASX listing. A share offer price of \$0.20 which was the price as per GetSwift's Prospectus dated 26 October 2016, and a strike price of \$0, were used as variables in the model.

There were no performance rights granted in the current year.

(ii) Options issue

On 1 July 2017, the Company granted 8,000,000 options to the Directors. These unlisted options were divided into three tranches (T1, T2 and T3) and will expire on 15 August 2021 to be vested continuously over a 3 year period.

The expense recognised during the reporting period is \$1,936,798.

This value was calculated by using a Black-Scholes model applying the following inputs:

Grant date	Exercise price \$	Number of options granted	Expected share price volatility	Years to expiry	Dividend yield	Risk-free interest rate	Fair value at grant date \$
1/07/17	0.80	2,666,669	80%	4	Nil	2.06%	1,344,001
1/07/17	1.00	2,666,666	80%	4	Nil	2.06%	1,246,000
1/07/17	1.20	2,666,665	80%	4	Nil	2.06%	1,164,333
		<u>8,000,000</u>					<u>3,754,334</u>

7 Equity (continued)

(b) Reserves (continued)

(ii) Options issue (continued)

On 8 September 2017, the Company issued 3,250,000 unlisted options as part of the placement. These options are unlisted and expire on 15 May 2019. The options have an exercise price of \$1.27.

On 28 December 2017, the Company issued 5,000,000 unlisted options as part of the placement. These options are unlisted and expire on 18 December 2020. The options have an exercise price of \$7.00.

(iii) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences on translation of foreign controlled subsidiaries. Amounts are reclassified to profit or loss when the investment is disposed of.

8 Contingencies

As indicated in Note 9, the Company has been served with an application to commence class action proceedings against it in the Federal Court. The Company intends to contest this action. At this early stage in proceedings the Company is unable to quantify the potential claim.

The Group had no other contingent liabilities at 31 December 2017 (2016: nil).

9 Events occurring after the reporting period

The Company reported on 21 February 2018 that it had been served with an application to commence class action proceedings against the Company in the Federal Court. The Company intends to contest this action and legal counsel has been engaged.

The Company has today reported it been served with a Notice to produce certain documents to ASIC and has informed ASIC it will cooperate fully with its investigation.

No other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial periods.

In the directors' opinion:

- (a) the interim financial statements and notes set out on pages 4 to 12 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half-year ending on that date, 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.

This declaration is made in accordance with a resolution of directors.



Mr Joel Macdonald
Managing Director
28 February 2018

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
GETSWIFT LIMITED

We have reviewed the accompanying half-year financial report of GetSwift Limited ("the Company") which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year 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 is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 consolidated entity's financial position as at 31 December 2017 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*. As the auditor of GetSwift Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of GetSwift Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GetSwift Limited is not 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 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*



RSM AUSTRALIA PARTNERS



J S CROALL
Partner

Dated: 28 February 2018
Melbourne, Victoria