



## ASX RELEASE

### GetSwift Limited

(ASX:GSW)

31 August 2018

### Appendix 4E and 2018 Financial Report

**GetSwift Limited (ASX: GSW)** ('GetSwift' or the 'Company'), today lodged its Appendix 4E Report for the fiscal year ending 30 June 2018, together with its 2018 Financial Report.

Transactions for fiscal year ending 30 June 2018 were 4,834,209, representing a 175% increase in transactions compared to fiscal year ending 30 June 2017. Total revenue and other income for fiscal year ending 30 June 2018 were \$1.477 million representing a 207% increase compared to fiscal year ending 30 June 2017. Net loss after tax was (\$12.123) million for fiscal year ending 30 June 2018 compared to a net loss after tax of (\$1.921) million for fiscal year ending 30 June 2017.

Fiscal year ending 30 June 2018 saw significant commercial expansion of the business with customer acquisition in North America surpassing continued strong growth in Australia. The Company also experienced ongoing customer growth in Europe, Middle East, and Asia. Global growth occurred across multiple industry verticals most notably in food, trucking, messenger/courier, and e-commerce.

The Company significantly grew its presence in North America to meet growing market demand with key executive hires in sales, finance, product, and operations.

The Company ended the fiscal year holding substantial liquidity with cash, cash equivalents, and bank term deposits of \$96.721 million at 30 June 2018.

- ENDS

#### Further Information:

Media enquiries: Tony Gray: [tgray@getswift.co](mailto:tgray@getswift.co)

Investor enquiries: [investors@getswift.co](mailto:investors@getswift.co)

Company Secretary: Sophie Karzis: E: [sk@ccounsel.com.au](mailto:sk@ccounsel.com.au) T: +61 3 8622 3351

#### About GetSwift Limited

##### *Technology to Optimise Global Delivery Logistics*

GetSwift is a worldwide leader in delivery management automation. From enterprise to hyper-local, businesses across dozens of industries around the globe depend on our SaaS platform to bring visibility, accountability, efficiency and savings to their supply chain and "Last Mile" operations. GetSwift is headquartered in New York City and is listed on the Australian Securities Exchange (ASX:GSW). For further background, please visit [GetSwift.co](http://GetSwift.co).

# GetSwift Limited

## Appendix 4E

### 30 June 2018

Name of entity  
GetSwift Limited

ABN or equivalent company  
reference

ABN 57 604 611 556

Year ended

30 June 2018  
(Previous corresponding period: 30  
June 2017)

#### Results for announcement to the market

				\$'000
Revenue from ordinary activities	Up	129.7%	to	773
Net loss after tax (from ordinary activities) for the period attributable to members	Up	530.6%	to	(12,123)
Net loss after tax for the period attributable to members	Up	530.6%	to	(12,123)

#### Distributions

##### *Current period*

There were no dividends paid or declared during the current financial period.

##### *Previous corresponding period*

There were no dividends paid or declared during the previous financial period.

#### Net tangible assets per security

	<b>30 June 2018</b>	30 June 2017
Net tangible assets per security (cents per security)	<b>49.23</b>	12.46

#### Explanation of results

The Group reported a loss for the full-year ended 30 June 2018 of \$12,123,207 (30 June 2017: \$1,921,590).

For further details relating to the current period's results, refer to "Review of operations" in the Directors' report that is within the Financial Report on page 1.

#### Other information required by Listing Rule 4.3A

The remainder of the information requiring disclosure to comply with Listing Rule 4.3A is contained in the attached Directors' Report, Financial Statements and ASX announcement.

- |  |     |
|--|-----|
| a. Details of individual and total dividends or distributions and dividend or distribution payments: | n/a |
| b. Details of any dividend or distribution reinvestment plans:                                       | n/a |
| c. Details of associates and joint venture entities:   | n/a |
| d. Other information:  | n/a |

#### Changes in controlled entities

The Parent Company did not acquire or dispose of any entities during the year.

#### Audit

This report is based on the consolidated financial statements for the Group which have been audited by RSM Australia Partners. The audit report is contained in the attached Financial Report.

**GetSwift Limited**

ABN 57 604 611 556

**Financial report  
for the year ended 30 June 2018**

**GetSwift Limited** ABN 57 604 611 556  
**Financial report - 30 June 2018**

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The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the **Group**) consisting of GetSwift Limited (referred to hereafter as the **Company**) and the entities it controlled at the end of, or during, the year ended 30 June 2018.

### **Directors and company secretary**

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

Mr Michael Fricklas, Independent Chairman & Independent Non-Executive Director (appointed 26 April 2018)  
Mr Bane Hunter, Chief Executive Officer and Executive Director  
Mr Joel Macdonald, President, Managing Director and Executive Director  
Mr Brett Eagle, Non-Executive Director (retiring at the 2018 annual general meeting)  
Mr David Ryan, Independent Non-Executive Director (appointed 26 April 2018)  
Ms Jamila Gordon, Executive Director (resigned 20 November 2017)  
Ms Nevash Pillay, Non-Executive Director (appointed 4 December 2017, resigned 6 February 2018)

The following persons held office as company secretary of GetSwift Limited during the financial year:

Ms Sophie Karzis, Company Secretary (appointed 21 February 2018)  
Mr Phillip Hains, Company Secretary (resigned 21 February 2018)

### **Principal activities**

During the financial year the principal continuing activities of the Group is development and commercialisation of logistics software.

### **Dividends**

No dividends or distributions were paid to members during the year ended 30 June 2018 and no dividends or distributions have been recommended or declared for payment to members, but not paid, during the year ended 30 June 2018.

### **Review of operations**

Transactions for fiscal year ending 30 June 2018 were 4,834,209, representing a 175% increase in transactions compared to fiscal year ending 30 June 2017. Total revenue and other income for fiscal year ending 30 June 2018 were \$1,477,213 representing an increase of 207% compared to fiscal year ending 30 June 2017.

GetSwift reported cash, cash equivalents, and certificates of deposit of \$96,720,397 at 30 June 2018.

Fiscal year ending 30 June 2018 saw significant commercial expansion of the business with customer acquisition in North America surpassing continued strong growth in Australia. The Group also experienced ongoing customer growth in Europe, Middle East, and Asia. Global growth occurred across multiple industry verticals most notably in food, trucking, messenger/courier, and e-commerce. Using the GetSwift solution, clients improved transparency, operating efficiency and customer satisfaction in last-mile operations.

The Group improved the size and scope of its software solution. The Group improved the speed, availability, and stability of the platform as it continued to serve more customers globally. The Group completed new integrations and added new features to the GetSwift platform with a view to addressing the strict new data privacy standards emerging around the globe.

The Group extended its ability to onboard and support customers around the globe with better use of e-commerce tools as well as recruitment of its executive program officers.

To meet growing business demands, the Group augmented technical capacity through recruitment of full-time senior tech leadership and key development and engineering staff.

The Group recruited senior sales leaders experienced in the full spectrum of last-mile business needs, from e-commerce and small business users to the largest of enterprises.

The Group improved cloud provisioning and penetration testing on the GetSwift platform to improve uptime and defend against future cyber attacks. GetSwift also improved stability of its cloud-based platforms including parallel efforts in iOS and Android to assure high reliability. The Group also addressed emerging GDPR regulations, launched a new cloud instance in Europe, and met customer-specific needs for data certification within specific geographic boundaries while meeting requirements for improved system response.

GetSwift's team continued development of best-in-class data strategies to support customers across all verticals and market sizes. GetSwift engineers implemented advanced data analytics systems to collect, report and project

in real time. The Company also launched its first comprehensive CRM system to follow the customer journey at all levels: from a single store to regional chains up to a global enterprise.

The Group also increased focus on compliance and governance including the recruitment and successful induction of two independent, non-executive directors, one of whom is its new chairman. The sourcing, vetting, and due diligence process which produced these directors is ongoing to maintain quality director candidates for years to come.

The Group significantly grew its presence in North America to meet growing market demand with key executive hires in sales, finance, product, and operations. At 30 June 2018, the Group had 29 employees globally. GetSwift has offices in the United States and Australia. Executive management is based in the United States.

### **Financial results and position**

The Group reported a loss for the full-year ended 30 June 2018 of \$12,123,207 (2017: \$1,921,590). The loss is after fully expensing all research and development costs.

During the period, the group raised \$75,000,000 from the issue of ordinary shares. The Group's net assets increased by \$77,188,000 (based on the financial statements) (2017: \$15,642,469). As at 30 June 2018 the Group had cash reserves and short term deposits of \$35,844,755 (2017: \$12,683,760). When including the \$60,875,642 term deposit, the cash related assets are \$96,720,397 (2017: \$12,683,760).

### **Significant changes in the state of affairs**

The Company has been the subject of shareholder class action litigation and an ASIC investigation. These are ongoing at the date of this report. Please refer to "Regulatory Risks" and "Litigation", below in this Directors' Report.

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

### **Events since the end of the financial year**

No other matter or circumstance has arisen since 30 June 2018 that has 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.

In August 2018, the Group was named Company of the Year by Logistics Tech Outlook, which is a relied-upon resource for global logistics leaders.

### **Likely developments and expected results of operations**

In financial year 2019, the Group plans to expand its cloud-based architecture to give customers more options, including additional integrations with legacy transportation management systems, custom data analytics, and more flexible data location and cloud vendor options for its SaaS services.

GetSwift will continue the development of features and integrations to serve its last-mile customers, including mobile applications and integrations with popular point-of-sale systems and the legacy routing and dispatch systems used by the hundreds of couriers and trucking firms who serve its customers.

As it moves further into enterprise, the Group will continue to explore and develop emerging needs for large customers where meaningful volumes of transactions occur.

The Group continues to seek the most capital efficient manner to gain market share, increase transactions, and grow revenue. The Group will continue to assess capital allocation by weighing options that include online sales, outbound sales, partnerships and potential acquisitions.

The Group is an emerging growth company in the investment stage of its development. As noted above, to support its growth, it will be making significant investments in research and development, sales and marketing, staffing necessary to support and integrate new customers, and the enhancement of its reporting and control environment. As with most groups in this phase of development, these investments carry a high degree of risk. Further, the Group has incurred and expects to continue to incur significant legal expense associated with shareholder class actions and an investigation by ASIC and cannot predict with any certainty what the ultimate costs of these matters will be. Consequently, the Group cannot forecast when it will achieve profitability.

**Environmental regulation**

The Group is not affected by any significant environmental regulation in respect of its operations.

**Information on directors and company secretary**

**Mr Michael Fricklas** *Independent Non-Executive Director and Independent Chairman* (Appointed 26 April 2018)

Experience, expertise & qualifications

Michael Fricklas is the Chief Legal Officer of Advance Publications, a diversified privately-held company that operates and invests in a broad range of media, communications and technology businesses globally. The operating businesses of Advance employ over 12,000 people in over a dozen countries and include: Condé Nast's global magazine and digital brand portfolio, Advance Local, a local news and information publisher of 30 newspapers and 12 digital properties in the US, American City Business Journals, a business information and events company, 1010data, a provider of data insights and enterprise analytics solutions, and POP, a digital marketing agency. Advance is also one of the largest shareholders in Charter Communications, the second largest cable television and internet operator in the United States, and Discovery, Inc., a portfolio of premium nonfiction, lifestyle, sports and kids programming brands; and Reddit, a social news and interest forum.

Previously, Michael was Executive Vice President, General Counsel and Secretary of Viacom. He joined Viacom in 1993 and became its General Counsel and Secretary in 1998. At Viacom he led dozens of M&A and capital raising transactions aggregating tens of billions of dollars. He also successfully handled a number of significant litigations, including litigation involving corporate governance, securities law and antitrust matters, some of which made class action claims. As General Counsel and Secretary to the Board of Directors, he was responsible for Viacom's governance and legal matters. In addition, at various times during his employment with Viacom, his responsibilities included management of technology, real estate, risk management and compliance matters with significant involvement in government affairs and served as a member of the Board of Directors of Blockbuster Entertainment, a publicly traded subsidiary of Viacom. He created Viacom's cybersecurity governance program as well as initiated and managed privacy and antipiracy operations. Prior to that he was Vice President and General Counsel of Minorco (U.S.A.) Inc.; practised securities and mergers and acquisitions law at Shearman & Sterling; and practiced technology and venture capital finance law at a predecessor firm of DLA Piper. Mr. Fricklas is a Senior Fellow at the Millstein Center for Global Markets and Corporate Ownership at Columbia University's Law School, Member of the Board and Secretary of Jazz at Lincoln Center, a member of the Board of Overseers of Boston University and a former president of the Association of General Counsel.

Michael holds a J.D. from Boston University School of Law (1984, *magna cum laude*) and a B.S.E.E. from University of Colorado (1981).

Michael provided consulting services to the Company on governance related and various organisational matters prior to his appointment to the Board. The Board does not consider this affects the independence of Michael as a director, given the nature and extent of the services provided and that these services ceased prior to his appointment as a director.

Other current directorships	None
Former directorships in last 3 years of entities listed in Australia	None
Special responsibilities	Chair Remuneration and Nomination Committee, Member Audit and Risk Committee



**Information on directors and company secretary (continued)**

**Mr Bane Hunter** *Chief Executive Officer and Executive Director* (Appointed director 13 May 2016)

Experience, expertise & qualifications	<p>Bane Hunter is a global executive with over 20 years' experience in media and financial services. Bane's experience includes Chief Product Officer at A+E Television Networks, Senior Executive Director at Conde Nast in New York, Foxtel Head of Information Services Program delivery in Sydney and Chief Project Officer at MTV/Viacom in New York. He developed the framework and coined the phrase "GEMS" - Growth, Execution, Monetization and Strategy, these being pillars of the new rapidly growing digital economy.</p> <p>As a leader and visionary in the digital product and monetization space with an eye on disruptive emerging technologies, Bane's other notable senior leadership roles include President, Global Growth &amp; Strategy and board member of BlueChilli, CEO of The Loop and advisor to a number of companies such as Cool Hunting, Travel Massive and Splitsville. In addition to his MBA degree, Bane holds PMP, SPL, ITIL and CSM certifications and is fluent in a number of languages. Uniquely positioned, Bane has worked extensively in Australia, the US and Europe, with additional high-level project work in Asia enabling him to be fully versed in the dynamics needed to seamlessly build high-growth profitable global organisations.</p> <p>Bane is an executive of the Company and not an independent director. Bane was executive chairman of the Company prior to 26 April 2018, when he assumed the title of Chief Executive Officer.</p>
Other current directorships of listed entities	None
Former directorships in last 3 years of entities listed in Australia	None
Special responsibilities	None

**Information on directors and company secretary (continued)**

**Mr Joel Macdonald** *President, Managing Director and Executive Director* (Appointed director 6 March 2015)

Experience, expertise & qualifications	<p>Joel Macdonald is an ex-professional AFL athlete with extensive commercial experience in product, growth and marketing. Joel has an extensive track record of innovating and disrupting the market with other distinguished companies. He co-founded one of Australia's first alcohol e-commerce platforms, Liquorun.com, and was also a founder with on-demand logistics company Distributed Logistics Pty Limited and hospitality payment platform Zwype.com. Joel's other entrepreneurial initiatives included managing the US real estate investment company American Real Estate Investments and he also completed a Bachelor of Business degree at Monash University whilst competing professionally in the AFL for 11 years.</p> <p>Joel assumed the title of President on 26 April 2018 and remains as the Company's Managing Director.</p> <p>Joel is an executive of the Company and not an independent director.</p>
Other current directorships	None
Former directorships in last 3 years of entities listed in Australia	None
Special responsibilities	None

**Mr Brett Eagle** *Non-Executive Director, Non-independent* (Appointed director 24 September 2016)

Experience, expertise & qualifications	<p>Brett Eagle is admitted as an attorney in New York, US and as a solicitor in New South Wales, Australia. Before moving back to Sydney, Brett worked for many years in New York, US, with Coudert Brothers LLP, a large international law firm, conducting public and private offerings, both debt and equity. Prior to that Brett was based in Berlin, Germany with the same law firm. He has extensive experience providing top-level global and domestic legal services to emerging growth and mid-stage companies as well as to larger, publicly held multinational corporations.</p> <p>The Board does not consider Brett an independent director in light of the ongoing provision of legal and advisory services to the Company through Eagle Corporate Advisers Pty Limited, a company owned by Brett. In particular, Brett acted as General Counsel &amp; Corporate Affairs until 21 August 2018. Brett has confirmed he will retire by rotation under the Constitution at the Company's 2018 annual general meeting and will not be seeking re-election.</p>
Other current directorships	<ul style="list-style-type: none"> <li>• Director of Sentral Energy, Ltd., a U.S.-based business that was formed to own and operate contracted solar and other clean energy assets in India.</li> <li>• Director of Eagle Corporate Advisers Pty Ltd, an incorporated legal practice</li> </ul>
Former directorships in last 3 years of entities listed in Australia	None
Special responsibilities	Member Remuneration and Nomination Committee

**Information on directors and company secretary (continued)**

**Mr David Ryan** *Independent Non-Executive Director* (Appointed 26 April 2018)

Experience, expertise & qualifications	<p>David Ryan AO has over 40 years of experience in commercial banking, investment banking and operational business management. He has previously held roles as Chairman or a Non-Executive Director of a number of listed public companies (including ASX 50 companies), including being the former Chairman of Transurban Group and retiring in November 2017 from his role as Non-Executive Director of Lendlease Corporation Limited, where David was the Chairman of the Risk Management and Audit Committee over the last decade.</p> <p>David has been immersed in all aspects of corporate life, and was awarded an Order of Australia for his services to business. From a corporate activity viewpoint, he has been actively engaged in mergers, acquisitions, divestments, initial public offerings, restructuring, equity and debt financings and raisings, including heavily structured recourse and non-recourse transactions. In many cases he has been the Chair of the Due Diligence Committees that were formed to provide assurance and verifications to the stakeholders of these processes.</p> <p>David holds a Bachelor of Business from the University of Technology, Sydney and is a Fellow of the Australian Institute of Company Directors and of CPA Australia.</p> <p>David was made available to act as a consultant to the Company prior to his appointment to the Board, providing governance related services through Ryvan Pty Limited. The Board does not consider this affects the independence of David as a director, given the nature and extent of the services provided and that these services ceased prior to his appointment as a director.</p>
Other current directorships	<ul style="list-style-type: none"> <li>• Non-Executive Director of GTN Ltd (18 April 2016 to present)</li> <li>• Non-Executive Director of First American Title Insurance Company of Australia Proprietary Ltd. (February 2016 to present)</li> </ul>
Former directorships in last 3 years of entities listed in Australia	<p>Non-Executive Director of Lendlease Corporation Limited (December 2004 to November 2017)</p>
Special responsibilities	<p>Chair Audit &amp; Risk Committee, Member Remuneration and Nomination Committee</p>

**Ms Sophie Karzis** *Company Secretary* (Appointed 21 February 2018)

Experience, expertise & qualifications	<p>Sophie Karzis is a practising lawyer with over 20 years' experience as a corporate and commercial lawyer. She is the principal of the law firm Corporate Counsel Pty Ltd, which she founded in 2004 and which is now part of BoardRoom Australia.</p> <p>Sophie has considerable expertise in providing corporate governance advice to ASX listed entities, and currently acts as company secretary and in-house counsel for a number of companies listed on the ASX.</p> <p>Sophie holds a B.Juris LLB degree from Monash University.</p>
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**Information on directors and company secretary (continued)**

**Former directors**

**Ms Jamila Gordon** *Former Director (Appointed director 24 September 2016, cessation date 20 November 2017)*

Experience, expertise & qualifications	Jamila Gordon is a highly experienced global technology and digital executive. Jamila's previous experience includes roles as Group Chief Information Officer of Qantas Airways, Group Chief Information Officer at CIMIC (formerly Leighton Holdings) based in Sydney, IBM executive responsible for AXA Insurance's global private cloud transformation in Paris, and IBM executive responsible for ABN AMRO's Retail Banking (ex-Netherlands) and Private Client Banking (globally) IT in Amsterdam.  Jamila holds a Bachelor of Business and Information Technology from La Trobe University.
Other current directorships of listed entities	None
Former directorships in last 3 years of entities listed in Australia	None
Special responsibilities	None

**Ms Nevash Pillay** *Former Director (Appointed director 4 December 2017, cessation date 6 February 2018)*

Experience, expertise & qualifications	As a Member of the Telstra Executive Team Nevash Pillay has played an integral role in driving forward strategic alliances, the channel and transforming the business go-to-market strategy. With an 18 year career within the ICT space and 14 years in a leadership capacity, she has earned a solid reputation for crafting a vision and culture that steers customer engagement and which has been instrumental in driving customer growth and improvement. Nevash is a key influencer of strategic growth and reform that drives change, redefines strategy, and makes a significant impact on revenues and profitability.
Other current directorships of listed entities	None
Former directorships in last 3 years of entities listed in Australia	None
Special responsibilities	None

## Meetings of directors

The numbers of meetings of the Group's Board of Directors held during the year ended 30 June 2018, and the numbers of meetings attended by each director were as follows:

Directors	Board of Directors Meetings	
	No. of meetings eligible to attend	Attended
Michael Fricklas <sup>1</sup>	2	2
Brett Eagle	4	4
Bane Hunter	4	4
Joel MacDonald	4	4
David Ryan <sup>1</sup>	2	2
Jamila Gordon <sup>2</sup>	-	-
Nevash Pillay <sup>3</sup>	-	-

<sup>1</sup>Appointed 26 April 2018.

<sup>2</sup>Resigned 20 November 2017.

<sup>3</sup>Appointed 4 December 2017, resigned 6 February 2018.

## Remuneration report

The Remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

### (a) Key management personnel covered in this report

Key management personnel (**KMP**) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group receiving the highest remuneration.

The key management personnel of the Group consisted of the following directors of GetSwift Limited covered in this report:

Mr Michael Fricklas, Independent Chairman and Independent Non-Executive Director (appointed 26 April 2018)

Mr Bane Hunter, Chief Executive Officer and Executive Director

Mr Joel Macdonald, President, Managing Director and Executive Director

Mr Brett Eagle, Non-Executive Director

Mr David Ryan, Independent Non-Executive Director (appointed 26 April 2018)

Ms Jamila Gordon, Former Executive Director (resigned 20 November 2017)

Ms Nevash Pillay, Former Non-Executive Director (appointed 4 December 2017, resigned 6 February 2018)

### (b) Remuneration philosophy and policy

The remuneration policy of the Group has been designed to align executives' and directors' interests with the shareholder and business objectives by providing a fixed remuneration component and offering long term incentives based on key performance areas of the Group such as client acquisition, transaction and revenue growth.

The Board of the Group believes the remuneration policy to be appropriate to attract and retain the best executives and directors to run and manage the Group globally, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for senior executives of the Group (including executive directors) is as follows:

- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and, generally, performance incentives; and
- The Board reviews executive packages annually by reference to the Group's performance, executive performance and comparable information.

Remuneration policy for non-executive directors is discussed further below.

## Remuneration report (continued)

### *(b) Remuneration philosophy and policy (continued)*

The remuneration policy relates to the Group's performance by recognising that the Group is developing and monetising its platforms. The Group does not pay dividends at this time.

As is the case with technology companies, there is a strong weighting towards performance based remuneration. This is important for the business model and to retain staff in the industry.

The Company listed in December and, in the year ending 30 June 2017, remuneration for key management personnel was weighted towards performance rights as incentives, including for non-executive directors. The incentives did not require cash outlay and had specific goals to drive volume of transactions, in order to build the client base for the platform.

Despite the impacts on the Company's share price during the financial year ending 30 June 2018, the Group has been making progress in its operations. The following targets were achieved in respect of 2 classes of the performance rights on issue:

- Class A: Achievement of 250,000 deliveries in a calendar month. Achieved in July 2017.
- Class B: Achievement of 375,000 deliveries in a calendar month. Achieved in September 2017.

Remuneration for key management personnel during the financial year ending 30 June 2018 included the issue options, to focus on share price metrics.

The Board established a Remuneration and Nomination Committee in July 2018. Until that time, the roles and responsibilities of such a committee were undertaken by a panel of two board members, one of them independent, and the staff heads of operations and human resources/administration with support from an external consultant. The establishment of the Remuneration and Nominations Committee came as a part of the Group investing in its governance, with the appointment of two independent, non-executive directors to the Board in April 2018. Its role includes assisting the Board in fulfilling its responsibilities regarding remuneration of directors and senior executives fairly and appropriately. The role of the committee is discussed further below.

### Remuneration of non-executive directors

Historically since listing, non-executive directors of the Company have received a combination of cash fees and incentives. The initial cash fee pool at listing remains in place at \$52,560. The Company is seeking shareholder approval at its extraordinary general meeting of 31 August 2018 to increase this fee pool to \$1,500,000 per annum, to provide flexibility to retain further non-executive directors and with sufficient headroom to remunerate them in currencies other than Australian dollars.

It is intended that the independent non-executive directors appointed in April 2018, Chairman Michael Fricklas and David Ryan, will be offered options as part or all of their remuneration. The issue of this equity is the subject of shareholder approval at a meeting to be held on 31 August 2018; any issues to future non-executive directors would require further shareholder approval.

The opportunity to offer equity means that the Company has an increased ability to attract non-executive directors. In particular, the Board has been able to attract US based Chairman Michael Fricklas by being able to offer equity (subject to shareholder approval), consistent with US market practice for emerging growth companies of offering equity to non-executive directors. The nature and terms of the equity proposals have been adjusted to reflect Australian regulatory issues. If the issue of equity to Michael Fricklas is approved by shareholders, he will not be seeking cash fees while that equity is unvested.

In accordance with commentary in the ASX Corporate Governance Council Principles and Recommendations, the securities to be offered to Michael Fricklas will not have performance hurdles. Instead, the options will vest over time, unless vesting is accelerated in connection with change of control or liquidity events, or the options lapse, in accordance with their terms.

Non-executive director David Ryan will receive cash fees and, subject to shareholder approval, will also be offered options on the same terms as those in respect of Michael Fricklas.

The details of the packages for Michael Fricklas and David Ryan are discussed further below at (f) *Non-executive director arrangements*.

Any future offers of options to non-executive directors will require further shareholder approval.

## Remuneration report (continued)

### *(b) Remuneration philosophy and policy (continued)*

#### Remuneration & Nomination Committee

The Board has determined that the Remuneration & Nomination Committee must have at least three members, a majority of whom (including the chair) must be independent directors and to the extent possible, non-executive directors. Currently, the Committee comprises Michael Fricklas (Committee Chairman), David Ryan and Brett Eagle.

The role of the Remuneration and Nomination Committee is to assist the Board with fulfilling its responsibilities to Shareholders and employees of the Company to:

- remunerate the directors and senior executives of the Group fairly and appropriately;
- have remuneration policies and outcomes of the group which strike an appropriate balance between the interests of the Company's shareholders, and rewarding and motivating the executives and employees in order to secure the long term benefits of their energy and loyalty;
- make any short and long term incentives challenging and linked to the creation of sustainable shareholder returns;
- give termination benefits that are justified and appropriate;

The Remuneration and Nomination Committee also assists the Board by:

- reviewing and advising the Board on the composition of the Board and its committees (if any) and the necessary and desirable competencies of Board members; and
- establishing that proper succession plans for Board members and senior executives are in place for consideration by the Board.

### *(c) Short- and long-term incentives*

Group leadership is aligned to the growth and the success of the Group through options (including under the Employee and Executive Share Ownership Plan (**ESOP**) and through performance rights. Discretionary cash bonuses may also be paid from time to time.

As at date of this report, the key management personnel do not hold incentives under the ESOP. Key management personnel currently participate in incentives through specific option grants, performance rights and discretionary cash bonuses.

#### *ESOP*

The ESOP has a structure whereby, unless otherwise specified in the invitation, 25% of the granted options vest on the one-year anniversary of the employment commencement date. The remaining 75% vest on a monthly basis over the subsequent three-year period after the one-year anniversary date. These options are valid for a 15-year period following vesting, unless otherwise specified by the Board. Vesting may accelerate in circumstances including a change of control.

The holders have no right to participate in a new issue of shares unless the relevant option has been exercised before the record date for entitlements. If there is a reorganisation of issued capital of the Company before the expiry date, the number of options to which the holder is entitled or the exercise price will be reconstructed in accordance with the ASX Listing Rules.

The ESOP contemplates the issue of a variety of awards, including options, restricted shares or other equity including incentive rights.

The ESOP was approved by shareholders of the Company on 9 August 2017. (The terms of the ESOP were set out in the notice of meeting dated 28 June 2017, distributed in respect of that meeting.)

## Remuneration report (continued)

### *(c) Short- and long-term incentives (continued)*

#### *Director Options*

Options were approved by shareholders on 9 August 2017 for issue to directors which vest equally monthly over 36 months (subject to acceleration in accordance with their terms) and expire 14 August 2021, at exercise prices of \$0.80, \$1.00 and \$1.20 (in respect of each third of options issued to the director). The issue and exercise of the options was expressed to be subject to all requirements of the ASX Listing Rules and all other legal and regulatory requirements including approval of the issue by shareholders. Each option converts on exercise into a fully paid ordinary share in the capital of the Company. Other key terms include:

- The options were issued for no consideration.
- The options are transferable.
- The options can be net exercised or exercised on a cashless basis.
- The holder has no right to participate in a new issue of shares unless the relevant right has vested. If there is a reorganisation of issued capital of the Company before the expiry date, the number of shares to which the holder is entitled on vesting will be reconstructed in accordance with the ASX Listing Rules.
- All unvested options lapse on cessation of the engagement by the director or the Company (if the director ceases to be a director but continues to be engaged by the Company, lapsing will occur when this engagement ceases). Lapsing of vested options occurs 12 months following cessation of the engagement (or 3 months after cessation for cause).
- Vesting will accelerate on a change of control, being the occurrence of one or more of the following events:
  - An acquisition by an individual, entity or group of beneficial ownership of 20% or more of either (1) the then outstanding shares of the Company or (2) the combined voting power of the then outstanding voting securities of the Company entitled to vote generally in the election of directors;
  - The consummation of a reorganisation, merger or consolidation or sale or other disposition of all or substantially all of at least 50% of the assets of the Company;
  - The approval by shareholders of a complete liquidation or dissolution of the Company.

More information regarding these options held by the key management personnel is set out above at *(d) Details of remuneration: Option holdings*, below.

The specific number of options for each director and the applicable vesting conditions were chosen by the Board as an appropriate number to retain a person of each relevant director's skills and experience and to provide a realistic and meaningful incentive. The Board also considered it a more cost effective manner to remunerate the directors than cash.

#### *Proposed Director Options*

Subject to the approval of shareholders at an extraordinary general meeting on 31 August 2018, options will be offered to recently appointed Independent Chairman Michael Fricklas and independent non-executive director David Ryan (or their nominees). No grant has been made during the year ending 30 June 2018. See *(f) Non-executive director arrangements* for further details.

If the options are not approved in respect of Michael Fricklas and Michael Fricklas wishes to continue as a director, the Company will need to negotiate cash fees with Michael Fricklas.

#### *Performance rights*

Each performance right is convertible into a fully paid ordinary share in the capital of the Company, based on achievement of certain metrics over a period of 48 months.



## Remuneration report (continued)

### (c) Short- and long-term incentives (continued)

The metrics are simple for the Company to measure and reflect growth in the platform's use and commercialisation.

The performance rights vest as follows:

- Class A: Achievement of 250,000 deliveries in a calendar month. Achieved in July 2017.
- Class B: Achievement of 375,000 deliveries in a calendar month. Achieved in September 2017.
- Class C: Achievement of 750,000 deliveries in a calendar month.
- Class D: Achievement of Company revenue of \$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.
- Class E: Achievement of Company revenue of \$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.
- Class F: Achievement of Company revenue of \$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

The performance rights are not shares and do not convey to the holder any rights a shareholder of the Group would be entitled to. The performance rights do not carry any voting rights, nor dividend entitlements, or other distributions which may be declared by the Group. Other key terms include:

- The performance rights were issued for no cash consideration.
- They are not transferable without the consent of the Board.
- If the holder elects to resign as an employee or director of the Company, as the case may be, at any time prior to conversion then all performance rights automatically lapse on the date of resignation unless the Board determines otherwise.
- On a change of control (as defined), all Class D, E and F performance rights are considered earned in full and nonforfeitable to the maximum number of performance rights that represent no more than 10% of the issued capital (including shares issuable for such performance rights) and any restrictions applicable to such performance rights immediately shall lapse. Unless otherwise agreed by all holders of the performance rights, a change of control is the occurrence of one or more of the following:
  - The offeror under a takeover offer in respect of the shares of the Company announcing it has achieved acceptances in respect of 50.1% or more of the shares and that takeover bid has become unconditional;
  - The announcement by the Company that the shareholders of the Company have a court convened meeting for a scheme of arrangement under which all shares are to be either cancelled or transferred to a third party and the court by order approves the scheme of arrangement.
- The holder has no right to participate in a new issue of shares unless the relevant right has vested. If there is a reorganisation of issued capital of the Company before the expiry date, the number of shares to which the holder is entitled on vesting will be reconstructed in accordance with the ASX Listing Rules.
- The holder acknowledges that the shares issued pursuant to the vesting of Performance Rights may be subject to on-sale restrictions under s.707(3) of the Corporations Act. In such circumstances, the holder must not sell or transfer any of the shares for 12 months from the date of issue.

More information regarding performance rights held by the key management personnel are set out at (d) *Details of remuneration: Performance rights issue*, below.

**Remuneration report (continued)**

*(d) Details of remuneration*

The following table shows details of the remuneration expense recognised for the Group's KMP for the current and previous financial period measured in accordance with the requirements of the accounting standards.

2018	Short-term employee benefits		Post-employment benefits Superannuation	Long-term benefits Long service leave	Performance rights	Equity settled options	Total	Proportion of remuneration performance related %
	Cash salary and fees	Annual leave						
	\$	\$	\$	\$	\$	\$	\$	%
<b>Non-executive directors</b>								
Michael Fricklas (appointed 26 April 2018) <sup>1</sup>	-	-	-	-	-	31,565	31,565	-
Brett Eagle <sup>2</sup>	71,806	-	6,822	-	117,720	347,721	544,069	22%
David Ryan (appointed 26 April 2018) <sup>3</sup>	-	-	-	-	-	3,157	3,157	-
Nevash Pillay (appointed 4 December 2017; resigned 6 February 2018)	-	-	-	-	-	-	-	-
<b>Executive directors</b>								
Bane Hunter <sup>4</sup>	629,095	-	-	-	1,059,480	1,738,605	3,427,180	42%
Joel Macdonald <sup>4</sup>	696,460	-	-	-	1,059,480	347,721	2,103,661	70%
Jamila Gordon (Resigned 20 November 2017) <sup>5</sup>	187,050	-	3,520	-	50,536	71,851	312,957	16%
<b>Total KMP compensation</b>	<b>1,584,411</b>	<b>-</b>	<b>10,342</b>	<b>-</b>	<b>2,287,216</b>	<b>2,540,620</b>	<b>6,422,589</b>	

<sup>1</sup>Amount expensed on options which may be issued, subject to shareholder approval on 31 August 2018. Michael Fricklas was paid consulting fees of \$328,825 on 25 April 2018 for services provided to the Company. See section (g) *Related party arrangements* of this remuneration report for details.

<sup>2</sup>The cash fees and superannuation received by Brett Eagle exceeded the Company's non-executive director fee pool by \$26,068 for the year ending 30 June 2018. This amount will be taken to reduce the available non-executive director fee pool in respect of the year ending 30 June 2019.

<sup>3</sup>Amount expensed on options which may be issued, subject to shareholder approval on 31 August 2018. Ryvan Pty Limited (a personally related party of David Ryan) was paid \$144,680 on 25 April 2018 for services provided to the Company. See section (g) *Related party arrangements* of this remuneration report for details.

<sup>4</sup>Includes bonuses expensed, discussed below.

<sup>5</sup>Includes \$150,000 settlement.

The "Cash salary and fees" and "Percentage of remuneration performance related" above for Bane Hunter and Joel Macdonald include cash bonuses expensed in the year ending 30 June 2018. Details are set out in the table below, in Australian dollars.

The bonuses were initially approved in the amount of \$650,000 for each to Bane Hunter and Joel Macdonald. Bane Hunter has declined the balance of \$285,000 and Joel Macdonald has declined the balance of \$240,000.

**Remuneration report (continued)**

(d) Details of remuneration (continued)

Bane Hunter and Joel Macdonald have each done so in recognition of the challenges presently faced by the Company and as a demonstration of their loyalty to, and investment in, the Company.

In determining the bonuses, regard was had to matters including the level of their past performance, being employed within the New York market (including costs, retention issues and level of salary), and having regard to comparable roles in other companies (including having regard to important differences with those companies, including revenues). No further service or performance conditions were imposed on the eligibility for payment of the bonuses.

	Date of bonus	Amount of bonus paid \$ <sup>2</sup>	Date paid	% of total bonus paid	Amount declined by KMP <sup>1</sup>	% declined	Balance to be paid <sup>2,3</sup>	Pay balance no later than
<b>Executive director</b>								
Bane Hunter	13/12/17	170,000	25/12/17	26.2	285,000	43.6	195,000	31/12/2018
Joel Macdonald	13/12/17	215,000	25/12/17	33.1	240,000	36.9	195,000	31/12/2018
<b>Total</b>		<b>385,000</b>		<b>29.6</b>	<b>525,000</b>	<b>40.4</b>	<b>390,000</b>	

<sup>1</sup>This was declined by Bane Hunter and Joel Macdonald during the first quarter of calendar 2018.

<sup>2</sup>Included in the amount expensed in current period.

<sup>3</sup>To be paid in US dollars.

2017	Short-term employee benefits		Post-employment benefits	Long-term benefits	Performance rights	Total	Proportion of remuneration performance related %
	Cash salary and fees \$	Annual leave \$	Super-annuation \$	Long service leave \$			
<b>Non-executive directors</b>							
Brett Eagle	21,720	-	-	-	29,869	51,589	55.4
Nevash Pillay (appointed 4 December 2017; resigned 6 February 2018)	-	-	-	-	-	-	
<b>Executive directors</b>							
Bane Hunter	240,000	-	-	-	268,820	508,820	52.8
Joel Macdonald	250,000	-	-	-	268,820	518,820	51.8
Jamila Gordon (Resigned 20 November 2017)	100,020	3,285	7,980	94	29,869	141,248	21.8
<b>Total KMP compensation</b>	<b>611,740</b>	<b>3,285</b>	<b>7,980</b>	<b>94</b>	<b>597,378</b>	<b>1,220,477</b>	

**Remuneration report (continued)**

(d) *Details of remuneration (continued)*

*Share holdings*

The number of shares in the parent entity held during the financial years ended 30 June 2018 and 30 June 2017 by each director and other members of key management personnel of the Group, including their personally related parties, is set out below. These shareholdings reflect relevant interests of the directors.

2018	Balance at the start of the period <sup>1</sup>	Granted as remuneration	Received on exercise of options	Other changes <sup>2</sup>	Balance at the end of the period <sup>3</sup>
<b>Ordinary shares</b>					
Michael Fricklas	-	-	-	-	-
Bane Hunter	6,714,554	-	-	4,939,025	11,653,579
Joel Macdonald	36,750,284	-	-	4,939,025	41,689,309
Brett Eagle	1,646,341	-	-	548,781	2,195,122
David Ryan	-	-	-	-	-
Jamila Gordon (resigned 20 November 2017)	-	-	-	548,781	548,781
Nevash Pillay (appointed 4 December 2017; resigned 6 February 2018)	-	-	-	-	-
	<b>45,111,179</b>	-	-	<b>10,975,612</b>	<b>56,086,791</b>
2017	Balance at the start of the period <sup>1</sup>	Granted as remuneration	Received on exercise of options	Other changes <sup>2</sup>	Balance at the end of the period <sup>3</sup>
<b>Ordinary shares</b>					
Bane Hunter	6,714,554	-	-	-	6,714,554
Joel Macdonald	36,750,284	-	-	-	36,750,284
Brett Eagle	1,646,341	-	-	-	1,646,341
	<b>45,111,179</b>	-	-	-	<b>45,111,179</b>

<sup>1</sup> Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

<sup>2</sup> Other changes incorporates changes resulting from the conversion of performance rights.

<sup>3</sup> For former KMP, the balance is as at the date they cease being KMP.

*Option holdings*

The number of options over ordinary shares in the parent entity held during the financial years ended 30 June 2018 and 30 June 2017 by each director and other members of key management personnel of the Group, including their personally related parties, is set out below.

Remuneration report (continued)

(d) Details of remuneration (continued)

2018	Balance at start of the period <sup>1</sup>	Granted as remuneration	% vested during period	Exercised	Other changes <sup>3</sup>	% forfeited during period	Balance at end of the period	Vested and exercisable
<b>Directors</b>								
Michael Fricklas	-	-	-	-	-	-	-	-
Bane Hunter	-	5,000,000	30.55%	-	-	-	5,000,000	1,527,758
Joel Macdonald	-	1,000,000	30.55%	-	-	-	1,000,000	305,551
Jamila Gordon (resigned 20 November 2017) <sup>4</sup>	-	1,000,000	30.55%	(74,884)	(925,116)	86.11%	-	-
Brett Eagle	-	1,000,000	30.55%	-	-	-	1,000,000	305,551
David Ryan	-	-	-	-	-	-	-	-
Nevash Pillay <sup>2</sup> (appointed 4 December 2017; resigned 6 February 2018)	-	-	-	-	-	-	-	-
	-	<b>8,000,000</b>		<b>(74,884)</b>	<b>(925,116)</b>		<b>7,000,000</b>	<b>2,138,860</b>

<sup>1</sup>Balance may include shares held prior to individuals becoming KMP. For individuals who became KMP during the period, the balance is as at the date they became KMP.

<sup>2</sup>For Nevash Pillay, the balance is as at the date she ceased to be KMP.

<sup>3</sup>Other changes incorporates changes resulting from the expiration/forfeiture/cancellation of options.

<sup>4</sup>The value of options exercised by Jamila Gordon after ceasing to be KMP but during the year ending 30 June 2018 was \$71,851.

These options were approved by shareholders on 9 August 2017 for issue to directors and do not form part of the ESOP. The options vest equally monthly over a 36 month period and on payment of the exercise price convert into a fully paid ordinary share in the capital of the Company. Their terms are discussed above at (c) *Short- and long-term incentives: Director Options*. The total expense recognised in the current financial year from the amortisation of the granting of these options is \$2,505,898.

The holder has no right to participate in a new issue of shares unless the relevant right has vested. If there is a reorganisation of issued capital of the Company before the expiry date, the number of shares to which the holder is entitled on vesting will be reconstructed in accordance with the ASX Listing Rules.

Details of the options granted to the key management personnel as compensation during the reporting period are as follows.

**Remuneration report (continued)**

(d) *Details of remuneration (continued)*

	Tranche	No. of options	Exercise Price	Fair value per option at grant date	Expiry date	% vested during period	% forfeited during period
<b>Non-Executive Director</b>							
Brett Eagle	T1	333,334	\$0.80	\$0.576	14 August 2021	30.55%	-
	T2	333,333	\$1.00	\$0.534	14 August 2021	30.55%	-
	T3	333,333	\$1.20	\$0.499	14 August 2021	30.55%	-
<b>Executive Director</b>							
Bane Hunter	T1	1,666,667	\$0.80	\$0.576	14 August 2021	30.55%	-
	T2	1,666,667	\$1.00	\$0.534	14 August 2021	30.55%	-
	T3	1,666,666	\$1.20	\$0.499	14 August 2021	30.55%	-
Joel Macdonald	T1	333,334	\$0.80	\$0.576	14 August 2021	30.55%	-
	T2	333,333	\$1.00	\$0.534	14 August 2021	30.55%	-
	T3	333,333	\$1.20	\$0.499	14 August 2021	30.55%	-
Jamila Gordon (Resigned 20 November 2017)	T1	333,334	\$0.80	\$0.576	14 August 2021	13.89%	86.11%
	T2	333,333	\$1.00	\$0.534	14 August 2021	13.89%	86.11%
	T3	333,333	\$1.20	\$0.499	14 August 2021	13.89%	86.11%
		<b>8,000,000</b>					

*Performance rights issue*

As part of the successful completion of the ASX listing, on 9 December 2016, the Group issued 32,926,828 performance rights over the ordinary shares to certain executives of the Group and another 309,930 performance rights were allocated during FY2018. Each of the performance rights entitles the holder to be issued one fully paid ordinary share of the Company 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 expense recognised in the current financial year from the amortisation of prior period granting of performance rights is \$2,287,216.

The holder has no right to participate in a new issue of shares unless the relevant right has vested. If there is a reorganisation of issued capital of the Company before the expiry date, the number of shares to which the holder is entitled on vesting will be reconstructed in accordance with the ASX Listing Rules. The milestones and other key terms are set out above, in part (b) *Remuneration philosophy and policy*.

Details of performance rights granted to key management personnel as compensation during the reporting period are as follows.

**Remuneration report (continued)**

(d) *Details of remuneration (continued)*

	Grant date	No. performance rights granted	No. performance rights vested	Fair value per performance rights at grant date	Expiry date	No. of performance rights at balance date	Value of performance rights expensed during period (\$)
<b>Non-Executive Director</b>							
Brett Eagle	09/12/16	1,646,341	548,781	\$0.13	09/12/20	1,097,560	117,720
<b>Executive Director</b>							
Bane Hunter	09/12/16	14,817,073	4,939,025	\$0.13	09/12/20	9,878,048	1,059,480
Joel Macdonald	19/12/16	14,817,073	4,939,025	\$0.13	09/12/20	9,878,048	1,059,480
Jamila Gordon <sup>1</sup> (Resigned 20 November 2017)	09/12/16	1,646,341	548,781	\$0.13	09/12/20	-	50,536
		<b>32,926,828</b>	<b>10,975,612</b>			<b>20,853,656</b>	<b>\$2,287,216</b>

<sup>1</sup>1,097,560 performance rights lapsed on resignation.

(e) *Contractual arrangements with executive KMPs*

Bane Hunter agreed to serve as Executive Chairman of the Group; he did so until 26 April 2018, when he became Chief Executive Officer. Bane entered into an Employment Agreement with the Group. His Employment Agreement provides for:

- An annual salary of AU\$240,000, increased to US\$370,000 commencing 1 January 2018, with eligibility for bonus.
- The grant of 14,817,073 performance rights, which are convertible into the same number of shares, subject to the achievement of certain metrics over a period of 48 months and any acceleration of vesting in accordance with their terms (see section (c) *Short- and long-term incentives* for terms of these rights).

The agreement is for an initial term of four years, with an automatic two-year extension (unless notice of non-renewal is provided by the Group within 90 days of the expiration of the initial term. The agreement was renewed for a four-year term effective 1 January 2018 (and remuneration was reviewed at that time).

The agreement also prohibits the employee from being engaged or having an interest in (either directly or indirectly) in any capacity, in any trade, business or occupation which is directly competitive with the Group. This provision does not prohibit holding investments in a listed company of not more than 5% of the securities of any company.

A termination payment is payable upon termination of appointment by the Group and will be calculated as follows:

- If termination occurs during the initial term of employment, then the termination payment is the amount of the base salary otherwise payable for the remainder of the initial term of the employment; or two times the annual base salary, if more, and in any event subject to shareholder approval and other laws and regulations if required.
- If termination occurs after the initial term of employment, then two times the annual base salary in accordance with the employment agreement for the appointee/employee.

This provision does not apply to any termination for cause, which is defined as where a person:

- is convicted of any serious criminal offence other than an offence which in the reasonable opinion of the Board does not affect the employee's position as an employee of the Group;
- commits fraud, an act of intentional gross misconduct or an act of gross negligence; or

## Remuneration report (continued)

### (e) Contractual arrangements with executive KMPs (continued)

- the employee is legally declared by either Australia or United States to be of unsound mind and is unable to make sound and prudent decisions.

Joel Macdonald entered into an Employment Agreement with the Group to act as Managing Director of the Group; he subsequently assumed the additional title of President in April 2018. His Employment Agreement provides for:

- An annual salary of AU\$250,000, increased to US\$370,000 commencing 1 January 2018, with eligibility for bonus.
- The grant of 14,817,073 performance rights, which are convertible into the same number of shares, subject to the achievement of certain metrics over a period of 48 months and any acceleration of vesting in accordance with their terms (see section (c) *Short- and long-term incentives* for terms of these rights).

The agreement is for an initial term of four years, with an automatic two-year extension (unless notice of non-renewal is provided by the Group within 90 days of the expiration of the initial term. The agreement was renewed for a four-year term effective 1 January 2018.

The agreement also prohibits the employee from being engaged or having an interest in (either directly or indirectly) in any capacity, in any trade, business or occupation which is directly competitive with the Group. This provision does not prohibit holding investments in a listed company of not more than 5% of the securities of any company.

A termination payment is payable upon termination of appointment by the Group and will be calculated as follows:

- If termination occurs during the initial term of employment, then the termination payment is the amount of the base salary otherwise payable for the remainder of the initial term of the employment; or two times the annual base salary, if more, and in any event subject to shareholder approval and other laws and regulations if required.
- If termination occurs after the initial term of employment, then two times the annual base salary in accordance with the employment agreement for the appointee/employee.

This provision does not apply to any termination for cause, which is defined as where a person:

- Is convicted of any serious criminal offence other than an offence which in the reasonable opinion of the Board does not affect the employee's position as an employee of the Group;
- Commits fraud, an act of intentional gross misconduct or an act of gross negligence; or
- The employee is legally declared by either Australia or United States to be of unsound mind and is unable to make sound and prudent decisions.

### (f) Non-executive director arrangements

The Group has entered into Non-Executive Director appointment letters with Michael Fricklas and David Ryan under which the Group has agreed to pay directors fees as follows.

In the case of Michael Fricklas, subject to shareholder approval being sought at an extraordinary general meeting of shareholders on 31 August 2018 (**EGM**), the Company intends to offer Michael Fricklas 3 million options to be issued or transferred a fully paid ordinary share in the capital of the Company (**Proposed Options**). Vesting occurs quarterly over 3 years (calculated from 26 April 2018 and commencing on issue in respect of any expired quarterly anniversaries), subject to certain change of control or liquidity acceleration events. Fee arrangements are to be reviewed for Michael Fricklas once the Proposed Options have vested.

The exercise price of each Proposed Option will be the 30 day volume weighted average price of the Company's shares on ASX prior to the issue date. If these options are not granted to Michael Fricklas and he wishes to continue as a director, the Company will need to negotiate with Michael Fricklas cash remuneration as directors' fees.

## Remuneration report (continued)

### (f) Non-executive director arrangements (continued)



In the case of David Ryan, subject to shareholder approval at the EGM:

- his director's fee will be US\$120,000 per annum commencing from 1 July 2018 plus an additional fee of US\$30,000 for his role as Chairman of the Board's Audit & Risk Committee; and
- the Company intends to offer David Ryan 300,000 Proposed Options.

The Proposed Options have not been offered or granted as at the date of this report. Terms include:

- The options expire 10 years after their issue date.
- The options can be exercised on a net exercise or cashless basis at the request of the holder.
- The options will cease to vest if the holder ceases to be a director of the Company.
- The options cannot be transferred without the consent of the Company.
- Vesting may be accelerated on the occurrence of certain change of control or liquidity events (either automatically or earlier by exercise of the discretion of the Board).
- At the request of the holder, the Company must use reasonable endeavours to make the shares freely tradeable; this does not extend to an obligation to issue a disclosure document or to release price sensitive information to the ASX which is properly withheld from disclosure. However, it may involve issuing a 'cleansing statement' to ASX (when the Company is again able to take advantage of such Corporations Act standard relief, to permit trading of shares within 12 months of their issue without a disclosure document).

There may be restrictions in the offers on any person dealing with shares issued on exercise of the Proposed Options.

Brett Eagle was made available to the Company as a director by his company Eagle Corporate Advisers pursuant to a retainer agreement for legal and advisory services. Brett Eagle's nominee received 1,646,341 Performance Rights at the time of listing. In the current financial year, Brett Eagle received directors' fees of \$78,628 (including superannuation). By letter agreement, from 1 January 2018, Brett Eagle's cash fees were reset to \$96,000 per annum plus superannuation. See (g) *Related Party Arrangements* for further discussion of these arrangements.

There are no retirement benefit schemes for Non-Executive directors.

(g) *Related Party Arrangements*

*Brett Eagle*

Eagle Corporate Advisers Pty Limited ACN 137 963 118 (**ECA**), an incorporated legal practice owned by director Brett Eagle and of which he is the legal director, is engaged by the Company to provide legal and advisory services to the Company, which could include providing personnel to take on executive functions and holding positions within the Company's business including as a director, other corporate officer or executive or non-executive positions. Other terms of its March 2016 retainer included:

- In the absence of agreed fees for particular engagements, hourly rates apply, reviewed each year. ECA was entitled to recover costs and expenses of ECA or incurred on the Company's behalf.
- Subject to specific arrangements for particular engagements, the engagement may be terminated by the Company by written notice at any time.
- Liability for legal services is limited in accordance with a scheme approved under the professional standards legislation. Legal practitioners of ECA, including Brett Eagle, are members of that scheme. For any non-legal services and to the extent permitted by law, liability is limited to an aggregate of \$10,000.

In August 2017, Brett Eagle was made available by ECA to take the title of General Counsel & Corporate Affairs, and the Company and ECA agreed to move the engagement agreement to a fixed monthly fee arrangement of \$10,000 plus GST per month, which would increase after the Company successfully completed its next capital raise to \$17,000 plus GST per month. This uplift took effect in January 2018, on completion of the December

**Remuneration report (continued)**

*(g) Related party arrangements (continued)*

2017 capital raising. Fees were subject to at least a 4% increase every 12 months. In the current financial year, ECA was paid \$154,040 in respect of this engagement.

Upon the 12 month termination notice being given by the Company, a fee of \$25,000 per month plus GST would apply for the 12 month notice period (and for the balance of the minimum 12 month period, if applicable). The notice period would not apply for termination by the Company for cause. ECA could terminate on 6 months' notice.

In August 2018, ECA agreed with the Company that the engagement will terminate in August 2019 and, for the 12 month balance of the agreement, ECA will receive monthly payments of \$17,000 plus GST (less applicable taxes and deductions, if any) and Brett Eagle will continue to be made available to assist the Company in accordance with the terms of the engagement. The vesting or earning of equity incentives by Brett Eagle will operate in accordance with their terms.

Nexus Lawyers Pty Limited also made Brett Eagle available to the Company to provide legal services, with fees of \$15,000 plus GST in the current financial year.

*Michael Fricklas*

Chairman Michael Fricklas provided consulting services to the Company on governance related and various organisational matters prior to his appointment to the Board and received consulting fees from the Company of AU\$328,825, expensed in the year ending 30 June 2018. These services ceased on Michael Fricklas' appointment to the Board.

*David Ryan*

Director David Ryan acted as a consultant to the Company prior to his appointment to the Board, providing governance related services through Ryvan Pty Limited (an entity owned by David Ryan's spouse and of which David Ryan is a director). Ryvan Pty Limited received consulting fees from the Company of AU\$144,680 (including GST), expensed in the year ending 30 June 2018. These services ceased on David Ryan's appointment to the Board.

## Additional information

### Details of total options and performance rights

The number of each class of unquoted options and performance rights on issue as at 30 June 2018 and the date of this directors' report is as follows:

Class of Equity Securities	Number of options or performance rights
Performance Rights	21,676,828
Options exercisable at \$0.20 each on or before 7 December 2020	7,500,000
Options exercisable at \$0.80 each on or before 14 August 2021	2,333,335
Options exercisable at \$1.00 each on or before 14 August 2021	2,333,333
Options exercisable at \$1.20 each on or before 14 August 2021	2,333,332
Options exercisable at \$1.27 each on or before 15 May 2019	3,250,000
Options exercisable at \$7.00 each on or before 18 December 2020	5,000,000
Options exercisable between \$0.80 to \$1.20 with expiry dates ranging from 5 years to 15 years	1,475,000
Total	45,901,828

During the year ended 30 June 2018, the following fully paid ordinary shares of the Company were issued on the exercise of options or performance rights. No further shares were issued after 30 June 2018 and before the date of this directors' report.

Conversion of Equity Securities	Number of shares	Amounts paid or considered paid <sup>1</sup>
Shares issued on conversion of performance rights	87,936,254	\$1,379,000
Shares issued on conversion of options	21,676,828	\$401,000
Total	109,613,082	\$1,780,000

<sup>1</sup>Amounts rounded, based on financial statements.

### Insurance of officers and indemnities

#### (a) Insurance of officers

The Group has indemnified the directors and executives of the Group for liabilities incurred, in their capacity as a director or executive (including an indemnity as to legal costs), except to the extent not permitted by law. This indemnity may extend for certain officers to damage to interests or reputation. As part of the indemnification arrangements, the Group has also entered into arrangements for access to documents by certain officers. During the financial year, the Group paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

## Additional information (continued)

### (b) Indemnity of auditors

The Group has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

### Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

### Auditor

RSM Australia Partners continues in office in accordance with section 327 of the *Corporations Act 2001*.

### Non-audit services

RSM US LLP, a firm on behalf of the auditor RSM Australia Partners, provided non-audit services to the Group during the financial year. These services have not been billed at the date of this report but will not exceed \$10,000 in respect of this financial year. Given the relatively minor fees which will be payable in respect of these non-audit services, the directors are able to make the statement under s.300(11B) of the *Corporations Act 2001* that the directors are satisfied that the provision of non-audit services during the financial year, by the auditor or a firm on the auditor's behalf, is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. Remuneration of the auditor for audit and other assurance services is set out at page 43 in Note 6 to the Financial Statements.

### 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 26.

### Rounding of amounts

The amounts contained in the financial statements have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Report) Legislative Instrument 2016/191. The Company is an entity to which the Legislative Instrument applies.

### Regulatory risks

From time to time, GetSwift may be subject to regulatory investigations and disputes, including by the Australian Taxation Office (**ATO**) and Federal or State regulatory bodies including the Australian Securities and Investments Commission (**ASIC**). The outcome of any such investigations or disputes may have a material adverse effect on GetSwift's operating and financial performance.

On 28 February 2018, the Company was served with a notice to produce documents as part of an investigation commenced by ASIC. GetSwift has continued to engage with ASIC and respond to requests made by the regulator.

### Litigation

The Company has been served with three shareholder class actions during the year (refer to note 12 of the Financial Statements), with each proceeding making similar allegations relating to misleading or deceptive conduct and breach of continuous disclosure obligations, and covering a similar time period.

On 23 May 2018 and following several hearings, the Federal Court of Australia delivered a decision which permanently stayed two proceedings, and allowed the third proceeding (the **Webb Proceeding**) to go forward. That decision is presently the subject of an appeal to the Full Court of the Federal Court, with judgment reserved.

The Company filed a defence in the Webb Proceeding on 16 July 2018, robustly defending the allegations as unmeritorious. As part of the defence, GSW also advanced a proportionate liability defence against Squire Patton Boggs (AU) (**SPB**), solicitors for the first proceedings filed (the **Perera Proceedings**).

This defence states that: (1) if it is found that the Company is liable for any loss suffered by shareholders (which it denies) then, SPB is also liable by virtue of misleading statements made that the potential claim against the Company could exceed \$300 million; and (2) any damages payable by the Company are to be reduced by the proportion of such damage attributable to SPB. The Webb Proceeding is scheduled to return before the Court for case management on 7 September 2018.

The company will vigorously defend any proceeding that is permitted (by the Full Federal Court) to go forward.

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

A handwritten signature in black ink, appearing to read "Michael D Fricklas".

Michael Fricklas  
Chairman

Dated on 31 August 2018

**RSM Australia Partners**

Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of GetSwift Limited for the year ended 30 June 2018 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**RSM AUSTRALIA PARTNERS****J S CROALL**

Partner

Dated: 31 August 2018  
Melbourne, Victoria

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

## **Financial statements - 30 June 2018**

**GetSwift Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2018**

	Note	<b>Consolidated entity</b>	
		<b>2018</b>	2017
		<b>\$'000</b>	\$'000
<b>Revenues from continuing operations</b>			
Revenue	3	773	336
Other income	3	704	145
		<u>1,477</u>	481
<b>Expenses</b>			
Cost of sales		(43)	(31)
Staff expenses	4	(4,900)	(955)
General and administration expenses	4(b)	(9,120)	(714)
Share based payments		(4,859)	(597)
Loss on disposal	4	(343)	-
Finance expenses		(6)	(1)
Other expenses		(31)	(104)
Unrealised gain on FX translation		5,702	-
<b>Loss before income tax</b>		<u>(12,123)</u>	(1,921)
Income tax expense	5	-	-
<b>Loss for the year</b>		<u>(12,123)</u>	(1,921)
<b>Loss for the year is attributable to:</b>			
Owners of GetSwift Limited		(12,123)	(1,921)
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss:</b>			
Exchange differences on translation of foreign operations, net of tax		<u>(263)</u>	-
<b>Total comprehensive income for the year is attributable to:</b>			
Owners of GetSwift Limited		(12,386)	(1,921)
<b>Losses per share from continuing operations attributable to the ordinary equity holders of the Group:</b>			
Basic loss per share	7(a)	(0.07)	(0.02)
Diluted loss per share	7(a)	(0.07)	(0.02)

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



**GetSwift Limited**  
**Consolidated statement of financial position**  
**As at 30 June 2018**

	Note	Consolidated entity	
		2018 \$'000	2017 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9(a)	35,845	12,684
Financial assets	9(b)	60,876	3,000
Trade and other receivables	9(c)	594	59
Other current assets	9(d)	406	36
<b>Total current assets</b>		<b>97,721</b>	<b>15,779</b>
<b>Non-current assets</b>			
Plant and equipment		61	1
Intangible assets		22	17
<b>Total non-current assets</b>		<b>83</b>	<b>18</b>
<b>Total assets</b>		<b>97,804</b>	<b>15,797</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	9(e)	4,942	124
Employee benefit obligations		23	30
<b>Total current liabilities</b>		<b>4,965</b>	<b>154</b>
<b>Non-current liabilities</b>			
Employee benefit obligations		9	1
<b>Total non-current liabilities</b>		<b>9</b>	<b>1</b>
<b>Total liabilities</b>		<b>4,974</b>	<b>155</b>
<b>Net assets</b>		<b>92,830</b>	<b>15,642</b>
<b>EQUITY</b>			
Share capital	10(a)	103,242	16,747
Reserves		4,359	1,763
Accumulated losses	10(c)	(14,771)	(2,868)
<b>Total equity</b>		<b>92,830</b>	<b>15,642</b>

*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 year ended 30 June 2018**

Consolidated entity	Note	Attributable to owners of GetSwift Limited			Total equity \$'000
		Share capital \$'000	Reserves \$'000	Accumulated losses \$'000	
<b>Balance at 1 July 2016</b>		1,062	-	(946)	116
Loss for the period		-	-	(1,922)	(1,922)
<b>Total comprehensive loss for the period</b>		-	-	<b>(1,922)</b>	<b>(1,922)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Shares prepaid		11,047	-	-	11,047
Shares issued		6,500	-	-	6,500
Transactions cost		(1,862)	-	-	(1,862)
Performance rights issued		-	597	-	597
Options issued		-	1,166	-	1,166
		15,685	1,763	-	17,448
<b>Balance at 30 June 2017</b>		<b>16,747</b>	<b>1,763</b>	<b>(2,868)</b>	<b>15,642</b>
<b>Balance at 1 July 2017</b>		<b>16,747</b>	<b>1,763</b>	<b>(2,868)</b>	<b>15,642</b>
Loss for the period		-	-	(12,123)	(12,123)
Other comprehensive loss		-	(263)	-	(263)
<b>Total comprehensive loss for the period</b>		-	<b>(263)</b>	<b>(12,123)</b>	<b>(12,386)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Shares issued		91,073	-	-	91,073
Transactions cost		(6,358)	-	-	(6,358)
Performance rights issued		-	2,316	-	2,316
Options issued		-	2,543	-	2,543
Transfer from reserves		1,780	(1,780)	-	-
Options expired		-	(220)	220	-
		86,495	2,859	220	89,574
<b>Balance at 30 June 2018</b>		<b>103,242</b>	<b>4,359</b>	<b>(14,771)</b>	<b>92,830</b>

*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 year ended 30 June 2018**

	<b>Consolidated entity</b>	
Note	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	727	291
Payments to suppliers and employees (inclusive of GST)	<b>(9,888)</b>	(1,742)
R&D tax concession refund	-	92
Interest received	480	53
Interest and other finance costs paid	<b>(6)</b>	(2)
<b>Net cash (outflow) from operating activities</b>	<b>(8,687)</b>	(1,308)
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	<b>(88)</b>	-
Investment in term deposits	<b>(58,218)</b>	(3,000)
<b>Net cash (outflow) from investing activities</b>	<b>(58,306)</b>	(3,000)
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	<b>88,973</b>	6,500
Repayment of convertible note	-	(129)
Proceeds from exercise of options	<b>2,100</b>	-
Transaction costs related to shares issued	<b>(6,358)</b>	(696)
Proceeds from issue of shares received in advance	-	11,047
<b>Net cash inflow from financing activities</b>	<b>84,715</b>	16,722
<b>Net increase in cash and cash equivalents</b>	<b>17,722</b>	12,414
Cash and cash equivalents at the beginning of the financial year	<b>12,684</b>	270
Effects of exchange rate changes on cash and cash equivalents	<b>5,439</b>	-
<b>Cash and cash equivalents at end of period</b>	<b>35,845</b>	12,684

9(a)

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

## **1 Summary of significant accounting policies**

### **(a) Corporate information**

The financial report of GetSwift Limited (the "Group") and its subsidiaries (together the "Group") for the year ended 30 June 2018 was authorised for issue in accordance with a resolution of the Directors on 31 August 2018. The financial report is for the Group consisting of GetSwift Limited and its subsidiaries.

GetSwift Limited is a listed public company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The principal activity of the Group is to develop logistics software.

### **(b) Basis of preparation**

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards, required for a for-profit entity.

The financial report has been prepared on an accruals basis and is based on historical costs. The financial report is presented in Australian dollars, which is the Group's functional and presentation currency. All values are rounded to the nearest one thousand dollars (where applicable) unless otherwise stated.

Management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which shows that the resulting financial information satisfies the concepts of relevance and reliability, thereby demonstrating that the substance of the underlying transactions or other events is reported.

### **(c) Statement of compliance**

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

### **(d) New and amended standards adopted by the group**

There were no adoption of new standards that had a material impact on the Group

### **(e) New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

## 1 Summary of significant accounting policies (continued)

### (e) New standards and interpretations not yet adopted (continued)

Title of standard	Nature of change	Impact	Mandatory application date
AASB 9 Financial Instruments	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	Although the Group anticipates that the adoption of AASB 9 will impact the Group's financial statements, the Group has determined that the impact to the accounts will be immaterial.	Accounting periods beginning on or after 1 January 2018
AASB 15 Revenue from Contracts with Customers	AASB 15 – replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related Interpretations– establishes a new revenue recognition model – changes the basis for deciding whether revenue is to be recognised over time or at a point in time – provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing) – expands and improves disclosures about revenue.	The Group has performed a preliminary assessment of the impact of AASB 15 on the recognition of revenue and concluded that there will be no material difference to how revenue has been recognised under the prevailing accounting standard.	Accounting periods beginning on or after 1 January 2018
AASB 16 Leases	AASB 16 – replaces AASB 117 Leases and some lease-related Interpretations– requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases– provides new guidance on the application of the definition of lease and on sale and lease back accounting– largely retains the existing lessor accounting requirements in AASB 117– requires new and different disclosures about leases Interpretations.	The Group has considered the recognition and measurement requirements of AASB16 in conjunction with the existing operating lease agreement between the Group and its suppliers. Based on this assessment management have concluded that there will be no material impact to the accounts.	Accounting periods beginning on or after 1 January 2019

## **1 Summary of significant accounting policies (continued)**

### **(f) Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of GetSwift Limited and the results of all subsidiaries for the year ended 30 June 2018.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when they are exposed to, or have rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to maintain consistency with the policies adopted by the Group.

### **(g) Segment reporting**

The Group uses the "management approach" to the identification, measurement and disclosure of operating segments. The "management approach" requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker (comprising the Board of Directors), for the purpose of allocating resources and assessing performance.

### **(h) Foreign currency translation**

#### *(i) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars (\$), which is GetSwift Limited's functional and presentation currency.

#### *(ii) Transactions and balances*

Transactions in foreign currencies are converted to the functional currency at the exchange rate at the date of the transaction. Amount payable to and by the Group outstanding at reporting date and denominated in foreign currencies have been converted to local currency using rates prevailing at the end of the financial year. All exchange differences are taken to profit and loss.

#### *(iii) Group companies*

The results of foreign subsidiaries and the parent entity are translated to US Dollars at the exchange rate at the date of the transaction. Assets and liabilities of foreign subsidiaries and the Australian parent are translated to US Dollars at exchange rates prevailing at balance date. All resulting exchange differences are recognised in other comprehensive income and in the foreign currency translation reserve in equity.

#### *(iv) 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.

### **(i) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

#### *(i) Revenue from the provision of services*

The revenue from the provision of services is recognised using the following two methods:

- for contracted customers, the revenue is recognised on a monthly basis, when the group is able to reliably estimate the underlying value of service provided for the period. This is determined based on the number of task deliveries and SMS values tracked for each customer. The applicable rates are determined based on contractual agreements held with customers.
- for pay as you go customers, the revenue is recognised at the point when the cash payment is received from the customer.

*(ii) Interest income*

Interest income is recognised as interest accrues using the effective interest method.

*(iii) Research and development tax incentive*

Research and Development Tax Incentive - is recognised when it has been established that the conditions of the tax incentive have been met and that the expected amount of tax incentive can be reliably measured.

**(i) Research and development costs**

Research costs are expensed as incurred.

An intangible asset arising from development expenditure on an internal project is recognised only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset. The Group should also be able to demonstrate how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development.

## **1 Summary of significant accounting policies (continued)**

### **(j) Income tax**

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting loss nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affects neither the accounting loss nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

### **(k) Earnings per share**

Basic earnings per share is calculated as net loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net loss attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

### **(l) Cash and cash equivalents**

Cash and short-term deposits in the consolidated statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

### **(m) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment, once they become over due by more than 60 days. A separate account records the impairment.

An allowance for a doubtful debt is made when there is objective evidence that the Group will not be able to collect the debts. The criteria used to determine that there is objective evidence that an impairment loss has occurred include whether the financial asset is past due and whether there is any other information regarding increased credit risk associated with the financial asset. Bad debts which are known to be uncollectible are written off when identified.



## **1 Summary of significant accounting policies (continued)**

### **(n) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

Cash flows arising from operating activities are included in the Statement of cash flows on a gross basis (i.e. including GST) and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority. The net amount of GST recoverable from or payable to, the taxation authority is included as part of the receivables or payables in the consolidated statement of financial position.

### **(o) Financial instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### *Current and non-current classification*

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### **(p) Held to maturity investments**

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held to maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held to maturity financial assets are included in non-current assets, except for those maturities less than 12 months from the end of the year, which are classified as current assets.

### **(q) Intellectual property costs**

Amounts incurred for rights to or for acquisition of intellectual property are expensed in the year in which they are incurred to the extent that such intellectual property is used for research and development activities.

## 1 Summary of significant accounting policies (continued)

### (r) Impairment of assets

The carrying values of non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffer impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Impairment exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

### (s) Trade and other payables

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

### (t) Employee benefits

#### (i) Short term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave entitlements are recognised as provisions in the Balance sheet.

#### (ii) Long service leave

The liability for long service leave is recognised for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, to the estimated future cash outflows.

#### (iii) Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the binomial option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

#### (iv) Superannuation contribution

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

## **1 Summary of significant accounting policies (continued)**

### **(u) Contributed equity**

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction (net of tax) of the share proceeds received.

### **(v) Leases**

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis.

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

### **(w) Parent entity financial information**

The financial information for the parent entity, GetSwift Limited, disclosed in note 14, has been prepared on the same basis as the consolidated statement.

### **(x) Significant accounting estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

#### *(i) Share-based payment transactions*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Binomial model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

#### *(ii) Recognition of deferred tax assets*

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised.

## 2 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.

## 3 Revenue

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Operating revenue</b>		
Trading revenue	766	320
Other revenue	7	16
	<u>773</u>	<u>336</u>
<b>Other income</b>		
Interest received	628	53
Research and development tax concession	-	92
Dividend received	76	-
	<u>704</u>	<u>145</u>

## 4 Expenses

### (a) Staff expenses

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
Wages and salaries	(4,701)	(798)
Other	(199)	(157)
	<u>(4,900)</u>	<u>(955)</u>

#### 4 Expenses (continued)

##### (b) General and administration expenses

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Administrative expenses</b>		
Travel	(606)	(177)
Permits and licences	(11)	(19)
Depreciation	(29)	-
Rent	(333)	(17)
Insurance	(260)	(9)
Other	(355)	(31)
	<u>(1,594)</u>	<u>(253)</u>
<b>Consultancy expenses</b>		
Professional fees	(1,459)	(292)
Legal	(3,260)	(17)
	<u>(4,719)</u>	<u>(309)</u>
<b>Other expenses</b>		
Advertising	(160)	(85)
Website	(254)	(35)
Marketing	(193)	(16)
Entertainment	(33)	(15)
Technology contractors	(2,167)	-
	<u>(2,807)</u>	<u>(151)</u>
	<u>(9,120)</u>	<u>(713)</u>
<b>(c) Loss on disposal</b>		
Other	(1)	-
Loss on disposal of investments	(342)	-
	<u>(343)</u>	<u>-</u>

## 5 Income tax expense

### Numerical reconciliation of income tax expense to prima facie tax payable

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
Loss from continuing operations before income tax expense	<b>(12,123)</b>	(1,922)
Tax at the Australian tax rate of 27.5% (2017 - 30.0%)	<b>(3,334)</b>	(576)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Research and development tax concession	-	56
Non-deductible legal fees	<b>896</b>	-
Share based payment	<b>1,336</b>	179
Non-allowable expenses	-	63
Benefit of tax losses not brought to account	<b>1,102</b>	278
Income tax expense	<b>-</b>	-

#### (a) Tax losses

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
Unused tax losses for which no deferred tax asset has been recognised	<b>2,621</b>	1,520
	<b>2,621</b>	1,520

#### (b) Deferred income tax benefit

Deferred tax assets arising from tax losses are, to the extent noted above, not recognised at reporting date as realisation of the benefit is not regarded as probable. This deferred income tax benefit will only be obtained if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation is complied with, including Continuity of Ownership and/or Same Business Tests; and
- no changes in tax legislation adversely affect the Group in realising the benefit.

## 6 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

### RSM Australia Partners

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	\$	\$
<i>Audit and other assurance services</i>		
Audit and review of financial statements	<b>67,000</b>	30,000
Total remuneration for audit and other assurance services	<b>67,000</b>	30,000

## 7 Loss per share

Both the basic and diluted loss per share have been calculated using the loss attributable to shareholders of GetSwift Limited as the numerator, i.e. no adjustments to loss were necessary during the year ended 30 June 2018 and 2017.

### (a) Loss per share

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
Basic losses per share	<b>0.07</b>	0.02
Diluted losses per share	<b>0.07</b>	0.02

### (b) Reconciliation of loss used in calculating loss per share

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	\$'000	\$'000
Net loss used in the calculation of basic and diluted loss per share	<b>(12,123)</b>	(1,922)

The Group is currently in a loss-making position and thus the impact of any potential shares is concluded as anti-dilutive.

### (c) Weighted average number of shares used as the denominator

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	<b>170,424,251</b>	109,574,428

There have been no other conversions to, call of, or subscriptions for ordinary shares, or issues of potential ordinary shares since the reporting date and before the completion of this financial report.

## 8 Dividends

No dividends were paid and no dividends are expected to be paid during the year ended in 30 June 2018 (2017: Nil).

## 9 Financial assets and financial liabilities

### (a) Cash and cash equivalents

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Current assets</b>		
Bank balances	<b>35,845</b>	12,650
Other cash and cash equivalents	-	33
	<b>35,845</b>	<b>12,683</b>

#### (i) Reconciliation to cash flow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follows:

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
Balances as above	<b>35,845</b>	12,683
Balances per consolidated statement of cash flows	<b>35,845</b>	<b>12,683</b>

#### (ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest. See note 1(l) for the group's other accounting policies on cash and cash equivalents.

### (b) Financial assets

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
Term Deposit	<b>60,876</b>	3,000

Financial assets for the year ended 30 June 2018 consist of term deposit in First Republic Bank of US\$45,075,736 with interest rate of 1.98% and maturity date on 24 June 2019.

### (c) Trade and other receivables

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Current assets</b>		
Trade receivables	<b>103</b>	29
Other receivables	<b>491</b>	29
	<b>594</b>	<b>58</b>



**9 Financial assets and financial liabilities (continued)**

**(d) Other current assets**

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Current assets</b>		
Prepayments	<b>406</b>	36

**(e) Trade and other payables**

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Current liabilities</b>		
Trade payables	<b>(2,949)</b>	-
Accrued expenses	<b>(1,332)</b>	-
Payroll tax and other statutory liabilities	<b>(140)</b>	(81)
Accrued bonus	<b>(390)</b>	-
Other payables	<b>(131)</b>	(43)
	<b>(4,942)</b>	(124)

## 10 Equity

### (a) Share capital

	30 June 2018 Shares	30 June 2018 \$'000	30 June 2017 Shares	30 June 2017 \$'000
Ordinary shares				
Ordinary shares - fully paid	188,524,309	103,242	125,396,346	5,700

#### *Movements in ordinary shares:*

		Number of shares '000	\$'000
<b>Opening balance 1 July 2016</b>		87,896	1,062
Shares issued		37,500	6,500
Transaction costs relating to share issues		-	(1,862)
<b>Balance 30 June 2017</b>		<b>125,396</b>	<b>5,700</b>
	<b>Notes</b>		
<b>Opening balance 1 July 2017</b>		125,396	5,700
Shares issued to institutional and professional investors	10(a)(i)	13,809	11,047
Shares issued to institutional and professional investors	10(a)(i)	16,282	13,025
Conversion of performance rights	10(a)(ii)	10,976	-
Transfer of reserve from conversion of performance rights	10(a)(ii)	-	1,378
Private placement at \$4.00 per share		18,987	75,948
Exercise of options		3,075	2,100
Transfer of reserve from exercise of options		-	402
Transaction costs relating to share issues		-	(6,358)
<b>Closing balance 30 June 2018</b>		<b>188,525</b>	<b>103,242</b>

#### *(i) Shares issued to institutional and professional investors*

On 4 July 2017 the Company issued 13,808,932 ordinary shares at an issue price of \$0.80 per share for a total consideration of \$11,047,146 to institutional and professional investors under the institutional placement announced on 23 June 2017. The shares had been fully paid as at 30 June 2017.

On 15 August 2017 the Company issued 16,281,608 at \$0.80 per share for a total consideration of \$13,025,286 (Tranche 2).

#### *(ii) Conversion of performance rights*

On 30 October 2017 the Company converted 10,975,612 of performance rights Class A and B due to the milestones being achieved during the year.

The following table shows a breakdown of the balance sheet line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

## 10 Equity (continued)

### (b) Reserves

*Movements in other reserve:*

		Number of shares '000	\$'000
Issued unlisted options		12,500	1,166
Performance rights issued		32,927	597
<b>Balance 30 June 2017</b>		<b>45,427</b>	<b>1,763</b>
	<b>Notes</b>		
Opening balance		45,427	1,763
Options granted to the Directors	10(b)(i)	8,000	2,506
Issued unlisted options	10(b)(i)	8,250	-
Exercise of options		(3,075)	(401)
Options cancelled	10(b)(iii)	(861)	-
Options expired		-	(220)
Options issued under ESOP(*)	10(b)(iv)	1,475	37
Exercise of performance rights	10(b)(ii)	(10,976)	(1,378)
Amortisation charge of performance rights Class C to F	10(b)(v)	-	2,287
Performance rights cancelled	10(b)(iii)	(1,098)	(38)
Performance rights issued under ESOP	10(b)(v)	310	66
Unallocated performance rights		513	-
Foreign currency translation reserve			(263)
<b>Balance 30 June 2018</b>		<b>47,965</b>	<b>4,359</b>

(\*) Employee and Executive Share Ownership Plan

#### (i) Options issue

On 1 July 2017, the Company granted 8,000,000 options to the directors as at that date. These unlisted options were divided into three tranches (T1, T2 and T3) and will expire on 14 August 2021 to be vested continuously over a 3 year period.

This value was calculated by using Binomial 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 (*) \$
01/07/17	0.80	2,666,669	80%	4	Nil	2.06%	1,344,001
01/07/17	1.00	2,666,666	80%	4	Nil	2.06%	1,246,000
01/07/17	1.20	2,666,665	80%	4	Nil	2.06%	1,164,333
		<b>8,000,000 (**)</b>					<b>3,754,334</b>

(\*) Valued as at 1 July 2017.

(\*\*) There are 7,000,000 options on issue as at balance date. 1,000,000 unlisted options, 861,112 unlisted options were cancelled and 74,884 were exercised during the period. Refer to Note 11(b)(iii) for further details.

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.

## 10 Equity (continued)

### (b) Reserves (continued)

*Movements in other reserves: (continued)*

#### *(ii) Exercise of performance rights*

On 30 October 2017, 10,975,612 performance rights were converted into shares as a result of the achievement of performance rights Class A and B during the period.

#### *(iii) Cancellation of options and performance rights*

On 20 November 2017 Jamila Gordon resigned from her position as a Non-Executive Director. The cancellation of options and performance rights was related to Jamila Gordon's portion which was lapsed upon resignation.

#### *(iv) Options issued*

A total of 1,475,000 unlisted options were granted to employees as part of the Group's ESOP from 28 February 2018 to 11 April 2018. The total fair value of these options is \$412,541. Total expenses recognised in 2018 is \$36,908.

The value was calculated using the Binomial Option Pricing model applying the following inputs:

Option Class	Grant Date	Expiry Time (Years)	Adjusted Expiry Time (Years)	Strike Price (\$)	Share Price at grant date (\$)	Number Issued	Total Value (\$)	Fair Value per option (\$)
1	11-Apr-18	10	8.36	0.8	0.510	1,000	258	0.258
2	11-Apr-18	10	8.36	1.0	0.510	1,000	247	0.247
3	11-Apr-18	10	8.36	1.2	0.510	1,000	239	0.239
4	10-Apr-18	10	8.36	1.2	0.475	5,000	1,087	0.2174
5	10-Apr-18	10	8.36	1.0	0.475	5,000	1,124	0.2248
6	10-Apr-18	10	8.36	0.8	0.475	5,000	1,179	0.2358
7	2-Apr-18	15	11.15	0.8	0.515	50,000	13,260	0.2652
8	2-Apr-18	15	11.15	1.0	0.515	50,000	12,781	0.2556
9	2-Apr-18	15	11.15	1.2	0.515	50,000	12,412	0.2482
10	2-Apr-18	5	4.8	1.2	0.515	100,000	20,944	0.2094
11	2-Apr-18	5	4.8	1.0	0.515	100,000	22,205	0.2220
12	2-Apr-18	5	4.8	0.8	0.515	100,000	23,684	0.2368
13	28-Feb-18	5	4.8	0.8	0.605	70,000	20,056	0.2865
14	28-Feb-18	5	4.8	1.0	0.605	70,000	18,751	0.2678
15	28-Feb-18	5	4.8	1.2	0.605	60,000	15,170	0.2528
16	28-Feb-18	15	11.15	1.2	0.605	245,665	73,414	0.2988
17	28-Feb-18	15	11.15	1.0	0.605	245,665	75,538	0.3074
18	28-Feb-18	15	11.15	0.8	0.605	315,670	100,193	0.3173
<b>Total</b>						<b>1,475,000</b>	<b>412,541</b>	

(\*)The expected volatility for all options is 90.06%. The risk-free interest rates are 2.86% for options issued in February 2018 and 2.74% for Options issued in April 2018. The weighted average price of shares during the year was \$1.605.

## 10 Equity (continued)

### (b) Reserves (continued)

#### (v) Performance rights issued

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 executives of the Group and another 309,930 performance rights were allocated during FY2018. 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.

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 total expense recognised from the amortization of prior period granting of performance rights is \$2,287,216.

During the current period, the Group granted an additional 100,000 Performance Rights on 28 February 2018 and 209,930 Performance Rights on 2 April 2018 to employees with a total assessed fair value of \$161,614.

The fair value of Performance Rights is share price at grant date, as follows:

The calculation of the value of the Performance Rights issued 28 February 2018 is \$60,500 (100,000 rights at share price of \$0.605).

The calculation of the value of the Performance Rights issued 2 April 2018 is \$101,114 (209,930 rights at share price of \$0.515).

### (c) Retained earnings

Movements in retained earnings were as follows:

	Consolidated entity	
	2018 \$'000	2017 \$'000
Balance 1 July	(2,868)	(946)
Net loss for the period	(12,123)	(1,922)
Transfer from reserves – options expired	220	-
Balance 30 June	(14,771)	(2,868)

## 11 Related party transactions

### (a) Key management personnel compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	<b>Consolidated entity</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	<b>1,584,411</b>	615,025
Post-employment benefits	<b>10,342</b>	7,980
Long-term benefits	-	94
Share-based payments	<b>4,827,836</b>	597,378
	<b>6,422,589</b>	1,220,477

In addition to the key management personnel compensation there were no transactions with related parties in the current or prior financial year and there were no balances either receivable or payable as at 30 June 2018, except as follows:

Eagle Corporate Advisers Pty Limited ACN 137 963 118 (**ECA**), an incorporated legal practice owned by director Mr Brett Eagle and of which he is the legal director, is engaged by the Company to provide legal and advisory services to the Company, which could include providing personnel to take on executive functions and holding positions within the Company's business including as a director, other corporate officer or executive or non-executive positions. In the current financial year, ECA provided Brett Eagle to take the title of General Counsel & Corporate Affairs and was paid \$154,040.

In August 2018, ECA agreed with the Company that the engagement will terminate in August 2019 and, for the 12 month balance of the agreement, ECA will receive monthly payments of \$17,000 plus GST (less applicable taxes and deductions, if any) and Brett Eagle will continue to be made available to assist the Company in accordance with the terms of the engagement.

Nexus Lawyers Pty Limited also made Brett Eagle available to the Company to provide legal services, with fees of \$15,000 plus GST in the current financial year.

Chairman Mr Michael Fricklas provided consulting services to the Company on governance related and various organisational matters prior to his appointment to the Board and received consulting fees from the Company of AU\$328,825 during the current financial year. These services ceased on Michael Fricklas' appointment to the Board.

Director Mr David Ryan acted as a consultant to the Company prior to his appointment to the Board, providing governance related services through Ryvan Pty Limited (an entity owned by David Ryan's spouse and of which David Ryan is a director). Ryvan Pty Limited received consulting fees from the Company of AU\$144,680 (including GST) during the current financial year. These services ceased on David Ryan's appointment to the Board.

## 12 Contingent liabilities and contingent assets

### (a) Contingent liabilities

#### *Class Action*

On 20 February 2018, Squire Patton Boggs commenced an open class representative proceeding in the Federal Court of Australia against GetSwift (**Perera Proceeding**). The statement of claim included allegations of misleading or deceptive conduct and breach of continuous disclosure obligations. The proceeding was brought on behalf of persons who acquired GetSwift shares between 26 February 2017 and 19 January 2018.

Subsequently, two more open class actions were commenced against GetSwift by Corrs Chambers Westgarth (**McTaggart Proceeding**) and Phi Finney McDonald (**Webb Proceeding**) on 26 March and 13 April 2018 respectively. The court documents for each proceeding made similar allegations and covered broadly the same period of time as the Perera Proceeding.

Following hearings to consider which of the competing class actions filed against the company should proceed, the Federal Court on 23 May 2018 delivered judgment whereby the Perera and McTaggart Proceedings were permanently stayed, in favour of the Webb Proceeding going forward. That decision is presently the subject of an appeal to the Full Court of the Federal Court, with judgment reserved following hearings held on 6 and 7 August 2018.

GetSwift strongly disputes the allegations made in each of the proceedings (including as to any alleged loss) and will continue to vigorously defend whichever proceeding is allowed to progress. Subject to the decision of the Full Federal Court, the Webb Proceeding continues. GetSwift has filed its defence and named Squire Patton Boggs as a concurrent wrongdoer. There are many steps that need to occur before any liability could be imposed on the Company.

Further, the statement of claim filed in the Webb Proceeding does not quantify the alleged loss suffered. It is too early in the process to assess reliably whether, if any liability is established, what the likely quantum of any such damages may be. However, the Company notes that the lawyers for the Perera Proceeding and the lawyers for the McTaggart Proceeding have recently stated in open court that the alleged total quantum of their claims was approximately \$75 million, a reduction of 75% on the previously reported claim size.

No provision has been taken in these accounts. Legal fees will be incurred in defending the matter as it proceeds.

#### *ASIC investigation*

GetSwift has continued to engage with the previously advised ASIC investigation and respond to requests made by ASIC. It is currently not possible to predict the ultimate outcome of this investigation. Legal fees will be incurred in relation to this investigation.

## 13 Cash flow information

### (a) Reconciliation of loss after income tax to net cash inflow from operating activities

	<b>Consolidated entity</b>	
	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
Loss for the period	<b>(12,123)</b>	(1,922)
Adjustment for		
Depreciation and amortisation	<b>29</b>	-
Share-based payment expense	<b>4,859</b>	597
Loss on disposal of investment	<b>343</b>	-
Unrealised gain	<b>(5,702)</b>	-

### 13 Cash flow information (continued)

#### (a) Reconciliation of loss after income tax to net cash inflow from operating activities (continued)

	Consolidated entity	
	2018	2017
	\$'000	\$'000
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(536)	(46)
(Increase) in prepayments	(370)	(35)
Increase/(decrease) in trade and other payables	4,811	65
Increase in other provisions	2	31
Net cash (outflow) from operating activities	(8,687)	(1,310)

### 14 Parent entity financial information

#### (a) Summary financial information

	2018	2017
	\$'000	\$'000
<b>Balance sheet</b>		
<b><u>Assets</u></b>		
Current assets	1,104	32
Non-current assets	97,773	17,700
<b>Total assets</b>	<b>98,877</b>	<b>17,732</b>
<b><u>Liabilities</u></b>		
Current liabilities	1,115	17
<b>Total liabilities</b>	<b>1,115</b>	<b>17</b>
<b>Net assets</b>	<b>97,762</b>	<b>17,715</b>
<b>Shareholders' equity</b>		
Issued capital	103,241	16,746
Reserves		
Share-based payments	3,087	1,166
Performance rights	1,534	597
Retained earnings	(10,100)	(794)
	<b>97,762</b>	<b>17,715</b>
<b>Loss for the period</b>	<b>(9,525)</b>	<b>(794)</b>
<b>Total comprehensive loss</b>	<b>(9,525)</b>	<b>(794)</b>

#### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017 other than as set out in Note 12.

#### Capital commitments

The parent entity had no capital commitments as at 30 June 2018 and 30 June 2017.

#### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.



## 15 Subsidiaries

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group	
		2018	2017
		%	%
Get Swift Logistics Pty Ltd	Australia	100	100
Get Swift, Inc.	USA	100	100
Liquorun Pty Ltd	Australia	100	100
Distributed Logistics Pty Ltd	Australia	100	100

## 16 Financial risk management

The Group's principal financial instrument is cash and cash equivalents and financial assets - term deposits.

The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period, the Group's policy that no trading in financial instruments shall be undertaken. The main risk arising from the Group's financial instruments is liquidity risk. Other minor risks are summarised below. The Board reviews and agrees policies for managing each of these risks.

### (a) Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group does not forecast any liquidity risk due to the cash reserves and monitoring of the weekly, monthly, and quarterly expenses and cash flow. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands. Long-term liquidity needs for a 180-day and a 360-day lookout period are identified monthly.

The Group's non-derivative financial liabilities have contractual maturities as summarised below:

#### *Maturities of financial liabilities*

Contractual maturities of financial liabilities	Less than 6 months \$'000	Greater than 6 months \$'000	Total contractual cash flows \$'000
<b>At 30 June 2018</b>			
Trade receivables	103	-	103
Other receivables	410	82	492
	<b>513</b>	<b>82</b>	<b>595</b>
<b>At 30 June 2017</b>			
Trade receivables	28	1	29
Other receivables	30	-	30
	<b>58</b>	<b>1</b>	<b>59</b>

## 16 Financial risk management (continued)

### (b) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash deposits with floating interest rates which expose the Group to interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

In regard to its interest rate risk, the Group continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

The following tables set out the Group's financial instruments and its exposure to the type of interest rate risk and the effective weighted average interest rate for each class of these financial instruments. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

	Effect on loss			
	Fixed interest rates \$'000	Floating interest rates \$'000	10% of current rate \$'000	-10% of current rate \$'000
<b>At 30 June 2018</b>				
Cash and cash equivalents	-	35,845	7	(7)
Term deposits	60,876	-	121	(121)
Total	60,876	35,845	128	(128)
	Effect on profit			
	Fixed interest rates \$'000	Floating interest rates \$'000	10% of current rate \$'000	-10% of current rate \$'000
<b>At 30 June 2017</b>				
Cash and cash equivalents	-	12,684	10	(10)
Term deposits	3,000	-	8	(8)
Total	3,000	12,684	18	(18)

A sensitivity of 10% of current prevailing interest rates has been selected as this is considered conservative and reasonable given the current level of both short term and long term Australian interest rates. A 10% sensitivity would move short term rates from 1.98% to approximately 2.18% representing a 20 basis points shift. This would represent an interest rate increase, which are reasonably possible in the current environment.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

### (c) Foreign currency risk

The Group is exposed to foreign currency risk via the trade and other receivables and trade and other payables that it holds. Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group aims to take a conservative position in relation to foreign currency risk hedging when budgeting for overseas expenditure however; the Group does not have a policy to hedge overseas payments or receivables as they are highly variable in amount and timing, due to the reliance on activities carried out by overseas entity and its billing cycle.

## 16 Financial risk management (continued)

### (c) Foreign currency risk (continued)

The following financial assets and liabilities are subject to foreign currency risk:

	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
Cash and cash equivalents (AUD/USD)	15,480	882
Financial assets - term deposit (AUD/USD)	60,876	-
Trade and other receivables (AUD/USD)	101	1
Trade and other payables (AUD/USD)	(2,884)	(25)

The Group is exposed to fluctuations in United States dollars. Analysis is conducted on a currency by currency basis using sensitivity variables.

The Group has conducted a sensitivity analysis of the Group's exposure to foreign currency risk. The sensitivity analysis variable is based on the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the past five years at year-end spot rates. The analysis shows that if the Group's exposure to foreign currency risk was to fluctuate as disclosed below and all other variables had remained constant, then the foreign currency sensitivity impact on the Group's loss after tax and equity would be as follows:

	<b>(Higher)/Lower 2018 \$'000</b>	<b>(Higher)/Lower 2017 '\$000</b>
<b>Cash and cash equivalents</b>		
AUD/USD: 2018: +6% (2017: +6%)	929	53
AUD/USD: 2018: -6% (2017: -6%)	(929)	(53)
<b>Financial assets - term deposit</b>		
AUD/USD: 2018: +6% (2017: +6%)	3,653	-
AUD/USD: 2018: -6% (2017: -6%)	(3,653)	-
<b>Trade and other receivables</b>		
AUD/USD: 2018: +6% (2017: +6%)	6	-
AUD/USD: 2018: -6% (2017: -6%)	(6)	-
<b>Trade and other payables</b>		
AUD/USD: 2018: +6% (2017: +6%)	(173)	2
AUD/USD: 2018: -6% (2017: -6%)	173	(2)

### (d) Credit risk

Credit risk arises from cash and cash equivalents and outstanding trade and other receivables. The cash balances are held in financial institutions with high ratings. The Group has assessed that there is minimal risk that the cash and trade and other receivables balances are impaired.

	<b>Less than 6 months \$'000</b>	<b>Greater than 6 months \$'000</b>	<b>Total contractual cash flows \$'000</b>
<b>Contractual maturities of financial liabilities</b>			
<b>At 30 June 2018</b>			
Trade payables	2,922	27	2,949
Other payables	1,992	-	1,992
	<b>4,914</b>	<b>27</b>	<b>4,941</b>

## 16 Financial risk management (continued)

### (d) Credit risk (continued)

#### At 30 June 2017

Trade payables	29	-	29
Other payables	95	-	95
	124	-	124

## 17 Capital management

The Group's objectives when managing capital are to maintain that the Group has sufficient funds to continue its operations on a going concern basis. This is achieved by maintaining that the Board is focused on cash flow management through periodic Board reporting. The Board reviews financial accounts on a monthly basis and reviews actual expenditure against budget on a monthly basis.

The Group could raise additional capital if necessary by issuing new shares to fund the development of its key products. Total capital is shown as equity in the Statement of Financial Position. No debt funding is expected in the next 12 months there are no external restrictive agreements on the Group for the use of its capital.

Management also maintains a capital structure that provides the lowest cost of capital available to the entity.

The Group does not have a defined share buy-back plan.

No dividends were paid in 2018 (2017: nil).

There is no current intention to incur debt funding on behalf of the Group as on-going development expenditure is expected to be funded via equity. The Group is not subject to any externally imposed capital requirements.

## 18 Events occurring after the reporting period

No other matter or circumstance has arisen since 30 June 2018 that has 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.

In the opinion of the Directors of GetSwift Limited (**Company**):

- (a) the financial statements and notes set out on pages 28 to 56 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 Company's and the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors draw attention to the notes to the financial statements, which include a statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board at note 1(c).

The directors have been given the declarations by Managing Director, Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001* for the year ended 30 June 2018.

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



Michael Fricklas  
Chairman

Dated on 31 August 2018.

**RSM Australia Partners**

Level 21, 55 Collins Street Melbourne VIC 3000  
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

[www.rsm.com.au](http://www.rsm.com.au)

## INDEPENDENT AUDITOR'S REPORT To the Members of GetSwift Limited

### Opinion

We have audited the financial report of GetSwift Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

**Key Audit Matters (Continued.)**

Key Audit Matter	How our audit addressed this matter
<b>Share based payments</b> Refer to Note 10 in the financial statements	
<p>Get Swift issue numerous performance rights and options to employees as part of their long-term incentives.</p> <p>We identified Share based payments as a Key Audit Matter due to the complexity and the volume of the options and performance rights issued.</p> <p>An element of subjectivity also exists in respect of management's assessment around achievement of milestones relating to performance rights.</p> <p>During the financial year the milestones for the Class A and B performance rights had been met. This triggered the right to receive the shares and the rights were converted into shares.</p> <p>Management made further assessments of the remaining performance rights (Class C-F) in relation to when the respective milestones would be met which resulted in a further adjustment to increase the performance rights expense for the period.</p> <p>There is a risk that the performance rights and options have both been valued and calculated incorrectly and not in accordance with <i>AASB 2 Share based payments</i>.</p>	<p>Our audit procedures in relation to the accounting for these options and performance rights included:</p> <ul style="list-style-type: none"> <li>• Reviewing the calculations to ensure that accounting for the share-based payments was appropriate and in accordance with <i>AASB 2 Share Based Payments</i>;</li> <li>• Reviewing management's assessment of the remaining performance rights (Classes C-F) in respect of the remaining period that the milestones are expected to be achieved in light of the Company's forecast performance;</li> <li>• Reviewing the option valuation inputs in the Binomial Model, which included assessing the volatility rate applied and comparing the volatility rate to entities in the similar industry as the Group;</li> <li>• Performing a recalculation of the option valuation model; and</li> <li>• Utilising the skills of our corporate finance team to assist in the review.</li> </ul>
<b>Contingent liabilities</b> Refer to Note 12 in the financial statements	
<p>In February 2018, and subsequent thereto, a number of class action proceedings were brought against the Company and Directors of GetSwift.</p> <p>The proceedings claim that the Directors withheld information from the public and thus did not follow the continuous disclosure rules of the ASX. The proceedings make claim that certain shareholders have suffered losses and seek damages from the Company and/or Directors. There is a risk that the treatment of the above matter as a contingent liability as disclosed in the financial statements is not in accordance with <i>AASB 137 Provisions, Contingent liabilities and Contingent Assets</i>.</p> <p>We identified the contingent liability in relation to the Class Actions as a Key Audit Matter due to the potential severity and materiality of the claims.</p>	<p>Our audit procedures in relation to the accounting for, and disclosure of, the potential contingent liabilities included:</p> <ul style="list-style-type: none"> <li>• Reviewing correspondence between the Company and its legal counsel to assess the position of the claims;</li> <li>• Obtaining legal representations of the claims from the company's legal counsel;</li> <li>• Discussing current developments of the claims with management and the Company's legal counsel; and</li> <li>• Assessing the claims in line with <i>AASB 137 Provisions, Contingent liabilities and Contingent Assets</i> to ensure that the Company has measured and disclosed the contingent liability appropriately in the financial statements.</li> </ul>

## **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at [www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.



## **Report on the Remuneration Report**

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 9 to 22 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of GetSwift Limited, for the year ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



## **RSM AUSTRALIA PARTNERS**



**J S CROALL**  
Partner

Dated: 31 August 2018  
Melbourne, Victoria