GetSwift Limited

ABN 57 604 611 556

Audited financial report for the year ended 30 June 2020

GetSwift Limited
Appendix 4E
Year ended 30 June 2020

Name of entity:	GetSwift Limited
ABN:	57 604 611 556
Year ended:	30 June 2020
Previous period:	30 June 2019

Results for announcement to the market

				$
Revenue from ordinary activities	Up	1,066.6%	to	24,962,375
Loss from ordinary activities after tax attributable to members	Up	60.7%	to	31,335,070
Net loss for the period attributable to members	Up	60.7%	to	31,335,070

Distributions

No dividends have been paid or declared by the company for the current financial year. No dividends were paid for the previous financial year.

Explanation of results

Please refer to the review of operations and activities for explanation of the results.

Additional information supporting the Appendix 4E disclosure requirements can be found in the review of operations and activities, directors' report and the financial statements for the year ended 30 June 2020.

Net tangible assets per security

	2020 Cents	2019 Cents
Net tangible asset backing (per security)	**16.39**	35.07

Changes in controlled entities

Entities over which control was gained or lost during the year ended 30 June 2020 comprise:

- 60% of Logo d.o.o. (“the Entity”) a Serbian based provider of communications infrastructure products and services.
- Profit from ordinary activities after tax attributable to the minority interest is $244,328.

Other information required by Listing Rule 4.3A

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

Audit

The financial statements have been audited by the group's independent auditor without any modified opinion, disclaimer or emphasis of matter.

GetSwift Limited

ABN 57 604 611 556

Audited financial report - 30 June 2020

Directors	Mr Bane Hunter *Chief Executive Officer and Executive Director* Mr Joel Macdonald *Founder, President, Managing Director and Executive Director* Mr Stanley Pierre-Louis *Independent Non-Executive Chairman* Mr Marc Naidoo *Independent Non-Executive Director* Mr Charles Terrance White *Independent Non-Executive Director* Mr Carl Mogridge *Independent Non-Executive Director*
Secretary	Mr Julian Rockett
Registered office	Level 12, 225 George Street Sydney NSW 2000 Australia Telephone: 1300 737 760 Facsimile:
Principal place of business	1185 6th Avenue New York NY 10036 United States
Share register	Computershare Investor Services Pty Limited 452 Johnston Street Abbotsford VIC 3067 Australia Telephone: +61 0(3) 9415 5000 Facsimile: +61 0(3) 9473 2500
Auditor	RSM Australia Partners Level 21, 55 Collins Street Melbourne VIC 3000 Telephone: +61 (0)3 9286 8000 Facsimile: +61 (0)3 9286 8199
Solicitors	Quinn Emanuel Urquhart & Sullivan, LLP Level 15, 111 Elizabeth Street Sydney NSW 2000 Australia Telephone: +61 (0)2 9146 3500 Facsimile: +61 (0)2 9146 3600 Jones Day Level 41, 88 Phillip Street Sydney NSW 2000 Australia Telephone: +61 (0)2 8272 0500 Facsimile: +61 (0)2 8272 0599

Bankers	Commonwealth Bank of Australia Tower 1, 201 Sussex St Sydney NSW 2000
Stock exchange listings	GetSwift Limited shares are listed on the Australian Securities Exchange (ASX: GSW)
Website	www.getswift.co

The Directors present their report, together with the financial statements, on the consolidated entity 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 2020.

Directors and company secretary

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

Mr Stanley Pierre-Louis, Independent Chairman & Independent Non-Executive Director
Mr Marc Naidoo, Independent Non-Executive Director
Mr Terrance White, Independent Non-Executive Director
Mr Carl Mogridge, Independent Non-Executive Director (appointed 29 July 2019)
Mr Bane Hunter, Chief Executive Officer and Executive Director
Mr Joel Macdonald, President, Managing Director and Executive Director

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

Ms Sophie Karzis, Company Secretary (resigned 31 January 2020)
Mr Julian Rockett, Company Secretary (appointed 31 January 2020)

Principal activities

During the financial year the principal continuing activities of the Company was the development and commercialisation of logistics software, as well as communications infrastructure, products and services.

Dividends

No dividends or distributions were paid to shareholders during the year ended 30 June 2020 and no dividends or distributions have been recommended or declared for payment to members, but not paid, during the year ended 30 June 2020.

Review of operations (AUD $000s)

Total revenue and other income for fiscal year ending 30 June 2020 was $26,589, representing an increase of 596 per cent compared to the previous fiscal year (2019: $3,820). The operating loss for the consolidated entity after providing for income tax and non-controlling interest amounted to $31,166 (2019: $19,494)

The year featured four consecutive quarters of revenue growth.

As at 30 June 2020, GetSwift reported holding $33,130 in cash and cash equivalents, net of $819 line of credit borrowings (2019: $68,809). The Company’s net assets stand at $50,392.

The year brought continued growth and expansion of GetSwift’s team, customer base and market penetration. It also brought unparalleled challenge and opportunity in the form of the COVID-19 pandemic that spread around the globe.

The Company continued its focus on new markets, while remaining engaged across the globe. The year saw penetration and expansion across North America in the farm to table market and within the Middle East and other regions for branded food and beverage deliveries, as well as other product & service offerings in markets as diverse as Europe, Asia, South America, and Africa. Across North America, the Company saw customer demand growing steadily in the farm to table, workforce management and scheduled route delivery space. GetSwift’s offering now serves clients managing regular weekly delivery combinations of produce, dairy, meat, water, or other essentials across 32 US states (including Hawaii) and 4 Canadian provinces. North America continued to be the Company’s strongest market for these services, with signups in Europe and the Asia Pacific (APAC) also demonstrating the potential across these diverse regions.

The Company also began efforts to link food insecure populations within the US with restaurants seeking to reopen after COVID-19 shutdowns, as well as efforts in communities to keep restaurants open for business. Pilot projects in Florida and Hawaii are early examples of these initiatives.

GetSwift’s team grew by nearly 200% during the year through acquisitions and the further build-out of the technology team, which is spread across 10 time zones on five continents.

New customers in the year ended 30 June 2020 came from over 100 countries across six continents. The largest contribution, 54%, came from North America, followed by Europe, the Middle East and Africa at 24%, the Asia Pacific at 19% and South America at 3%.

The Food/Groceries/Agriculture market segment accounted for 35% of new customers, with courier services at 14% and beverage alcohol at 13%. E-commerce now represents 12% of new customers with Services, Other Retail, Trucking and Other Sectors making up the balance.

Farms, dairies and farmers' markets across the US and Canada continued to sign up for Company platforms, with new farm to table sign ups also coming from New Zealand and Dubai.

Beverage alcohol continues its strong growth on the platforms across several global regions as previously announced client initiatives launch on their business schedules.

On March 17, 2020, the Company announced the appointments of former Governor Howard Dean and Lieutenant General (Ret.) Mark Bowman as co-chairs of its Advisory Board established to proactively assist the Company's management with the identification and cultivation of new public and private sector business verticals. Governor Dean is a distinguished physician, former US presidential candidate and Democratic National Committee Chairman who served as the Governor of Vermont for six four-year terms. General Bowman served as the Director Command, Control, Communications and Computers and Chief Information Officer for the Joint Chiefs of Staff at the Pentagon in Washington, DC, and has extensive expertise related to digital technology advancements, including the emergence of cybertechnology within the global economy and its significance to global security.

The Company has seen strong support from shareholders during a period of significant external challenges, including COVID-19, as well as litigation in Australia. On May 15, 2020, the Company's largest institutional shareholder, Fidelity International, reported to the market that it had increased its ownership position to approximately 9.5% of the outstanding shares issued in the Company. On June 25, 2020, three of the Company's largest shareholders (either through funds they manage, personal investments, or both) issued a public statement of continued support for the Company and its senior leadership. The US-based shareholders pointed to independent early decisions to initially become shareholders in GetSwift and subsequent analysis which led them to bring their holdings to current levels.

During the year ended 30 June 2020, the Company announced that it had entered into a put option agreement (the **LDA Agreement**) with LDA Capital Limited (**LDA**) and LDA Capital, LLC dated March 7, 2020 , pursuant to which the Company may, at any time during a 3-year commitment period require LDA to subscribe for ordinary shares of the Company having a total issue price not exceeding US$45 million (approx. AU$70 million). The financing arrangement established under the LDA Agreement was obtained by the Company in order to provide it with access to committed equity capital, should such capital become required from time to time in response to any unexpected changes in the Company's business needs, global events, or other funding requirements.

On February 3, 2020, the Company announced that it had acquired a majority equity interest in Logo d.o.o. (**Logo**), a European information and communications technology firm. The Company's strategic acquisition of Logo allows the Company to offer its clients a suite of complementary services & products relating to data centers, communications infrastructure and information security, among others, and is intended to position the Company as a "one-stop shop" for enterprise clients. In connection with the Logo acquisition, Bane Hunter, the Company's Chief Executive Officer, at the request of Logo's shareholders, was appointed Chairman of the Supervisory Board of Logo and Robert Bardunias, the Company's Chief Operating Officer, was appointed Vice Chairman of the Supervisory Board of Logo.

The integration of Logo into the Company has proceeded well despite the challenges presented by COVID-19 to our teams and customers alike.

The emergence of COVID-19 was met by a combination of careful analysis, insightful leadership and compassion as the Company dealt early and quickly with the impacts to customers and its team. Senior leadership identified the severity of the challenge quite early and took the initiative to close all offices and transition the team to virtual functionality. This required additional emphasis on personal protective equipment needs for staff that are deployed externally and ongoing facility inspections, where required.

Even with quick action to shut facilities and adjust work assignments to protect teams and customers, the Company experienced the loss of two of its team members to the virus. The CEO of the Company made the decision to provide financial relief to the affected staff members' families, and the CEO has undertaken to provide ongoing financial relief to affected families, with special consideration being given to any minors left without a primary wage earner. This commitment will not materially affect the financial standing of the Company.

With a combination of regular health and safety check-ins and increased use of digital tools available to the team, the Company continues to protect its team and customers from COVID-19, while staying available to assist in the business transition of its clients to increased digital commerce.

The integration of DeliveryBizPro, Scheduling+ and Logo has contributed to the breadth of tools available to serve clients and the Company is pleased with the results to date. Similarly, the Company has expanded its portfolio of IT projects across facilities including, but not limited to, data centers, airports, transportation hubs, hotels, and other commercial and government facilities in Europe.

The Company intends to continue its expansion in North American, Europe, and APAC markets seeking additional platforms and new product utilization by various enterprise and non-enterprise clients. The Company will shape its technical, product and business roadmap as a result and will look to target and disrupt its competitors in these regions.

As disclosed to the market and as set out in the Company's Prospectus, there may be trial periods and integration phases before revenue flows from a new arrangement with a client. Furthermore, customers can pause or cease using the Company's services at will. For enterprise clients, the sales and execution cycle is typically extensive before benefits are fully realized. As a result, the Company will not try to estimate potential future revenues. The Company is, however, expecting revenue growth to continue strongly if it is able to focus on the execution of its objectives and retains its key executives.

Financial results and position (AUD $000s)

The Company reported an operating loss for the full year ended 30 June 2020 of $31,166 (2019: $19,494). The loss is after fully expensing all research and development costs.

The Company's net assets stand at $50,392 (2019: $74,031). As at 30 June 2020 the Company holds cash and cash equivalents of $33,130, net of $819 line of credit borrowings (2019: $68,809, including term deposits).

Significant changes in the state of affairs

The Company has, in previous financial years, been the subject of shareholder class action litigation and an Australian Securities and Investments Commission (**ASIC**) investigation, resulting in the commencement of civil penalty proceedings. These are ongoing as at the date of this report. Please refer to the sections headed "Regulatory Risks" and "Litigation", below for further information regarding these matters.

As outlined above, on February 3, 2020, the Company announced that it had acquired a majority equity interest in Logo, a European information and communications technology firm.

As outlined above, on March 11, 2020 the Company announced a put-option financing agreement with LDA Capital Limited (**LDA**) and LDA Capital, LLC that would allow the Company to, at any time during a 3-year commitment period, require LDA to subscribe for ordinary shares of the Company having a total issue price not exceeding US$45 million (approx. $70 million). The financing arrangement was obtained by the Company to provide it with access to committed equity capital, should such capital become required from time to time in response to any unexpected changes in the Company's business needs, global events, or other funding requirements.

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

Events since the end of the financial year

The company, under the US Federal Government CARES Act, applied for and received a $USD 750,000 Small Business Administration Payroll Protection Program Loan "PPP" in early July. The PPP was applied for in May 2020. Some portion or all of the loan may be forgiven if certain criteria regarding headcount full time equivalents "FTE" are met. The company believes it will meet the criteria for full forgiveness and expects 100% of the loan will be forgiven at 31 December 2020.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

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

Likely developments and expected results of operations

In financial year 2021, the Company plans to continue building its cloud-based SaaS logistics services and IT services to provide customers more support in the digital transition of the global economy.

As it grows its customer base, the Company will continue to explore and address emerging needs for its customers.

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

The Company is an emerging growth company in the investment stage of its development. As noted previously, 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 Company has incurred and expects to continue to incur significant legal expense associated with a shareholder class action and civil proceedings by ASIC (see Litigation Update below) and cannot predict with any certainty what the ultimate costs of these matters will be. Consequently, the Company cannot forecast when it will achieve profitability.

Environmental regulation

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

Information on directors and company secretary

Mr Stanley Pierre-Louis *Independent Non-Executive Director and Independent Chairman*

Experience, expertise & qualifications	Mr Pierre-Louis brings over 23 years of experience leading, advising and governing private and public companies with a focus on technology and intellectual property issues. Mr Pierre-Louis currently serves as Chief Executive Officer of the Entertainment Software Association (ESA) based in Washington, D.C. ESA is dedicated to serving the business and public affairs needs of companies that publish computer and video games for the Internet, personal computers, consoles, and handheld devices. He previously served as Senior Vice President and General Counsel of ESA. Prior to joining ESA, Mr Pierre-Louis served as Senior Vice President and Associate General Counsel for Intellectual Property (IP) at Viacom Inc., where he was responsible for managing major IP litigation, developing strategies for protecting digital content and leading other IP-related legal initiatives for brands including Nickelodeon, MTV, Paramount Pictures, and more than 130 other networks worldwide. He previously served as co-chair of the Entertainment and Media Law Group at Kaye Scholer LLP in New York City as well as Senior Vice President for Legal Affairs at the Recording Industry Association of America in Washington, DC. Mr Pierre-Louis is a Phi Beta Kappa graduate of Clark University. He earned his J.D. from the University of Chicago Law School, where he also served on The University of Chicago Law Review's Board of Editors. Following law school, he clerked for Judge David A. Nelson of the U.S. Court of Appeals for the Sixth Circuit. Pierre-Louis served previously on several boards, including on the University of Chicago's Alumni Board of Governors, the law school's Visiting Committee, the Washington Area Lawyers for the Arts, and Lincoln Center Education, the educational arm of the Lincoln Center for the Performing Arts.
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
Interests in shares and options	Nil Ordinary shares, and 687,500 options held as at 30 June 2020
Contractual rights to shares	Nil

Information on directors and company secretary (continued)

Mr Marc Naidoo *Independent Non-Executive Director*

Experience, expertise & qualifications	Mr Naidoo is a seasoned senior technology executive with global experience in managing IT systems and infrastructures in large geographically diverse companies. He also has significant experience in governance across large technology groups in senior management positions in Asia Pacific, Europe, and Latin America. Mr Naidoo is currently GM of Technology for Global Finance Transformation at Toll Group, which operates a global logistics network across 50 countries with over 40,000 employees that provides diverse freight transport services including road, rail, sea, air, and warehousing. Mr Naidoo's previous technology experience includes senior roles at NBN Australia's Broadband Network, BHP Billiton, Foxtel, and General Motors including acting as CIO of General Motors Acceptance Corporation Australia and New Zealand. Over his career, he has successfully delivered several digital transformations, Big Data initiatives and organizational transformations with a strong focus on the customer and operational stability.
Other current directorships of listed entities	None
Former directorships in last 3 years of entities listed in Australia	None
Special responsibilities	Member Remuneration and Nomination Committee, Member Audit and Risk Committee (Appointed Chair of Audit & Risk on 19 June 2020 when 90-day leave of absence was granted for Mr Charles Terrance White)
Interests in shares and options	Nil Ordinary shares, and 300,000 options held as at 30 June 2020
Contractual rights to shares	Nil

Mr Charles Terrance White *Independent Non-Executive Director*

Experience, expertise & qualifications	Mr White brings over 40 years of experience directing, advising, and investing in private and public companies from early-stage tech start-ups to the Fortune 250, with extensive experience in international business development, sales management, and marketing. Mr White previously served for 30 years in successful leadership roles for NYSE publicly listed Genuine Parts Company (GPC). His last 11 years at Genuine Parts were as President of its Rayloc Division. He was previously GPC's Vice President of Sales and Executive Vice President of NAPA, one of the world's best-known brands. Over his career, he has been involved as an advisor, investor and/or board member for several US-based technology firms including NanoLumens, Interpoint Partners, DIS, and Gauge Insights. Engaged in the Atlanta community through numerous memberships and affiliations, he serves on the Board of Trustees of Oglethorpe University and the Children's Healthcare Research Trust and is an active member of the Atlanta Rotary Club.
Other current directorships of listed entities	None

Former directorships in last 3 years of entities listed in Australia	None
Special responsibilities	Member Audit and Risk Committee and Member Remuneration and Nominations Committee until 19 June 2020, when he took a 90-day leave of absence.
Interests in shares and options	Nil Ordinary shares, and 431,250 options held as at 30 June 2020
Contractual rights to shares	Nil

Information on directors and company secretary (continued)

Mr Carl Mogridge *Independent Non-Executive Director* (Appointed 29 July 2019)

Experience, expertise & qualifications	Mr Mogridge has over 15 years senior experience in marketing and advertising across a variety of sectors including insurance, cosmetics and property development. He is currently Brisbane Director at The Property Agency, Australia's leading creative agency for property. He has previously held national positions at major global brands including Amway and Avon Cosmetics and lead many digital and eCommerce transitions across APAC and US. A frequent contributor for digital and entrepreneurial topics at business conferences and in digital media, Mr Mogridge brings insights across business development, strategy, and customer experience. This multi-channel approach has guided him through a diverse range of brand and creative campaigns at local and global levels. He received his Business Communications and Advertising degree from the University of Queensland.
Other current directorships of listed entities	None
Former directorships in last 3 years of entities listed in Australia	None
Special responsibilities	None
Interests in shares and options	150,000 Ordinary shares, and 200,000 options held as at 30 June 2020
Contractual rights to shares	Nil

Mr Bane Hunter *Chief Executive Officer and Executive Director*

Experience, expertise & qualifications	Mr Hunter is a global executive with over 20 years' experience in media and financial services. Mr Hunter'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. As a leader and visionary in the digital product and monetization space with an eye on disruptive emerging technologies, Mr Hunter's other notable senior leadership roles include President, Global Growth & 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, Mr Hunter holds PMP, SPL, ITIL and CSM

	certifications and is fluent in a number of languages. Uniquely positioned, he 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. Mr Hunter is an executive of the Company and not an independent director. He was executive chairman of the Company prior to 26 April 2018, when he assumed the title of Chief Executive Officer.
Other current directorships of listed entities	None
Former directorships in last 3 years of entities listed in Australia	None
Special responsibilities	None
Interests in shares and options	11,653,579 Ordinary shares, and 5,500,000 options held as at 30 June 2020
Contractual rights to shares	9,878,048 vested performance rights, convertible to 9,878,048 ordinary shares, were held as at 30 June 2020

Information on directors and company secretary (continued)

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

Experience, expertise & qualifications	Mr Macdonald has extensive commercial experience in product, growth and marketing and an accomplished 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. Mr Macdonald's other entrepreneurial initiatives included managing the US real estate investment company American Real Estate Investments. He completed a Bachelor of Business degree at Monash University whilst competing professionally in the AFL for 11 years. Joel assumed the title of President on 26 April 2018 and remains as the Company's Managing Director. Joel is an executive of the Company and not an independent director.
Other current directorships	None
Former directorships in last 3 years of entities listed in Australia	None
Special responsibilities	None
Interests in shares and options	41,689,309 Ordinary shares, and 1,000,000 options held as at 30 June 2020
Contractual rights to shares	9,878,048 vested performance rights, convertible to 9,878,048 ordinary shares, were held as at 30 June 2020

Ms Sophie Karzis *Company Secretary* (Resigned 31 January 2020)

Experience, expertise & qualifications	Ms Karzis is a practicing 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 Pty Limited. Ms Karzis 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. Ms Karzis holds a B.Juris LLB degree from Monash University.

Mr Julian Rockett *Company Secretary* (Appointed 31 January 2020)

Experience, expertise & qualifications	Mr Rockett is a Corporate Lawyer and Company Secretary with Boardroom PTY Limited. His legal background includes advising on IPOs, M&A, RTOs and capital raising for ASX listed companies. His corporate secretarial experience in the listed space include supporting entities across fin-tech, artificial intelligence, medical technology, logistics, equity, resources, mining, building, energy and media. Mr Rockett is also responsible for communication with the ASX in relation to listing rule matters, pursuant to Listing Rule 12.6. He received his Bachelor of Laws from the University of Western Sydney and his GDLP from Australian National University.

Information on directors and company secretary (continued)

Meetings of directors

The numbers of meetings of the Company's Board of Directors held during the year ended 30 June 2020, and the numbers of meetings attended by each director were as follows:

Director		Board of Directors		Remuneration & Nomination Committee		Audit & Risk Committee	
		Held	Attended	Held	Attended	Held	Attended
S Pierre-Louis		6	6	2	2	-	-
B Hunter		6	6	-	-	-	-
J Macdonald		6	6	-	-	-	-
M Naidoo		6	6	2	2	2	2
C White		6	5	-	-	2	2
C Mogridge	(1)	5	4	-	-	-	-

[1]Appointed 29 July 2019

Remuneration report

The Remuneration Report for the financial year ended 30 June 2020, which has been audited, outlines the key management personnel (**KMP**) remuneration arrangements for the Company, in accordance with the requirements of the *Corporations Act 2001* (Cth) (**Corporations Act**) and the *Corporations Regulations 2001* (Cth).

This report is presented under the following sections:

(a) Key management personnel covered in this report

(b) Remuneration philosophy and policy

(c) Short- and long-term incentives

(d) Details of remuneration

(e) Contractual arrangements with executive KMPs

(f) Non-executive director arrangements

(g) Additional Information

(a) Key management personnel covered in this report

The KMP of the Company are defined as those persons having authority and responsibility for planning, directing, and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

During the financial year ended 30 June 2020, the KMP of the Company consisted of the following directors of GetSwift Limited:

Non-executive directors

Mr Stanley Pierre-Louis	Independent Chairman and Independent Non-Executive Director
Mr Charles Terrance White	Independent Non-Executive Director (commenced temporary leave of absence on 19 June 2020)
Mr Marc Naidoo	Independent Non-Executive Director
Mr Carl Mogridge	Independent Non-Executive Director (appointed 29 July 2019)

Executive directors

Mr Bane Hunter	Chief Executive Officer and Executive Director
Mr Joel Macdonald	President, Managing Director and Executive Director

(b) Remuneration philosophy and policy

<u>Overview</u>

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

The Board believes the remuneration policy to be appropriate to attract and retain the best executives and directors to run and manage the Company globally, as well as to 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 Company (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 Company's performance, executive performance, and comparable information.

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

<u>Relationship between remuneration policy and company performance</u>

The remuneration policy relates to the Company's performance by recognising that the Company is developing and monetising its platforms.

As is often the case with technology companies, there is a strong weighting towards performance-based remuneration. The Company's remuneration policy aims to ensure reward for performance is competitive and appropriate for the results delivered. This is important for the business model and to retain staff in the industry.

The Company has had a history of relying on performance-based incentives as part of the remuneration of KMP to improve the performance of the Company, including issuing options under the Employee and Executive Share Ownership Plan (**ESOP**) to KMP, paying short-term incentive bonuses to executive KMPs and issuing performance rights. During the financial year ending 30 June 2020, the Company paid short-term incentive cash bonuses to executive KMPs, a number of performance rights vested during the period as a result of the achievement of performance milestones and options were issued to several members of the KMP.

By tying the vesting of performance rights to metrics such as delivery targets and revenue earned, KMP remuneration is aligned with the performance of the Company, creation of value for shareholders and driving higher earnings.

The following targets have been achieved in respect of the 6 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.
- Class C: Achievement of 750,000 deliveries in a calendar month. Achieved in November 2018.
- 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. Achieved in June 2019.
- Class E: Achievement of Company 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. Achieved in March 2020.
- Class F: Achievement of Company 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. Achieved in June 2020.

The Company does not pay dividends and no capital return has been made to the Company's shareholders since listing in December 2016. Please refer to the section headed *Additional Information* below for details of earnings and over the last four financial years.

<u>Remuneration and Nomination Committee (the **Committee**)</u>

The Remuneration and Nomination Committee Charter (**Committee Charter**) requires that the Committee comprise a minimum of two members. Currently, the Committee comprises Stanley Pierre-Louis (Committee Chairman) and Marc Naidoo, and the Committee Charter contemplates expansion of the Committee to three members, all of whom must be independent directors.

The role of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders and employees of the Company by:

- remunerating the directors, the Chief Executive Officer and Senior Executives (as defined in the Committee Charter) of the Company fairly and appropriately;
- implementing remuneration policies for the Company which strike an appropriate balance between the interests of the Company's shareholders, and rewarding and motivating executives and employees to secure the long-term benefits of their energy and loyalty;
- establishing short- and long-term incentives which are challenging and linked to the creation of sustainable shareholder returns;
- reviewing and advising the Board on the composition of the Board and its committees and the necessary and desirable competencies of Board members; and

- designing proper succession plans for Board members and the Chief Executive Officer for consideration by the Board, as well as reviewing succession plans for other direct reports of the Chief Executive Officer.

The Committee also reviews and makes recommendations to the Board about (where applicable):

- the terms of remuneration for the executive and non-executive directors, the Chief Executive Officer and the other Senior Executives from time to time;
- material changes in material remuneration, recruitment, retention and termination policies and practices;
- compliance with relevant legal and regulatory requirements in relation to any such remuneration, equity plans and termination benefits, including obtaining any shareholder approvals which are necessary;
- the disclosure of remuneration strategies, policies, and practices within the Company and, if necessary, to the Australian Securities Exchange and other regulatory authorities;
- the preparation and approval of the remuneration report to be included in the annual report in accordance with the Corporations Act; and
- whether there is any gender or other inappropriate bias in remuneration for directors, Senior Executives (as defined in the Charter) or other employees.

(c) Short- and long-term incentives

The remuneration of the KMP is aligned to the growth and the success of the Company through the issue of options (including, from time to time, under the ESOP) and performance rights. Discretionary cash bonuses may also be paid from time to time.

During the financial year ended 30 June 2020, KMP received incentives through specific option grants (offered outside the ESOP and approved by shareholders) and discretionary cash bonuses, in addition to their fixed remuneration.

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. 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 first approved by shareholders of the Company on 9 August 2017 and re-approved on materially the same terms on 26 November 2019. The detailed terms of there-approved ESOP were set out in the notice of meeting dated 28 October 2019, distributed to shareholders in respect of that meeting.

Director Options

On 26 November 2019 options were approved by shareholders for issue to the four independent non-executive directors and Mr Hunter, which vest equally in quarterly installments over 36 months (subject to any acceleration in accordance with their terms) and expire 10 years following their grant date. The options granted to the four independent, non-executive directors do not require the satisfaction of any hurdles based on the performance of the Company, in line with the ASX Corporate Governance Council's Principles and Recommendations in respect of the remuneration of non-executive directors. The options granted to Mr Hunter also do not require the satisfaction of any hurdles related to the performance of the Company, as they supplement other aspects of his remuneration that are dependent on performance.

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. See *(f) Non-executive director arrangements* for further details.

Each option issued to Stanley Pierre-Louis, Charles Terrance White, Marc Naidoo, Carl Mogridge and Bane Hunter 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 with the consent of the Company.
- 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 of the relevant options, the number of options 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 the earliest of:
    - the acquisition by an individual, entity or Company (together with its associates, if applicable) of a relevant interest in issued shares of the Company such that the voting power in the Company or someone else increases so that they hold voting power in at least 50% of all issued shares of the Company (other than a scheme of arrangement);
    - a scheme of arrangement as a result of which an individual, entity or Company who was a shareholder of the Company immediately prior to such scheme does not, immediately after the scheme, own (directly or indirectly) at least 50% of the voting power in respect of issued shares in the Company entitled to vote generally in the election of directors of the merged or consolidated body corporate;
    - a transaction as a result of which an individual, entity or Company (together with its associates, if applicable) is able to control the appointment of at least 50% of the Board (other than pursuant to a scheme of arrangement or a takeover bid); or
    - the Board determining (in its discretion) that a change of control is deemed to occur because any of the following has occurred:
        - A takeover bid is made for the Company which may result in the bidder (together with its associates, if applicable) having voting power in at least 50% of all issued shares in the Company and the Board either resolves to recommend the bid or the bid is declared to be unconditional;
        - A court convenes a shareholder meeting to be held to vote on a proposed scheme of arrangement pursuant to which control of the Company may change; or
        - In the opinion of the Board, any other transaction, event or state of affairs is likely to result in a change in control of the Company.

More information regarding total options held by the KMP is set out below at *(d) Details of remuneration: Option holdings*.

The specific number of options granted to 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 in which to remunerate the directors, as compared with the payment of compensation entirely in cash.

Performance rights on issue

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 from the listing of the Company.
The metrics are simple for the Company to measure and they reflect growth in the uptake and commercialization of the Company's products.

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. Achieved in November 2018.
- 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. Achieved in June 2019.
- 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. Achieved in March 2020.
- 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. Achieved in June 2020.

The performance rights are not shares and do not convey to the holder any rights a shareholder of the Company 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 Company. 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 in the Company's prospectus dated 26 October 2016), all Class D, E and F performance rights are considered earned in full and nonforfeitable 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:
    - An acquisition by an individual, entity or Company of benefit ownership of 20% or more of either (A) the then-outstanding shares of the Company or (B) 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 reorganization, merger or consolidation or sale or other disposition of all or substantially at least 50% of the assets of the Company; or
    - The approval by shareholders of a complete liquidation or dissolution of the Company.
- 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 KMP are set out below at *(d) Details of remuneration: Performance rights holdings*.

(d) Details of remuneration

Remuneration expense

The following table shows details of the remuneration expense recognised for the Company's KMP for the current and previous financial year measured in accordance with the requirements of the accounting standards and section 300A of the Corporations Act.*

		Short Term Benefits				Post-employment Benefits	Equity-based Benefits		Total	Proportion of remuneration performance related %
In AUD dollars	FY	Salary, Fees & bonuses		Non-monetary benefits	Total	SGC and 401(k)	Performance rights	Options		
Executive directors										
Bane Hunter	2020	1,071,771	[1]	10,575	1,082,346	17,261	372,077	319,644	1,791,328	46%
	2019	954,309	[1]	14,135	968,444	44,579	212,295	718,177	1,943,495	31%
Joel MacDonald	2020	1,063,939	[1]	12,226	1,076,165	25,378	372,077	142,399	1,616,019	51%
	2019	936,598	[1]	22,817	959,415	37,412	212,295	143,635	1,352,757	45%
Non-executive directors										
Stanley Pierre-Louis	2020	267,142		-	267,142	-	-	128,116	395,258	-
	2019	20916		-	20,916	-	-	6,704	27,620	-
Marc Naidoo	2020	164,164		-	164,164	15,596	-	62,486	242,246	-
	2019	32,500		-	32,500	3,087	-	9,517	45,104	-
Charles Terrance White	2020	192,936		-	192,936	-	-	64,112	257,048	-
	2019	27,888		-	27,888	-	-	6,206	34,094	-
Carl Mogridge (joined 29 July 2019)	2020	99,999		-	99,999	9,500	-	41,836	151,335	-
	2019	-		-	-	-	-	-	-	-
Former non-executive directors										
Michael Fricklas (resigned 26 April 2019)	2019	-		-	-	-	-	229,075	229,075	-
Brett Eagle (resigned 29 November 2018)	2019	50,769		-	50,769	4,823	-9,323	-124,249	-77,980	-
David Ryan (resigned 26 April 2019)	2019	170,814		-	170,814	-	-	22,908	193,722	-
Belinda Gibson (resigned 26 April 2019)	2019	99,700		-	99,700	-	-	10,910	110,610	-
Total KMP compensation	2020	2,859,951		22,801	2,882,752	67,735	744,154	758,593	4,453,234	-
	2019	2,293,494		36,952	2,330,446	89,901	415,267	1,022,883	3,858,497	-

*Except as set forth in the table above, there are no long-term benefits to report. There are no shares to report as equity-based benefits and no termination-based benefits to report.
[1] Includes bonuses expensed, discussed below.

Cash Bonuses

Bane Hunter was awarded a $521,158 cash bonus during the period, representing achievement of 90% of his short-term bonus target. Mr Hunter elected to disburse $70,527 of his personal cash bonus to team members not comprising the KMP, in recognition of their contribution to the Company, resulting in a net payment to Mr Hunter of $450,631 in July 2020.

Joel Macdonald was awarded a $507,795 cash bonus during the period, also representing the achievement of 90% of his short-term bonus target. Mr Macdonald elected to disburse $55,679 of his personal cash bonus to team members not comprising the KMP, in recognition of their contribution to the Company, resulting in a net payment to Mr Macdonald of $452,116 in April 2020.

In determining the bonuses, regard was had to matters including the level of the executive directors' past performance, the geographic market where they were assigned to work (including costs, retention issues and level of salary), and having regard to comparable roles in other companies. The revenue growth of the Company in the prior period was also a key consideration in the evaluation of the appropriateness of the bonuses. No further service or performance conditions were imposed on the eligibility for payment of the bonuses.

2020	**Grant date of bonus**	**Amount of bonus paid $**	**Date paid**
Executive director			
Bane Hunter	5 September 2019	450,631	7 July 2020
Joel Macdonald	5 September 2019	452,116	17 April 2020
Total		**902,747**	

2019	**Grant date of bonus**	**Amount of bonus paid $**	**Date paid**
Executive director			
Bane Hunter	27 February 2019	391,270	30 March 2019
Joel Macdonald	27 February 2019	391,270	30 March 2019
Total		**782,540**	

Share holdings

The number of shares in the parent entity held during the financial year ended 30 June 2020 by each director and other members of KMP of the Company, including their personally related parties, is set out below. These shareholdings reflect relevant interests of the directors.

2020	**Balance at the start of the period [1]**	**Granted as remuneration**	**Received on exercise of options**	**Other changes**	**Balance at the end of the period**
Bane Hunter	11,653,579	-	-	-	11,653,579
Joel Macdonald	41,689,309	-	-	-	41,689,309
Stanley Pierre-Louis	-	-	-	-	-
Marc Naidoo	-	-	-	-	-
Charles Terrance White	-	-	-	-	-
Carl Mogridge (appointed July 29 2019)	150,000				150,000
Total	**53,492,888**				**53,492,888**

[1] 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.

Option holdings

The number of options over ordinary shares in the parent entity held during the financial year ended 30 June 2020 by each director and other members of KMP of the Company, including their personally related parties, is set out below.

2020	Balance at start of the period[1]	Granted as remuneration	% vested during period	Exercised	Other changes[2]	% forfeited during period	Balance at end of the period	Vested and exercisable
Bane Hunter	5,000,000	500,000	33%	-	-	-	5,500,000	4,847,223
Joel Macdonald	1,000,000	-	33%	-	-	-	1,000,000	972,222
Stanley Pierre-Louis	687,500	-	29%	-	-	-	687,500	287,250
Marc Naidoo	300,000	-	33%	-	-	-	300,000	100,000
Charles Terrance White	431,250	-	23%	-	-	-	431,250	239,583
Carl Mogridge (appointed July 29 2019)	-	200,000	25%	-	-	-	200,000	50,000
Total	**7,418,750**	**700,000**					**8,118,750**	**6,540,278**

[1] 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.
[2] Other changes incorporates changes resulting from the expiration/forfeiture/cancellation of options.

The options issued to Stanley Pierre-Louis, Marc Naidoo, Charles Terrance White, Carl Mogridge and Bane Hunter were approved by shareholders on 26 November 2019 and were not issued as part of the ESOP.

The total expense recognised in the current financial year from the amortisation of the granting of these options to the KMP's $758,594. None of the options held by KMP were exercised during the period.

Details of the options granted to the KMP as compensation during the year ended 30 June 2020 are as follows.

2020	Grant Date	No of options	Exercise price	Fair value per option at grant date	Vesting	Expiry date	% vested during period	% forfeited during period	Value of options granted ($)	Value of options exercised
Bane Hunter	26-Nov-19	500,000	0.4965	0.342	5-Dec-19 - 5-Sep-22[1]	20-Dec-29	25%	-	171,000	-
Carl Mogridge (appointed July 29 2019)	26-Nov-19	200,000	0.4965	0.339	29-Oct-19 - 29-Jul-22[1]	20-Dec-29	25%	-	67,800	-
Total		**700,000**								

[1] Options vest quarterly.

Performance rights holdings

The number of performance rights held over ordinary shares in the parent entity held during the financial year ended 30 June 2020 by each relevant member of the KMP of the Company, including their personally related parties, is set out below.

2020	**Balance at start of the period**	**Class E**	**Class F**	**Granted as remun-eration**	**% vested during period**	**Exerc-ised**	**Other changes**	**% forfeited during period**	**Balance at end of the period**	**Vested and exercisable**
Directors										
Bane Hunter	4,939,024	2,469,512	2,469,512	-	100	-	-	-	9,878,048	9,878,048
Joel Macdonald	4,939,024	2,469,512	2,469,512	-	100	-	-	-	9,878,048	9,878,048

Subsequent to the end of the reporting period, all vested performance rights were exercised by both Mr Hunter and Mr Macdonald and converted to fully paid ordinary shares in the capital of the Company, as disclosed in the Appendix 3Y forms filed with ASX on 5 and 6 August 2020, respectively.

(e) Contractual arrangements with executive KMPs

Bane Hunter

Mr Hunter's employment as Chief Executive Officer of the Company was, for the first part of the period, governed by his employment agreement with the Company originally entered into on 1 November 2016 and extended for a further four years, effective 1 January 2018. The renewed agreement was for a term of four years, with an automatic two-year extension (unless notice of non-renewal was provided by the Company within 90 days of the expiration of the initial term). Under the agreement, and for the first part of the relevant period, Mr Hunter was paid a base salary of $579,065 with eligibility for a bonus of up to 100% of his base salary. Remuneration under this agreement was determined by the Remuneration and Nomination Committee in February 2019, upon recommendation of a remuneration consultant (as disclosed in the Company's FY2019 Remuneration Report).

During the reporting period, the agreement was renewed for a further four-year term, effective 16 October 2019 (and Mr Hunter's remuneration was reviewed at that time). Mr Hunter's remuneration under the renewed contract comprises:

- An annual salary of $622,494, commencing 1 January 2020, with eligibility for a bonus of up to 100% of his salary. Mr Hunter's base salary was increased by 7.5% from the previous period by the Board, following a recommendation by the Remuneration and Nomination Committee. Mr Hunter's contract provides for annual increases to his base salary, as approved by the Board, with the rate of 4.5% used as a benchmark.
- The grant of 500,000 options, which vest quarterly over 36 months and convert on exercise into the same number of ordinary shares, subject to any acceleration of vesting in accordance with their terms (see section *(d) Short- and long-term incentives* for a summary of the relevant terms of these options).

Like the previous employment agreement governing Mr Hunter's employment with the Company, the renewed agreement is for an initial term of four years, with an automatic two-year extension (unless notice of non-renewal is provided by the Company within 90 days of the expiration of the initial term). Resignation by Mr Hunter under the agreement requires a six-month notice period, whereas termination by the Company for cause does not require a notice period.

The agreement also prohibits Mr Hunter from being engaged or having an interest (either directly or indirectly) in any capacity, in any trade, business or occupation which is directly competitive with the Company. 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 Company 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 the termination payment is 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 applies when 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 Company;
- commits fraud, an act of intentional gross misconduct or an act of gross negligence; or
- is legally declared by either Australia or the United States to be of unsound mind and is unable to make sound and prudent decisions.

As at 30 June 2020, Bane Hunter held 9,878,048 performance rights. In March and June 2020 and as of 30 June 2020, the Class E and F Performance Milestones were achieved, respectively. No performance rights were converted to ordinary shares during the period ended 30 June 2020.

Joel Macdonald

Mr Macdonald's employment as President of the Company was, for the first part of the reporting period, governed by his employment agreement with the Company originally entered into on 1 November 2016 and extended for a further four years, effective 1 January 2018. The renewed agreement was for a term of four years, with an automatic two-year extension (unless notice of non-renewal was provided by the Company within 90 days of the expiration of the initial term). Under the agreement, and for the first part of the relevant period, Mr Macdonald was paid a base salary of $564,217 with eligibility for a bonus of up to 100% of his base salary. Remuneration under this agreement was determined by the Remuneration and Nomination Committee in February 2019, upon recommendation of a remuneration consultant (as disclosed in the Company's FY2019 Remuneration Report).

During the reporting period, the agreement was renewed for a further four-year term, effective 28 August 2019 (and Mr Macdonald's remuneration was reviewed at that time). Mr Macdonald's remuneration under the renewed contract comprises an annual salary of $606,533 commencing 1 January 2020, with eligibility for a bonus of up to 100% of his salary. Mr Macdonald's base salary was increased by 7.5% from the previous period by the Board, following a recommendation by the Remuneration and Nomination Committee. Mr Macdonald's contract provides for annual increases to his base salary, as approved by the Board, with the rate of 4.5% used as a benchmark.

Like the previous employment agreement governing Mr Macdonald's employment with the Company, 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 Company within 90 days of the expiration of the initial term). Resignation by Mr Macdonald under the agreement requires a six-month notice period, whereas termination by the Company for cause does not require a notice period.

The agreement also prohibits Mr Macdonald from being engaged or having an interest (either directly or indirectly) in any capacity, in any trade, business or occupation which is directly competitive with the Company. 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 Company 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 the termination payment is 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 applies when 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 Company;
- commits fraud, an act of intentional gross misconduct or an act of gross negligence; or

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

As at 30 June 2020, Joel Macdonald held 9,878,048 performance rights. In March and June 2020, the Class E and F Performance Milestones were achieved, respectively. No performance rights were converted to shares during the period ended 30 June 2020.

(f) Non-executive director arrangements

The Company has entered into non-executive director appointment letters with Stanley Pierre-Louis, Marc Naidoo, Charles Terrance White and Carl Mogridge, under which the Company has agreed to pay directors fees as described below. Shareholders approved the issue of options to the four independent, non-executive directors as described below on 26 November 2019.

In the case of Stanley Pierre-Louis, shareholders approved the issue of 600,000 options on 26 November 2019. Vesting occurs quarterly over 3 years (calculated from his appointment date of 31 May 2019 and commencing on issue in respect of any expired quarterly anniversaries), subject to certain change of control or liquidity acceleration events. His director's fee is US$180,000 per annum.

In the case of Charles Terrance White, shareholders approved the issue of 300,000 options on 26 November 2019. Vesting occurs quarterly over three years (calculated from his appointment date of 3 May 2019 and commencing on issue in respect of any expired quarterly anniversaries), subject to certain change of control or liquidity acceleration events. His director's fee is US$120,000 per annum. On 19 June 2020, the Company announced that the Board had granted Mr White a temporary leave of absence from his duties as a non-executive director, for personal reasons. Payment of Mr White's director's fee was paused at that time.

In the case of Marc Naidoo, shareholders approved the issue of 300,000 options on 26 November 2019. Vesting occurs quarterly over three years (calculated from his appointment date of 2 April 2019 and commencing on issue in respect of any expired quarterly anniversaries), subject to certain change of control or liquidity acceleration events. His director's fee is AU$130,000 per annum.

In the case of Carl Mogridge, shareholders approved the issue of 200,000 options on 26 November 2019. Vesting occurs quarterly over three years (calculated from his appointment date of 29 July 2019 and commencing on issue in respect of any expired quarterly anniversaries), subject to certain change of control or liquidity acceleration events. His director's fee is AU$100,000 per annum.

The exercise price of each of the options referred to above will be the 30-day volume-weighted average price of the Company's shares on ASX prior to the issue date.

Other key terms of the options include:

- The options expire 10 years after their issue date.
- The options can be exercised on a net exercise 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 options.

Additional information

The earnings for the Company and factors considered to affect total shareholder return for the four years to 30 June 2020 are summarised below:

	2020	**2019**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Sales Revenue	24,962	2,140	771	336
EBITDA	(27,739)	(18898)	(13,479)	259
EBIT	(30,938)	(19465)	(13,509)	259
Profit/(Loss) after Income Tax	(31,335)	(19,493)	(12,386)	(463)
Share Price at Financial year end ($)	0.68	0.20	0.36	0.94
Total dividends declared (cents per share)	-	-	-	-
Basic earnings per share (cents per share)	(16.56)	(10.34)	(7.11)	(0.02)

This concludes the Company's remuneration report, which has been audited.

Details of total unquoted options and performance rights

The number of each class of unquoted options and performance rights on issue as at 30 June 2020 and the date of this directors' report is as follows:

Class of Equity Securities	**Number of options or performance rights**
Performance Rights	20,030,486
Options exercisable at $0.20 each on or before 7 December 2020	3,850,000
Options exercisable at $0.80 each on or before 14 August 2021	2,138,890
Options exercisable at $1.00 each on or before 14 August 2021	2,138,889
Options exercisable at $1.20 each on or before 14 August 2021	2,138,888
Options exercisable at $7.00 each on or before 18 December 2020	5,000,000
Options exercisable between $0.80 to $1.20 each with expiry dates ranging from 5 years to 15 years	556,500
Options exercisable at $0.408 each, expiring on 19 September 2028	1,100,000
Options exercisable at $0.439 each, expiring on 14 December 2028	50,000
Options exercisable at $0.4965 each, expiring on 29 December 2029	1,900,000
Total	38,903,653

Details of shares issued on the exercise of options:

Class of Equity Securities	Number of exercised options	Exercise total $
Options exercisable at $0.20 each on or before 7 December 2020	3,650,000	730,000

During July 2020, 3,400,000 unlisted options and 19,756,096 performance rights (classes C,D, E and F) were exercised and ordinary shares issued and announced to the market (see https://www.asx.com.au/asxpdf/20200731/pdf/44l21cmlvksfd0.pdf).

Insurance of officers and indemnities

(a) Insurance of officers

The Company has indemnified the directors and executives of the Company 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 Company has also entered into arrangements for access to documents by certain officers. During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

(b) Indemnity of auditors

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

Proceedings on behalf of the company

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

Auditor

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

Non-audit services

RSM US LLP provided tax and other services to the Company during the financial year. RSM Australia Partners, RSM Serbia d.o.o. Beograd, and RSM Alberta LLP also provided tax and other services to the Company during this year. Tax and other services in the amount of $507,044 have been incurred at the date of this report in respect of this financial year, $300,497 to RSM Australia Partners, $187,892 to RSM US LLP, $15,436 to RSM Serbia d.o.o. Beograd, and $3,220 to RSM Alberta LLP. RSM US LLP, RSM Serbia d.o.o. Beograd and RSM Alberta LLP do not provide any audit services to the Company. Separate engagement letters are executed with each RSM entity and further within RSM Australia Partners between audit and tax, and the tax and other services are managed by different partners in different practices than the audit service. The directors of the Company are satisfied and able to make a statement 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. The directors of the Company are satisfied that the provision of those tax and non-audit services, during the financial year, by the auditor or a firm on the auditor's behalf did not compromise the auditor independence requirements of the Corporations Act 2001. Remuneration of the auditor for audit and other assurance services is set out at page 63 in Note 18 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 is set out on page 28.

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 ASIC. The outcome of any such investigations or disputes may have a material adverse effect on GetSwift's operating and financial performance.

Litigation

(a) Class action

In February 2018 class representative proceedings were filed in the Federal Court of Australia against GetSwift Limited. Subsequently, two more open class actions were commenced in the Federal Court of Australia. Of the three proceedings, only one class action was permitted to proceed: the Webb Proceeding. The Company has continued to defend the Webb Proceeding. The Webb Proceeding alleges that the company and its director Mr Macdonald failed to meet their continuous disclosure obligations and engaged in misleading and deceptive conduct. The proceeding was brought on behalf of persons who acquired GetSwift Limited shares between 24 February 2017 to 19 January 2018 inclusive. The Company has filed its defence in the Webb Proceeding and has named Squire Patton Boggs as a concurrent wrongdoer. The Company and Mr Macdonald strongly dispute the allegations made in the Webb Proceeding (including as to any alleged loss) and will continue to vigorously defend the proceedings. Further background is set out in previous yearly, half-yearly and quarterly reports.

The Judge who is currently listed to hear the trial in the Webb Proceeding is the same Judge who heard the trial in the ASIC Proceeding. The Respondents filed an interlocutory application seeking that the matter be reallocated to a different Judge. The application was heard on 13 August 2020 and the Judge has reserved his decision. Pending the decision, the trial date of 14 September 2020, has been vacated. A new trial date has not been set.

The parties have filed their expert evidence. A further mediation has been ordered to occur by 4 November 2020. The parties are next before the Court on 15 September 2020 for a case management hearing.

The parties are otherwise in the process of preparing for trial.

No provision has been taken in these accounts. At the present time, it is not possible to predict the ultimate outcome of these proceedings. Legal fees will be incurred in relation to defending the proceedings.

(b) ASIC proceedings

On 22 February 2019, ASIC commenced civil penalty proceedings in the Federal Court of Australia against GetSwift Limited, Mr Joel Macdonald and Mr Bane Hunter. On 15 March 2019 ASIC amended their claim to include former GetSwift director and Corporate Counsel, Mr Brett Eagle, as an additional defendant. By these proceedings, ASIC allege that the defendants failed to meet their continuous disclosure obligations and engaged in misleading or deceptive conduct between February and December 2017. GetSwift Limited, Mr Macdonald and Mr Hunter irrefutably deny the allegations made by ASIC and, collectively, are vigorously defending the proceedings. Further background is set out in previous yearly, half-yearly and quarterly reports.

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

Stanley Pierre-Louis
Chairman

Dated 31 August 2020

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of GetSwift Limited for the year ended 30 June 2020 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

RSM AUSTRALIA PARTNERS

M PARAMESWARAN
Partner

Dated: 31 August 2020
Melbourne, Victoria

GetSwift Limited

ABN 57 604 611 556

Annual financial report - 30 June 2020

These financial statements are consolidated financial statements for the group consisting of GetSwift Limited and its subsidiaries. A list of major subsidiaries is included in note 13.

The financial statements are presented in the Australian currency.

GetSwift Limited is a company limited by shares, incorporated and domiciled in Australia.

Its registered office is:
Level 12, 225 George Street
Sydney NSW 2000

Its principal place of business is:
GetSwift Limited
1185 6th Avenue
New York NY 10036

The financial statements were authorised for issue by the directors on 31 August 2020. The directors have the power to amend and reissue the financial statements.

	Notes	**2020** **$**	2019 $
Revenue from contracts with customers	2	**24,962,375**	2,139,816
Other income	3(a)	**1,626,923**	1,680,269
		26,589,298	3,820,085
Other gains	3(b)	**1,790,135**	5,184,260
Employee benefits expenses	3(c)	**(13,039,084)**	(10,124,988)
General and administrative expenses	3(c)	**(29,315,524)**	(16,821,268)
Operating expenses	3(c)	**(15,499,278)**	-
Share-based payment expenses	17(b)	**(1,691,477)**	(1,551,994)
Operating loss		**(31,165,930)**	(19,493,905)
Loss before income tax		**(31,165,930)**	(19,493,905)
Income tax expense	4	**(169,140)**	-
Loss for the period		**(31,335,070)**	(19,493,905)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	7(b)	94,053	(855,825)
Total comprehensive loss for the period		**(31,241,017)**	(20,349,730)
Total comprehensive income for the period is attributable to:			
Owners of GetSwift Limited		**(31,485,345)**	(20,349,730)
Non-controlling interests		**244,328**	-
		(31,241,017)	(20,349,730)

		Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic and diluted loss per share	19	**(16.56)**	(10.34)

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

	Notes	2020 $	2019 $
ASSETS			
Current assets			
Cash and cash equivalents	5(a)	**33,949,125**	68,809,011
Trade and other receivables	5(b)	**15,251,506**	1,318,925
Inventories	6(c)	**2,410,762**	-
Other current assets	6(d)	**3,302,611**	299,637
Total current assets		**54,914,004**	70,427,573
Non-current assets			
Plant and equipment	6(a)	**1,917,103**	175,565
Intangible assets	6(b)	**18,886,914**	7,923,406
Deferred tax assets	4(c)	**47,117**	-
Other assets		**189,926**	114,162
Total non-current assets		**21,041,060**	8,213,133
Total assets		**75,955,064**	78,640,706
LIABILITIES			
Current liabilities			
Trade and other payables	5(c)	**20,888,872**	4,470,716
Contract liabilities	5(f)	**446,303**	50,728
Employee benefit obligations	6(f)	**142,559**	77,389
Warranty provisions	6(g)	**401,471**	-
Other current liabilities	6(e)	**833,725**	-
Total current liabilities		**22,712,930**	4,598,833
Non-current liabilities			
Deferred tax liabilities	4(c)	**1,560,051**	-
Employee benefit obligations	6(f)	**10,640**	10,640
Warranty provisions	6(g)	**802,941**	-
Other non-current liabilities	6(h)	**476,377**	-
Total non-current liabilities		**2,850,009**	10,640
Total liabilities		**25,562,939**	4,609,473
Net assets		**50,392,125**	74,031,233

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

	Notes	**2020 $**	2019 $
EQUITY			
Share capital	7(a)	**103,839,824**	103,242,031
Other reserves	7(b)	**6,241,185**	5,054,277
Accumulated losses		**(65,892,398)**	(34,265,075)
Non-controlling interests	13(b)	**6,203,514**	-
Total equity		**50,392,125**	74,031,233

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

	Notes	Attributable to owners of GetSwift Limited				
		Share capital $	**Other reserves $**	**Accumulated losses $**	**Non-controlling interests $**	**Total equity $**
Balance at 1 July 2018		103,242,031	4,358,108	(14,771,170)	-	92,828,969
Loss for the period		-	-	(19,493,905)	-	(19,493,905)
Other comprehensive loss		-	(855,825)	-	-	(855,825)
Total comprehensive loss for the period		**-**	**(855,825)**	**(19,493,905)**	**-**	**(20,349,730)**
Transactions with owners in their capacity as owners:						
Options issued/expensed/exercised	7(b)(ii)	-	1,898,621	-	-	1,898,621
Options lapsed	7(b)(ii)	-	(735,958)	-	-	(735,958)
Performance rights issued/expensed	7(b)(iii)	-	468,017	-	-	468,017
Performance rights expensed		-	(78,686)	-	-	(78,686)
		-	1,551,994	-	-	1,551,994
Balance at 30 June 2019		**103,242,031**	**5,054,277**	**(34,265,075)**	**-**	**74,031,233**

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

	Notes	Attributable to owners of GetSwift Limited				
		Share capital $	**Other reserves $**	**Accumulated losses $**	**Non-controlling interests $**	**Total equity $**
Balance at 1 July 2019		103,242,031	5,054,277	(34,265,075)	-	74,031,233
Change in accounting policy	22	-	-	(47,925)	-	(47,925)
Restated total equity at 1 July 2019		**103,242,031**	**5,054,277**	**(34,313,000)**	**-**	**73,983,308**
(Loss)/profit for the period		-	-	(31,579,398)	244,328	(31,335,070)
Other comprehensive gain		-	94,053	-	-	94,053
Total comprehensive income/(loss) for the period		**-**	**94,053**	**(31,579,398)**	**244,328**	**(31,241,017)**
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs and tax	7(a)	(711,444)	-	-	-	(711,444)
Options issued/expensed/exercised	7(b)(ii)	1,309,237	122,530	-	-	1,431,767
Performance rights expensed	7(b)(iii)	-	970,325	-	-	970,325
Non-controlling interests on acquisition		-	-	-	5,959,186	5,959,186
		597,793	1,092,855	-	5,959,186	7,649,834
Balance at 30 June 2020		**103,839,824**	**6,241,185**	**(65,892,398)**	**6,203,514**	**50,392,125**

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

	Notes	**2020** **$**	2019 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**15,187,764**	1,755,386
Payments to suppliers and employees (inclusive of GST)		**(41,993,832)**	(28,725,307)
Income taxes paid		**(169,140)**	-
Research and development tax incentive received		**242,963**	158,761
Interest paid		**(58,190)**	(1,391)
Net cash (outflow) from operating activities	8(a)	**(26,790,435)**	(26,812,551)
Cash flows from investing activities			
Payments for financial assets at amortised cost		**-**	(1,271,712)
Payments for plant and equipment	6(a)	**(27,109)**	(176,615)
Payment for acquisition of business	12	**(8,647,894)**	(6,976,309)
Payments for other assets		**(77,869)**	(31,932)
Proceeds from transfer of financial assets at amortised cost		**-**	66,116,055
Deferred consideration payments		**(933,410)**	-
Other acquisition payments		**(200,000)**	-
Interest received		**1,166,122**	1,768,752
Net cash (outflow) inflow from investing activities		**(8,720,160)**	59,428,239
Cash flows from financing activities			
Principal elements of lease payments		**(661,801)**	-
Financing for LDA facility		**(874,253)**	-
Net cash (outflow) from financing activities		**(1,536,054)**	-
Net (decrease) increase in cash and cash equivalents		**(37,046,649)**	32,615,688
Cash and cash equivalents at the beginning of the financial year		**68,809,011**	35,844,755
Effects of exchange rate changes on cash and cash equivalents		**2,186,763**	348,568
Cash and cash equivalents at end of year	5(a)	**33,949,125**	68,809,011

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

Contents of the notes to the financial statements

1 Segment information

During the current financial period, on 31 January 2020, the group acquired 60% of the shares in Logo D.O.O. Belgrade. For further details, refer to note 12.

During the financial year, approximately 35% of the revenue was generated from one customer (2019: nil).

Post-acquisition, during the second half of the financial period, the group conducted a review of internal reporting to the CEO (the Chief Operating Decision Maker (CODM)) and identified two primary reporting segments in assessing performance and determining the allocation of resources.

The segment disclosure replicates the manner in which the CODM monitors the business performance. The CODM monitors business performance within a segment at loss before income tax and is measured consistently with profit or loss in the consolidated financial statements.

Through its two operating segments, "Technology Subscription Services" and "Communication Technology Services", the company derives revenue from contracts with its clients by offering a suite of software products and services focused on business and logistics and automation, data management and analysis, communications, information security, and infrastructure optimisation and also includes e-commerce and marketplace ordering, workforce management, data analytics and augmentation, business intelligence, route optimisation, cash management, task management shift management, asset track, real-time alerts, cloud communications, and communications infrastructure products and services including consulting, design, construction, and maintenance. GetSwift's offerings are used by public and private sector clients across industries and jurisdictions for their respective logistics, communications, information security, and infrastructure projects and operations.

(a) Segment results

30 June 2020	**Technology subscription services**	**Communication technology services**	**Corporate and administration**	**Total**
	$	$	$	$
Revenue from contracts with customers	5,397,632	19,564,743	-	24,962,375
Other income	242,963	217,838	1,166,122	1,626,923
Other gains	-	(39,012)	1,829,147	1,790,135
	5,640,595	19,743,569	2,995,269	28,379,433
Segment expense				
Segment expense	(2,255,978)	(18,150,975)	(39,138,410)	(59,545,363)
	(2,255,978)	(18,150,975)	(39,138,410)	(59,545,363)
Operating loss/income	3,384,617	1,592,594	(36,143,141)	(31,165,930)
Income tax (expense)/benefit	-	(251,748)	82,608	(169,140)
Total loss/income for the period	3,384,617	1,340,846	(36,060,533)	**(31,335,070)**
Assets				
Total segment assets	1,360,368	17,996,570	56,598,126	75,955,064
Total assets	1,360,368	17,996,570	56,598,126	75,955,064

1 Segment information (continued)

(a) Segment results (continued)

30 June 2020	**Technology subscription services** $	**Communication technology services** $	**Corporate and administration** $	**Total** $
Liabilities				
Total segment liabilities	2,056,075	13,797,153	9,709,711	25,562,939
Total liabilities	2,056,075	13,797,153	9,709,711	25,562,939

2 Revenue from contract with customers

(a) Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of services over time and at a point in time in the following geographical regions:

2020	**Asia Pacific** **$**	**Americas** **$**	**EMEA** **$**	**Total** **$**
Point in time				
Subscription services	**98,980**	**398,955**	**203,796**	**701,731**
Sale of products	**-**	**-**	**14,667,096**	**14,667,096**
Sale of finished products and services	**-**	**-**	**3,448,503**	**3,448,503**
	98,980	**398,955**	**18,319,395**	**18,817,330**
Over time				
Subscription services	**346,156**	**3,662,819**	**686,927**	**4,695,902**
Sale of finished goods and services	**-**	**-**	**1,449,143**	**1,449,143**
	346,156	**3,662,819**	**2,136,070**	**6,145,045**
Total revenue	**445,136**	**4,061,774**	**20,455,465**	**24,962,375**

2019	Asia Pacific $	Americas $	EMEA $	Total $
Over time				
Subscription services	100,378	194,612	146,949	441,939
Sale of finished goods and services	410,858	1,170,268	116,751	1,697,877
	511,236	1,364,880	263,700	2,139,816
Total revenue	**(511,236)**	**(1,364,880)**	**(263,700)**	**(2,139,816)**

2 Revenue from contract with customers (continued)

(b) Accounting policies and significant judgements

Delivery management services revenue is recognised either at a point in time when the service request is facilitated, or over time as services are provided, based upon the applicable rates within contractual customer agreements, typically ranging from 1-2 years. For contracted customers, any set-up or software customisation fees are allocated on a straight-line basis over the term of the contract.

For sales of products alone, and contracts to deliver products and services, revenue is recognised when or as the products or services are transferred to a customer, based upon an evidenced agreement. Before recognising revenue, the separate performance obligations are identified, and the contractual transaction price is identified and allocated to the performance obligations. Then, revenue is recognised when or as each performance obligation is satisfied - that is, at a point in time or over time.

Revenue relating to construction or upgrade services under service concession arrangements is recognised over time, consistent with accounting policies on recognising revenue on construction contracts. Operating or service revenue is recognised in the period in which the services are provided. If the service concession arrangement contains more than one performance obligation, the consideration is allocated with reference to the relative stand-alone selling price of the services delivered.

3 Other income and expense items

(a) Other income

	Notes	**2020** **$**	2019 $
Interest income		**1,166,122**	1,521,508
Research and development tax incentive	3(a)(i)	**242,963**	158,761
Other items		**217,838**	-
		1,626,923	1,680,269

(i) R&D tax incentive

The group's research and development (R&D) activities are eligible under an Australian government tax incentive for eligible expenditure. It is recognised as it is received by the group for the activities they are involved in.

(b) Other gains

	Notes	**2020** **$**	2019 $
Net gain on disposal of property, plant and equipment	6(a)	**4,499**	-
Net foreign exchange gains		**1,833,378**	5,184,260
Other items		**(47,742)**	-
		1,790,135	5,184,260

3 Other income and expense items (continued)

(c) Breakdown of expenses

	2020 **$**	2019 $
General and administrative expenses		
Advertising and marketing	**1,193,129**	806,173
Amortisation	**2,355,385**	502,930
Bad debts	**312,507**	36,747
Contingent consideration expense	**533,392**	-
Depreciation	**843,313**	64,157
Finance costs	**228,315**	28,362
Insurance	**1,604,863**	1,146,036
Legal fees	**12,822,641**	5,865,796
Occupancy	**307,503**	751,403
Professional fees	**2,670,836**	1,880,810
Provision expenses	**467,672**	-
Technology contractors	**2,082,739**	2,773,256
Travel and entertainment	**472,221**	863,733
Website expenses	**1,759,516**	824,802
Other expenses	**1,661,492**	1,277,063
	29,315,524	16,821,268
Employee benefits expenses		
Salaries, bonuses and directors' fees	**11,687,812**	9,073,839
Superannuation and 401(k)	**371,716**	315,341
Other	**979,556**	735,808
	13,039,084	10,124,988
Operating expenses		
Materials	**13,961,560**	-
Services	**1,915,644**	-
Warranty provisions net	**(377,926)**	-
	15,499,278	-

4 Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	2020 $	2019 $
Loss from continuing operations before income tax expense	**(31,165,930)**	(19,493,905)
Tax at the Australian tax rate of 27.5% (2019: 27.5%)	**(8,570,631)**	(5,360,824)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
R&D tax incentive	**(66,815)**	(43,659)
Accrued interest income	**-**	67,992
Blackhole expenditure (Section 40-880, ITAA 1997)	**(513,345)**	(139,376)
Employee leave provisions	**812**	15,236
Stock provision	**11,000**	-
Bonus provision	**118,223**	(121,612)
Entertainment	**18,433**	16,808
Legal Fees	**1,869,847**	-
Share-based payments	**465,156**	426,798
Superannuation liability	**12,093**	1,512
Unrealised currency (gains)/losses	**(504,151)**	(1,425,672)
Subtotal	**(7,159,378)**	(6,562,797)
Difference in overseas tax rates	**45,507**	6,364
Tax losses and other timing differences for which no deferred tax asset is recognised	**7,283,011**	6,556,433
Income tax expense	**169,140**	-

(b) Tax losses

	2020 $	2019 $
Unused tax losses for which no deferred tax asset has been recognised	**55,850,392**	29,366,712
Potential tax benefit @ 27.5%	**15,358,858**	8,075,846

(c) Deferred tax balances

(i) Deferred tax assets

	2020 $	2019 $
The balance comprises temporary differences attributable to:		
Fixed assets	**47,117**	-

4 Income tax expense (continued)

(c) Deferred tax balances (continued)

(ii) Deferred tax liabilities

	2020 $	2019 $
The balance comprises temporary differences attributable to:		
Acquired from business combination - Logo	**1,643,573**	-
Intangible assets	**(82,520)**	-
Closing balance	**1,561,053**	-

(d) Income tax payable

	2020 $	2019 $
Income tax payable	**530,216**	-

5 Financial assets and financial liabilities

(a) Cash and cash equivalents

	2020 $	2019 $
Current assets		
Cash at bank and in hand	**33,949,125**	68,791,626
Other cash and cash equivalents	**-**	17,385
	33,949,125	68,809,011

(i) Reconciliation to cash flow statement

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

	2020 $	2019 $
Balances as above	**33,949,125**	68,809,011
Balances per statement of cash flows	**33,949,125**	68,809,011

(ii) Risk exposure

The group's exposure to interest rate risk is discussed in note 10. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

5 Financial assets and financial liabilities (continued)

(b) Trade and other receivables

	Notes	2020 Current $	2020 Non-current $	2020 Total $	2019 Current $	2019 Non-current $	2019 Total $
Trade receivables		**11,372,363**	**-**	**11,372,363**	535,188	-	535,188
Loss allowance	10(b)	**(410,568)**	**-**	**(410,568)**	(28,518)	-	(28,518)
		10,961,795	**-**	**10,961,795**	506,670	-	506,670
Accrued receivables		**2,838,290**	**-**	**2,838,290**	-	-	-
Other receivables (ii)		**1,451,421**	**-**	**1,451,421**	812,255	-	812,255
		4,289,711	**-**	**4,289,711**	812,255	-	812,255
Total trade and other receivables		**15,251,506**	**-**	**15,251,506**	1,318,925	-	1,318,925

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the group's impairment policies and the calculation of the loss allowance are provided in note 10(b).

(ii) Other receivables

These amounts principally comprise receivables from taxation authorities for goods and services tax (GST) and value-added tax (VAT).

(iii) Fair value of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(iv) Impairment and risk exposure

Information about the impairment of trade receivables and the group's exposure to credit risk, foreign currency risk and interest rate risk can be found in note 10.

5 Financial assets and financial liabilities (continued)

(b) Trade and other receivables (continued)

(v) Allowance for expected credit losses

The group has recognised a loss allowance of $439,865 in the balance sheet which relates to expected credit losses for the year ended 30 June 2020.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

30 June 2020			**Days past due**			
Contact	**Current**	**1-30 days**	**31-60 days**	**61-90 days**	**91+ days**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Technology subscription services	170,114	42,762	49,813	16,784	298,775	578,248
Expected credit loss rate	0%	0%	0%	0%	92.66%	
Gross carrying amount	-	-	-	-	276,847	276,847
Communication technology services	9,799,645	330,644	22,939	482,761	158,126	10,794,115
Expected credit loss rate	0.095%	0.81%	1.25%	1.25%	73.2%	
Gross carrying amount	9,289	2,678	287	6,035	115,432	133,721
Total AR	**9,969,759**	**373,406**	**72,752**	**499,545**	**456,901**	**11,372,363**
Total loss allowance	**9,289**	**2,678**	**287**	**6,035**	**392,279**	**410,568**

The group has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment of being unable to pay, due to Coronavirus (COVID-19) pandemic.

Movements in the allowance for expected credit losses are as follows:

	2020	2019
	$	$
Opening balance	**28,518**	-
Additional provisions recognised	**439,865**	28,518
Receivables written off during the year as uncollected	**(57,815)**	-
Closing balance	**410,568**	28,518

5 Financial assets and financial liabilities (continued)

(c) Trade and other payables

	Notes	**2020** Current $	**2020** Non-current $	**2020** Total $	2019 Current $	2019 Non-current $	2019 Total $
Trade payables		**15,324,468**	**-**	**15,324,468**	2,726,384	-	2,726,384
Social security and other taxes		**549,470**	**-**	**549,470**	-	-	-
Accrued expenses		**2,697,697**	**-**	**2,697,697**	258,823	-	258,823
Deferred consideration		**-**	**-**	**-**	933,410	-	933,410
Contingent consideration (i)	12	**844,057**	**-**	**844,057**	386,441	-	386,441
Capital facility fee	5(d)	**437,130**	**-**	**437,130**	-	-	-
Line of credit	5(e)	**818,994**	**-**	**818,994**	-	-	-
Other payables		**217,056**	**-**	**217,056**	165,658	-	165,658
		20,888,872	**-**	**20,888,872**	4,470,716	-	4,470,716

Trade payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(i) Deferred and contingent consideration

These amounts represent payables for the acquisition of Delivery Biz Pro and Scheduling Plus in an amount of $436,398 as Management believes the related final revenue earnout target will be fully achieved. $407,659 is also included as Management believes the probability of Logo achieving the First Revenue Target (note 12) is 50%. At this time, Management does not believe the Second Revenue Target and Third Revenue Target will be achieved.

(d) Capital facility

In March 2020, GetSwift Limited entered into a put option agreement with LDA Capital LLC, a United States based private alternative investment group, which have agreed to provide the company with up to US$45 million in committed equity capital over the next 36 months.

Capital call elections by the company are subject to the requirements and limitations of the terms of the share lending agreement. The purchase price of the company's shares by LDA are based on certain criteria including GSW's daily trading volume and weighted average price during specified periods, as well as LDA entering into a share lending agreement with a holder of currently outstanding shares of the company and the delivery of such shares to LDA.

In addition, the company has agreed to issue up to 3,959,550 unlisted options to LDA Capital proportional to the amount subscribed by LDA Capital under the agreement. At the time of issue of shares to LDA Capital pursuant to a call notice, the company will also issue that number of options equal to the proportion of the total options that the amount subscribed bears to the commitment amount. The unlisted options will have an exercise price equal to 125% of the issue price of the shares subscribed and have a 3-year expiry period.

The company has agreed to pay a commitment fee of 2% of the commitment amount (US$900,000) which is payable as to US$300,000 6 months after the date of agreement, with the balance payable after the closing price of a GetSwift Limited share on any trading day is equal to or greater than AU$0.75. That US$600,000 payment was made on 7 May 2020. The company has also agreed to pay financing fees customary for facilities of this nature in respect of amounts drawn down under the agreement.

5 Financial assets and financial liabilities (continued)

(d) Capital facility (continued)

The option is recognised as a financial instrument designated as fair value through the profit and loss to minimise any accounting mis-match from recognising changes in value of one but not the other through the P&L. The fair value of the financial instrument is reassessed at the end of each reporting period. This will have the effect of recognising the price paid for the option as an equity issue cost 'over the life' of the put option.

(e) Line of credit

Logo D.O.O has entered into line of credit agreements enabling the company to borrow funds up to 1.8 million euros through several lenders with terms expiring through September 2021 and interest rates based upon 1 to 6 month EURIBOR plus 2.2% to 2.7%. At 30 June 2020 there was $818,994 outstanding balance on any of these line of credits.

(f) Contract liabilities

	2020 **$**	2019 $
Contract liabilities	**446,303**	50,728

(i) Reconciliation

	2020 **$**	2019 $
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	**50,728**	-
Acquired on acquisition	**177,753**	-
Payments received in advance	**572,924**	110,650
Transfer to revenue - included in the opening balance	**(51,837)**	-
Transfer to revenue - performance obligations satisfied in previous periods	**(303,265)**	(59,922)
Closing balance	**446,303**	50,728

(ii) Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $446,303 as at 30 June 2020 ($50,728 as at 30 June 2019) and is expected to be recognised as revenue in future periods as follows:

	2020 **$**	2019 $
Within 6 months	**367,302**	32,921
6 to 12 months	**79,001**	17,807
12 to 18 months	**-**	-
18 to 24 months	**-**	-
	446,303	50,728

6 Non-financial assets and liabilities

(a) Property, plant and equipment

	Plant and equipment $	Furniture, fittings and equipment $	Leasehold improvements $	Leased property $	Assets under construction $	Total $
Year ended 30 June 2019						
Opening net book amount	-	60,264	-	-	-	60,264
Additions	-	109,267	67,348	-	-	176,615
Depreciation charge	-	(56,623)	(4,691)	-	-	(61,314)
Closing net book amount	-	112,908	62,657	-	-	175,565
At 30 June 2019						
Cost or fair value	-	190,414	67,348	-	-	257,762
Accumulated depreciation	-	(77,506)	(4,691)	-	-	(82,197)
Net book amount	-	112,908	62,657	-	-	175,565
Year ended 30 June 2020						
Opening net book amount	-	112,908	62,657	-	-	175,565
Acquisition of subsidiary (Note 12)	976,717	-	-	-	58,158	1,034,875
Adoption of AASB 16	-	-	-	949,000	-	949,000
Additions	-	18,029	9,080	-	-	27,109
Exchange differences	86,100	6,633	2,091	42,382	-	137,206
Disposals	-	4,499	-	-	-	4,499
Adoption of AASB 16 by Logo	-	-	-	432,162	-	432,162
Depreciation charge	(142,153)	(125,522)	(23,573)	(552,065)	-	(843,313)
Closing net book amount	920,664	16,547	50,255	871,479	58,158	1,917,103
At 30 June 2020						
Cost	2,030,272	48,073	76,428	2,196,269	58,158	4,409,200
Accumulated depreciation	(1,109,608)	(31,526)	(26,173)	(1,324,790)	-	(2,492,097)
Net book amount	920,664	16,547	50,255	871,479	58,158	1,917,103

6 Non-financial assets and liabilities (continued)

(b) Intangible assets

Non-current assets	Goodwill $	Trademarks and other rights $	Software $	Customer lists and contracts $	Other $	Total $
At 1 July 2018						
Cost	-	-	22,750	-	2,704	25,454
Accumulated amortisation and impairment	-	-	(1,712)	-	(1,900)	(3,612)
Net book amount	-	-	21,038	-	804	21,842
Year ended 30 June 2019						
Opening net book amount	-	-	21,038	-	804	21,842
Acquisition of business (note 12)	2,400,618	168,705	1,799,522	3,922,396	-	8,291,241
Exchange differences	33,807	2,406	25,660	55,930	-	117,803
Amortisation charge	-	(12,328)	(136,053)	(358,295)	(804)	(507,480)
Closing net book amount	2,434,425	158,783	1,710,167	3,620,031	-	7,923,406
At 30 June 2019						
Cost	2,434,425	171,111	1,847,932	3,978,326	2,704	8,434,498
Accumulated amortisation and impairment	-	(12,328)	(137,765)	(358,295)	(2,704)	(511,092)
Net book amount	2,434,425	158,783	1,710,167	3,620,031	-	7,923,406
Year ended 30 June 2020						
Opening net book amount	2,434,425	158,783	1,710,167	3,620,031	-	7,923,406
Acquisition of business (note 12)	2,077,390	9,271,706	13,960	1,723,061	21,333	13,107,450
Exchange differences	76,995	(1,353)	46,216	89,597	(12)	211,443
Amortisation charge	-	(800,146)	(382,297)	(1,171,183)	(1,759)	(2,355,385)
Closing net book amount	4,588,810	8,628,990	1,388,046	4,261,506	19,562	18,886,914
At 30 June 2020						
Cost	4,588,810	9,438,665	2,224,658	5,786,887	24,019	22,063,039
Accumulated amortisation	-	(809,675)	(836,612)	(1,525,381)	(4,457)	(3,176,125)
Net book amount	4,588,810	8,628,990	1,388,046	4,261,506	19,562	18,886,914

6 Non-financial assets and liabilities (continued)

(b) Intangible assets (continued)

(i) Amortisation methods and useful lives

The group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Trademarks and other rights 5 years
- Software 5 years
- Customer lists and contracts 4 years

See note 21(n) for the other accounting policies relevant to intangible assets, and note 21(h) for the group's policy regarding impairments.

(ii) Impairment testing

DBP

The recoverable amount of the DBP cash generating unit as at 30 June 2020 has been determined based on a value-in-use calculation using a discounted cash flow model, based on a 5-year projection period approved by management, with a terminal value.

The value-in-use of the DBP cash generating unit is most sensitive to the following assumptions:

- 17.0% Post-tax discount rate
- 16.9% Implied revenue compound annual growth rate

The discount rate of 17.0% post-tax reflects DBP's estimated cost of capital based on the risk-free rate, market risk premium, volatility of the share price relative to market movements, and company specific risk factors. The post-tax discount rate would need to be greater than 17.5% in order for the cash generating unit to be deemed impaired.

Management believes the projected revenue compound annual growth rate of 16.9% per annum is prudent and justified. The projected revenue CAGR would need to be less than 16.0% per annum in order for the cash generating unit to be deemed impaired.

It was concluded that the value-in-use exceeds the carrying amount of the cash generating unit. Consequently, Management have not recognised an impairment charge.

Based on the above, the recoverable amount of the CGU exceeded the carrying amount by $252k as at 30 June 2020.

Logo

The recoverable amount of the Logo cash generating unit as at 30 June 2020 has been determined based on a value-in-use calculation using a discounted cash flow model, based on a 5-year projection period approved by management, with a terminal value.

The value-in-use of the Logo cash generating unit is most sensitive to the following assumptions:

- 13.3% Post-tax discount rate
- 5.4% Implied revenue compound annual growth rate

The discount rate of 13.3% post-tax reflects Logo's estimated cost of capital based on the risk-free rate, market risk premium, volatility of the share price relative to market movements, and company specific risk factors. The post-tax discount rate would need to be greater than 13.6% in order for the cash generating unit to be deemed impaired.

Management believes the projected revenue compound annual growth rate of 5.4% per annum is prudent and justified. The projected revenue CAGR would need to be less than 5.0% per annum in order for the cash generating unit to be deemed impaired.

6 Non-financial assets and liabilities (continued)

(b) Intangible assets (continued)

It was concluded that the value-in-use exceeds the carrying amount of the cash generating unit. Consequently, Management have not recognised an impairment charge.

Based on the above, the recoverable amount of the CGU exceeded the carrying amount by $373k as at 30 June 2020.

(iii) Sensitivity

The directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to increase by less than 16.0% per annum in DBP before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase to 17.5% in DBP before goodwill would need to be impaired, with all other assumptions remaining constant.
- Revenue would need to increase by less than 5.0% per annum in Logo before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase to 13.6% in Logo before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of each cash generating unit is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of each cash generating unit is based, this would result in an impairment charge for the goodwill associated with either cash generating unit.

(iv) Customer contracts

The customer contracts were acquired as part of a business combination (see note 12 for details). They are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line based on the timing of projected cash flows of the contracts over their estimated useful lives.

(c) Inventories

	2020			2019		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Raw materials	**1,251,349**	**-**	**1,251,349**	-	-	-
Goods in transit	**118,227**	**-**	**118,227**	-	-	-
Traded goods	**982,805**	**-**	**982,805**	-	-	-
Finished goods	**96,811**	**-**	**96,811**	-	-	-
	2,449,192	**-**	**2,449,192**	-	-	-
Provision of traded goods	**(38,430)**	**-**	**(38,430)**	-	-	-
	(38,430)	**-**	**(38,430)**	-	-	-
	2,410,762	**-**	**2,410,762**	-	-	-

6 Non-financial assets and liabilities (continued)

(c) Inventories (continued)

Logo performs an inventory count on a periodic basis and at year end. After each count management reviews the inventory for potential write down or the creation of a provision for obsolescence. Following the June 2020 year-end review management concluded that $38,430 would be provided for.

(d) Other current assets

	Notes	**2020 $**	2019 $
Current assets			
Prepayments		**1,991,221**	299,637
Capital facility fees	5(d)	**1,311,390**	-
		3,302,611	299,637

(e) Other current liabilities

	Notes	**2020 $**	2019 $
Current liabilities			
Lease liabilities	6(h)	**333,291**	-
Other current liabilities		**500,434**	-
		833,725	-

(f) Employee benefit obligations

	2020			2019		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Leave obligations (i)	**142,559**	**10,640**	**153,199**	77,389	10,640	88,029

(i) Leave obligations

The leave obligations cover the group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits, as explained in note 21(q).

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of $142,559 (2019: $77,389) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

6 Non-financial assets and liabilities (continued)

(g) Warranty provisions

	2020 Current $	**2020** Non-current $	**2020** Total $	2019 Current $	2019 Non-current $	2019 Total $
Service warranties	**401,471**	**802,941**	**1,204,412**	-	-	-

Service warranties

Warranty obligations arise following a project's completion for certain Technology Communications service projects. A warranty provision is calculated based on the individual analysis of each projects, review of contract terms and previous warranty experience, in addition the analysis separates out the goods and work provided. Based on this analysis management has created a provision for 5% of invoiced revenue.

(i) Movements in provisions

Movements in each class of provision during the financial year are set out below:

30 June 2020	**Service warranties $**	**Total $**
Carrying amount at start of year	-	-
Acquired through business combination	1,125,160	1,125,160
- additional provisions recognised	457,178	457,178
- unwinding of discount	(377,926)	(377,926)
Carrying amount at end of year	1,204,412	1,204,412

6 Non-financial assets and liabilities (continued)

(h) Leases

The group has two leases in Colorado, USA. Commencing November 2018 and February 2019, the term of the leases are three years and five years respectively.

The group has one lease in Belgrade, Serbia. Commencing January 2019, the term of the lease is for three years.

(i) Amounts recognised in the balance sheet

	2020	2020
	$	$
Right-of-use assets[1]		
Properties	**871,479**	-
	871,479	-
Lease liabilities[2]		
Current	**333,291**	-
Non-current	**476,377**	-
	809,668	-

[1.] Included in the line item 'property, plant and equipment' in the consolidated statement of financial position.

[2.] Included in the line items 'other current liabilities' and 'other non-current liabilities' in the consolidated statement of financial position.

(ii) Amounts recognised in the statement of profit or loss

	2020	2019
	$	$
Interest expense (included in general and administrative expenses)	**58,190**	-
Depreciation charge of right-of-use assets	**552,065**	-
	610,255	-

(iii) The group's leasing activities and how these are accounted for

The group's lease agreement does not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

7 Equity

(a) Share capital

	Notes	**2020 Shares**	2019 Shares	**2020 $**	2019 $
Ordinary shares	7(a)(ii)				
Fully paid		**192,174,310**	188,524,310	**103,839,824**	103,242,031
	7(a)(i)	**192,174,310**	188,524,310	**103,839,824**	103,242,031

(i) Movements in ordinary shares:

Details	**Number of shares**	**Total $**
Balance at 1 July 2018	**188,524,310**	**103,242,031**
No movement in ordinary shares in period	-	-
Balance at 30 June 2019	**188,524,310**	**103,242,031**
Issue at $0.20 on exercise of ESOP unlisted options	3,650,000	725,000
Transfer from reserves on exercise of ESOP unlisted options	-	584,237
Less: Transaction costs arising on share issues	-	(711,444)
Balance at 30 June 2020	**192,174,310**	**103,839,824**

(ii) Ordinary shares

Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(iii) Options

Information relating to options, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period, is set out in notes 7(b) and 17.

(b) Other reserves

The following table shows a breakdown of the consolidated statement of financial position 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.

7 Equity (continued)

(b) Other reserves (continued)

	Notes	Share-based payments $	Performance rights $	Foreign currency translation $	Total other reserves $
At 1 July 2018		**3,087,206**	**1,534,368**	**(263,466)**	**4,358,108**
Currency translation differences		-	-	(855,825)	(855,825)
Other comprehensive income		-	-	(855,825)	(855,825)
Transactions with owners in their capacity as owners					
Options expensed	7(b)(ii)	1,898,621	-	-	1,898,621
Options lapsed	7(b)(ii)	(735,958)	-	-	(735,958)
Performance rights issued/expensed	7(b)(iii)	-	468,017	-	468,017
Performance rights expensed	7(b)(iii)	-	(78,686)	-	(78,686)
At 30 June 2019		**4,249,869**	**1,923,699**	**(1,119,291)**	**5,054,277**

	Notes	Share-based payments $	Performance rights $	Foreign currency translation $	Total other reserves $
At 1 July 2019		**4,249,869**	**1,923,699**	**(1,119,291)**	**5,054,277**
Currency translation differences		-	-	94,053	94,053
Other comprehensive income		-	-	94,053	94,053
Transactions with owners in their capacity as owners					
Options expensed	7(b)(ii)	706,767	-	-	706,767
Options exercised	7(b)(ii)	(584,237)	-	-	(584,237)
Performance rights expensed	7(b)(iii)	-	970,325	-	970,325
At 30 June 2020		**4,372,399**	**2,894,024**	**(1,025,238)**	**6,241,185**

(i) Nature and purpose of other reserves

Share-based payments

The share-based payment reserve records items recognised as expenses on valuation of share options issued to key management personnel, other employees and and eligible contractors.

Performance rights

The performance rights reserve records items recognised as expenses on valuation of performance rights issued to key management personnel.

Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 21(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

7 Equity (continued)

(b) Other reserves (continued)

(ii) Movements in options:

Details	Number of options	Total $
Balance at 1 July 2018	**24,225,000**	**3,087,206**
Issue of ESOP unlisted options at $0.408 (2018-09-19)	3,300,000	820,205
Lapse of ESOP unlisted options at $0.80, $1.00 and $1.20 (2018-11-29)	(1,000,000)	(136,632)
Issue of ESOP unlisted options at $0.439 (2018-12-14)	300,000	42,014
Lapse of unlisted options at $1.27 pursuant to placement (2019-03-15)	(3,250,000)	-
Lapse of ESOP unlisted options at $0.408 (2019-04-26)	(2,200,000)	(568,222)
Lapse of ESOP unlisted options at $0.439 (2019-04-26)	(250,000)	(31,104)
Issue of ESOP unlisted options at $0.22 (2019-04-02)	300,000	9,517
Issue of ESOP unlisted options at $0.22 (2019-05-03)	300,000	6,206
Issue of ESOP unlisted options at $0.22 (2019-05-31)	600,000	6,704
Lapse of ESOP unlisted options at $0.80, $1.00 and $1.20	(787,860)	-
Amortisation of share-based payments for options issued in prior periods	-	1,013,975
Balance at 30 June 2019	**21,537,140**	**4,249,869**
Issue of ESOP unlited options at $0.80, $1.00, $1.20	302,277	265,868
Lapse of ESOP unlisted options at $0.80, $1.00 and $1.20	(5,020,000)	-
Exercise of ESOP unlisted options at $0.20 (2019-10-15)	(10,000)	(1,601)
Exercise of ESOP unlisted options at $0.20 (2019-10-23)	(15,000)	(2,401)
Exercise of ESOP unlisted options at $0.20 (2020-05-13)	(3,400,000)	(544,220)
Exercise of ESOP unlisted options at $0.20 (2020-06-30)	(225,000)	(36,015)
Issue of ESOP unlisted options at $0.59	700,000	139,924
Issue of ESOP unlisted options at $0.279	100,000	19,575
Issue of ESOP unlisted options at $0.30	400,000	29,888
Amortisation of share-based payments for options issued in prior periods	-	251,512
Balance at 30 June 2020	**14,369,417**	**4,372,399**

7 Equity (continued)

(b) Other reserves (continued)

(iii) Movements in performance rights:

Details	Number of performance rights	Total $
Balance at 1 July 2018	**21,676,828**	**1,534,368**
Performance rights expense for period	-	468,017
Performance rights cancelled	-	(78,686)
Balance at 30 June 2019	**21,676,828**	**1,923,699**
Performance rights expense for period	-	970,325
Balance at 30 June 2020	**21,676,828**	**2,894,024**

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 the key executives of the group. Each of the performance rights entitles the holder to be issued one fully paid ordinary share of the group for no cash consideration upon vesting. The performance rights will convert into ordinary shares upon achievement of six performance milestones and will expire if the milestones are not achieved within 48 months of ASX listing. A further 309,930 performance rights were issued in the financial year ended 30 June 2018. New rights agreed to be issued totalling 500,000 per agreements with consultants in 2017 and 2018 were granted in the year ended 30 June 2020.

Class A and B milestones were met in the financial year ended 30 June 2018. Accordingly, these were fully vested and converted to ordinary shares.

Class C milestones were met in November 2018 and fully vested as at 31 December 2018, while Class D were achieved and fully vested in the financial year ended 30 June 2019.

Class E and F milestones were met and fully vested in March 2020.

Performance right class	Performance condition	Expiry date
Class A	Performance rights vest on achievement of 250,000 deliveries in a calendar month	48 months
Class B	Performance rights vest on achievement of 375,000 deliveries in a calendar month	48 months
Class C	Performance rights vest on achievement of 750,000 deliveries in a calendar month	48 months
Class D	Performance rights vest on 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 vest on 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 on 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

8 Cash flow information

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

	Notes	2020 $	2019 $
Loss for the period		**(31,335,070)**	(19,493,905)
Adjustments for			
Depreciation and amortisation		**3,198,698**	567,087
Finance costs		**228,315**	26,971
Finance income		**-**	(1,521,508)
Leave provision expense		**4,335**	55,405
Share-based payments	17(b)	**1,691,477**	1,551,994
Unrealised net foreign currency (gains)/losses		**(1,835,030)**	(5,173,094)
Change in operating assets and liabilities:			
Movement in trade and other receivables		**(13,537,006)**	(1,053,778)
Movement in inventories		**188,992**	-
Movement in other operating assets		**(2,061,562)**	95,016
Movement in trade and other payables		**17,599,826**	(1,917,467)
Movement in other operating liabilities		**(933,410)**	50,728
Net cash inflow (outflow) from operating activities		**(26,790,435)**	(26,812,551)

9 Critical estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the financial statements.

(a) Significant estimates and judgements

The areas involving significant estimates or judgements are:

- Recognition of revenue - note 2(b)
- Estimated useful life of intangible assets - note 6(b)(i)
- Estimation of employee benefit obligations - note 6(f)(i)
- Estimation of fair values of intangible assets acquired in a business combination - note 12
- Estimation of fair values of contingent purchase consideration in a business combination - note 12(a)(i)
- Estimation of share-based payments - note 17(a)(i)
- Estimation of expected credit losses - note 5(b)(v)
- Estimation of impairment of inventories - note 6(c)
- Estimation of useful lives of assets - note 6(b)

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(b) Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

(c) Revenue from contracts with customers involving sale of services

When recognising revenue in relation to the sale of services to customers, the key performance obligation of the consolidated entity is considered to be completed over time, as the customer is deemed to receive the benefits of the service provided over time.

9 Critical estimates and judgements (continued)

(d) Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

(e) Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

(f) Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(g) Goodwill and other indefinite life intangible assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

(h) Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

(i) Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

9 Critical estimates and judgements (continued)

(j) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(k) Employee benefits provision

The liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(l) Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

(m) Warranty provision

In determining the level of provision required for warranties the consolidated entity has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

(n) Business combinations

Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

10 Financial risk management

(a) Market risk

(i) Foreign exchange risk

The group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The group is primarily exposed to changes in USD/AUD and RSD/AUD. However, the majority of the group's financial assets and financial liabilities denominated in United States dollars occur in subsidiaries with the United States dollar as the functional currency, and the majority of the group's financial assets and financial liabilities denominated in Serbian Dinar occur in subsidiaries with the Serbian Dinar as the functional currency. Therefore, management has concluded that market risk from foreign exchange fluctuation is not material.

10 Financial risk management (continued)

(a) Market risk (continued)

(ii) Cash flow and fair value interest rate risk

The group's main interest rate risk arises from cash and cash equivalents and other financial assets at amortised cost held, which expose the group to cash flow interest rate risk. During 2020 and 2019, the group's cash and cash equivalents and other financial assets at amortised cost at variable rates were denominated in Australian and United States dollars.

The group's exposure to interest rate risk at the end of the reporting period, expressed in Australian dollars, was as follows:

	2020	2019
	$	$
Financial instruments with cash flow risk		
Cash and cash equivalents (AUD denominated)	**1,477,858**	547,479
Cash and cash equivalents (USD denominated)	**32,154,600**	68,261,532
Cash and cash equivalents (RSD denominated)	**316,667**	-
	33,949,125	68,809,011

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	Impact on loss for the period		**Impact on other components of equity**	
	2020	2019	**2020**	2019
	$	$	**$**	$
AUD denominated: interest rates - change by 31 basis points (2019: 20 basis points)*	**4,581**	1,095	**-**	-
USD denominated: interest rates - change by 111 basis points (2019: 87 basis points)*	**356,916**	593,875	**-**	-
RSD denominated: interest rates - change by 73 basis points	**2,312**	-	**-**	-

* Holding all other variables constant

The interest rate risk in relation to borrowings has been considered and has an immaterial impact on the group's credit risk.

For AUD denominated financial instruments with cash flow risk, the use of 0.31 percent (2019: 0.20 percent) was determined based on analysis of the Reserve Bank of Australia cash rate change, on an absolute value basis, at 30 June 2020 and the previous four balance dates. The average cash rate at these balance dates was 1.25 percent (2019: 1.60 percent). The average change to the cash rate between balance dates was 24.69 percent (2019: 12.69 percent). By multiplying these two values, the interest rate risk was derived.

For USD denominated financial instruments with cash flow risk, the use of 1.11 percent (2019: 0.87 percent) was determined based on analysis of the Federal Reserve funds rate change, on an absolute value basis, at 30 June 2020 and the previous four balance dates. The average cash rate at these balance dates was 1.30 percent (2019: 1.30 percent). The average change to the cash rate between balance dates was 85.00 percent (2019: 67.00 percent). By multiplying these two values, the interest rate risk was derived.

10 Financial risk management (continued)

(a) Market risk (continued)

For RSD denominated financial instruments with cash flow risk, the use of 0.73 percent was determined based on analysis of the Federal Reserve funds rate change, on an absolute value basis, at 30 June 2020 and the previous four balance dates. The average cash rate at these balance dates was 3.10 percent. The average change to the cash rate between balance dates was 23.68 percent. By multiplying these two values, the interest rate risk was derived.

Loss is more sensitive to movements in interest rates in 2020 than 2019 due to increases higher amounts of USD denominated cash and cash equivalents and the higher interest rate used for the USD sensitivity analysis. The groups exposure to other classes of financial instruments with cash flow risk is not material.

(b) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

(i) Risk management

Credit risk is managed through the nature of revenue collection and the maintenance of internal procedures. All pay-as-you-go (PAYG) sales are required to be settled using major credit cards, mitigating credit risk. Given PAYG customer sales are prepaid, management determines credit risk to be low. Contracted customer payments are settled in arrears at the end of each payment period by debiting the credit card or other electronic payment method on file. For contracted customers, management further manages credit risk through procedures including regular monitoring of failed direct debits and the financial stability of significant customers and counterparties, ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

For the public sector customers, the company believes the credit risk is very low due to the government's support of these services. For certain enterprise clients, the company monitors each client's internal payment history and the client's financial statements which are publicly available, along with credit scores which monitor financial health. Additionally, certain access/usage by the end user client to services can be restricted by the company until the obligation is fully satisfied.

(ii) Security

For some trade receivables the group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(iii) Impairment of financial assets

The group has one type of financial asset subject to the expected credit loss model:

- trade receivables for sales from the provision of delivery management services and communications infrastructure products and services

While cash and cash equivalents and other financial assets at amortised cost (comprising deposits at call) are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Trade receivables

The group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables assets have been grouped based on shared credit risk characteristics and the days past due.

10 Financial risk management (continued)

(b) Credit risk (continued)

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 30 June 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

On that basis, the loss allowance as at 30 June 2020 was determined to be $410,568 for trade receivables.

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 121 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(c) Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward looking cash flow analyses in relation to its operating, investing and financing activities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing cash and cash equivalents and deposits at call with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

(i) Financing arrangements

The group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2020 **$**	2019 $
Line of credit	**1,700,000**	-
	1,700,000	-

The bank line of credit may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have an average maturity of 1 year (2019: Nil). For more information, please refer to Note 5(e).

(ii) Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. No interest is payable on these financial liabilities.

10 Financial risk management (continued)

(c) Liquidity risk (continued)

Contractual maturities of financial liabilities At 30 June 2020	Less than 6 months $	6 - 12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets)/ liabilities $
Trade and other payables	18,239,221	-	-	-	-	18,239,221	18,239,221
Contingent consideration	844,057	-	-	-	-	844,057	844,057
Capital facility fee	437,130	-	-	-	-	437,130	437,130
Line of credit	818,994	-	-	-	-	818,994	818,994
Lease liabilities	139,546	139,546	123,750	-	-	402,842	402,842
Total	**20,478,948**	**139,546**	**123,750**	**-**	**-**	**20,742,244**	**20,742,244**

Contractual maturities of financial liabilities At 30 June 2019	Less than 6 months $	6 - 12 months $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total contractual cash flows $	Carrying amount (assets)/ liabilities $
Trade and other payables	2,726,384	-	-	-	-	2,726,384	2,726,384
Contingent consideration	386,441	-	-	-	-	386,441	386,441
Deferred consideration	933,410	-	-	-	-	933,410	933,410
Total	**4,046,235**	**-**	**-**	**-**	**-**	**4,046,235**	**4,046,235**

(iii) Interest rates of financial liabilities

The table below shows the interest rates of the group's financial liabilities:

Financial liability	Interest rate
Lease liabilities	8.32%
Line of credit	2.2% to 2.7%

11 Capital management

(a) Risk management

The group's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may issue new shares or reduce its capital, subject to the provisions of the group's constitution. The capital structure of the group consists of equity attributed to equity holders of the group, comprising contributed equity, reserves and accumulated losses. By monitoring undiscounted cash flow forecasts and actual cash flows provided to the board by the group's management, the board monitors the need to raise additional equity from the equity markets.

(b) Dividends

No dividends were declared or paid to members for the year ended 30 June 2020 (2019: nil). The group’s franking account balance was nil at 30 June 2020 (2019: nil).

12 Business combination

(a) Summary of acquisition

On 31 January 2020, the group acquired sixty percent of the share capital of Logo d.o.o. (“the Entity”) a Serbian based provider of communications infrastructure products and services. With the acquisition of Logo, the group can now offer clients a suite of complementary services in areas including data centres, communications infrastructure, and Infosec, among others. The combined offerings of both SaaS logistics and technical services will position the group uniquely as a one-stop shop, enabling the group to work with larger enterprise clients and accelerate its global expansion. The group will control a majority of Logo’s Supervisory Board.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	$
Purchase consideration (refer to (b) below):	
Cash paid	**9,017,872**
Contingent consideration	**49,188**
Total purchase consideration	**9,067,060**

12 Business combination (continued)

(a) Summary of acquisition (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value $
Assets	
Cash and cash equivalents	**369,978**
Short-term investments	**63,790**
Trade receivables	**3,343,572**
Inventories	**2,599,754**
Other current receivables	**538,007**
VAT receivable	**432,162**
Property, plant and equipment - net	**1,034,875**
Intangible assets	**11,030,060**
Long-term loans	**63,329**
Deferred tax assets	**45,012**
Total assets	**19,520,539**
Liabilities	
Operating liabilities	**(2,268,739)**
Other current liabilities	**(710,380)**
Lease liabilities	**(768,765)**
Warranty liabilities	**(1,125,160)**
Deferred tax liabilities	**(1,698,639)**
Total liabilities	**(6,571,683)**
Less: non-controlling interests	**(5,959,186)**
Add: goodwill	**2,077,390**
Net assets acquired	**9,067,060**

The goodwill is attributable to the workforce and the high revenues of the acquired business. It will not be deductible for tax purposes.

(i) Significant estimate: contingent consideration

Fiscal year ended 31 December 2020

If the revenue of the Entity for the year ended 31 December 2020 exceed $26.8 million (the “First Revenue Target”) the group will pay $0.9 million. Should the revenue exceed $32.1 million (the “Second Revenue Target”) for the same period an additional $1.8 million will be paid, and should the revenue exceed $35.7 million (the “Third Revenue Target”) for the same period another $1.8 million will be paid. If an aggregate $4.0 million in contingent consideration is paid, no additional revenue-based consideration will be paid in future years.

12 Business combination (continued)

(a) Summary of acquisition (continued)

Fiscal year ended 31 December 2021

In the event the revenue does not exceed any of the aforementioned revenue targets for the year ended 31 December 2020, and the revenues of the Entity for the year ended 31 December 2021 exceed $26.8 million the group will pay $0.9 million. Should the revenue exceed $32.1 million for the same period an additional $1.6 million will be paid, and should the revenue exceed $35.7 million for the same period another $1.8 million will be paid.

In the event the revenue for the year ended 31 December 2020 exceeded the First Revenue Target and the revenue for the year ended 31 December 2021 exceeds $32.1 million, $1.6 million will be paid, and should the revenue exceed $35.7 million for the same period an additional $1.8 million will be paid. In the event the revenue for the year ended 31 December 2020 exceeded both the First Revenue Target and the Second Revenue Target, and the revenue for the year ended 31 December 2021 exceeds $35.7 million, $1.8 million will be paid. If an aggregate $4.0 million in contingent consideration is paid for both years combined, no additional revenue-based consideration will be paid in the following year.

Fiscal year ended 31 December 2022

In the event the revenue does not exceed any of the aforementioned revenue targets for the year ended 31 December 2020 and 31 December 2021, and the revenues of the Entity for the year ended 31 December 2022 exceed $26.8 million the group will pay $0.9 million. Should the revenue exceed $32.1 million for the same period an additional $1.8 million will be paid, and should the revenue exceed $35.7 million for the same period another $1.8 million will be paid.

In the event the revenue for the year ended 31 December 2020 and/or 31 December 2021 exceeded the First Revenue Target and the revenue for the year ended 31 December 2022 exceeds $32.1 million, $1.8 million will be paid, and should the revenue exceed $35.7 million for the same period an additional $1.8 million will be paid. In the event the revenue for the year ended 31 December 2020 and/or 31 December 2021 exceeded both the First Revenue Target and the Second Revenue Target, and the revenue the year ended 31 December 2022 exceeds $35.7 million, $1.8 million will be paid.

In no event will the aggregate revenue-based contingent consideration exceed $4.0 million for all years combined.

In addition to the preceding, the group will pay additional contingent consideration equal to 10% of the EBITDA of the Entity above $2.7 million in each of the financial years ending December 31, 2020, 2021 and 2022.

The total fair value of consideration is $9.07 million on an assumed discount rate of 15 percent and estimated annual revenues of $22.4 million - $23.6 million with expected EBITDA of $2.5 - $2.6 million during the initial 3 years post acquisition. Transaction costs related to the acquisitions of $0.2 million were incurred.

In the event the revenue for the year ended 31 December 2020 exceed the First Revenue Target and the revenue for the year ended 31 December 2021 exceeds $29.1 million, $1.6 million will be paid, and should the revenue exceed $32.3 million for the same period an additional $1.6 million will be paid. In the event the revenue for the year ended 31 December 2020 exceed both the First Revenue Target and the Second Revenue Target, and the revenue for the year ended 31 December 2021 exceeds $32.3 million, $1.6 million will be paid. If an aggregate $4.0 million in contingent consideration is paid for both years combined, no additional revenue-based consideration will be paid in the following year.

12 Business combination (continued)

(a) Summary of acquisition (continued)

(ii) Revenue and profit contribution

The acquired business contributed revenues of $19,564,743 to the group for the period from 1 February 2020 to 30 June 2020.

(b) Purchase consideration - cash outflow

	2020 **$**
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	**(9,017,872)**
Less: Balances acquired	
Cash transferred as the result of acquisition	**369,978**
Net outflow of cash - investing activities	**(8,647,894)**

Acquisition-related costs

Acquisition-related costs of $200,000 are included in general and administrative expenses in profit or loss and in operating cash flows in the consolidated statement of cash flows.

The acquisition accounting in relation to the Logo acquisition has been finalised as at 30 June 2020.

13 Interests in other entities

(a) Material subsidiaries

The group's principal subsidiaries at 30 June 2020 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	**Place of business/ country of incorporation**	**Ownership interest held by the group**		**Ownership interest held by non-controlling interests**	
		2020 %	2019 %	**2020 %**	2019 %
Get Swift Logistics Pty Ltd	Australia	**100**	100	**-**	-
GetSwift, Inc.	United States	**100**	100	**-**	-
GetSwift DOO	Serbia	**100**	100	**-**	-
Marketplace Connect Pty Ltd	Australia	**100**	100	**-**	-
Liquorun Pty Ltd	Australia	**100**	100	**-**	-
Distributed Logistics Pty Ltd	Australia	**100**	100	**-**	-
Logo d.o.o.*	Serbia	**60**	-	**40**	-

* the non-controlling interests hold 40% of the voting rights of L.o.g.o Belgrade.

13 Interests in other entities (continued)

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Logo D.O.O.	
	30 June 2020	30 June 2019
Summarised balance sheet	**$**	$
Current assets	**17,140,626**	-
Current liabilities	**12,661,642**	-
Current net assets	**4,478,984**	-
Non-current assets	**4,538,796**	-
Non-current liabilities	**2,695,561**	-
Non-current net assets	**1,843,235**	-
Net assets	**6,322,219**	-
Other reserves	**(247,786)**	-
Accumulated NCI	**6,203,514**	-
Total equity	**5,955,728**	-

	Logo D.O.O.	
	2020	2019
Summarised statement of comprehensive income	**$**	$
Revenue	**19,564,743**	-
Other income	**217,838**	-
Other gains/(losses)	**(39,012)**	-
Expenses	**(19,019,590)**	-
Profit for the period	**723,979**	-
Income tax (expense)/benefit	**(113,160)**	-
Total comprehensive income	**610,819**	-
Owners of GetSwift Limited	**366,491**	-
Profit/(loss) allocated to NCI	**244,328**	-
	610,819	-

13 Interests in other entities (continued)

(b) Non-controlling interests (NCI) (continued)

	Logo D.O.O.	
Summarised cash flows	**2020 $**	2019 $
Cash flows from operating activities	**(254,257)**	-
Cash flows from investing activities	**339,377**	-
Cash flows from financing activities	**(121,908)**	-
Net decrease in cash and cash equivalents	**(36,788)**	-
Net cash from acquisition	**369,978**	-
Effects of exchange rate changes on cash and cash equivalents	**(18,041)**	-
Cash and cash equivalents at end of year	**315,149**	-

14 Contingent liabilities

(a) Class action

In February 2018 class representative proceedings were filed in the Federal Court of Australia against GetSwift Limited. Subsequently, two more open class actions were commenced in the Federal Court of Australia. Of the three proceedings, only one class action was permitted to proceed: the Webb Proceeding. The company has continued to defend the Webb Proceeding. The Webb Proceeding alleges that the company and its director Mr Macdonald failed to meet their continuous disclosure obligations and engaged in misleading and deceptive conduct. The proceeding was brought on behalf of persons who acquired GetSwift Limited shares between 24 February 2017 to 19 January 2018 inclusive. The company has filed its defence in the Webb Proceeding and has named Squire Patton Boggs as a concurrent wrongdoer. The company and Mr Macdonald strongly dispute the allegations made in the Webb Proceeding (including as to any alleged loss) and will continue to vigorously defend the proceedings. Further background is set out in previous yearly, half-yearly and quarterly reports.

The Judge who is currently listed to hear the trial in the Webb Proceeding is the same Judge who heard the trial in the ASIC Proceeding. The Respondents filed an interlocutory application seeking that the matter be reallocated to a different Judge. The application was heard on 13 August 2020 and the Judge has reserved his decision. Pending the decision, the trial date of 14 September 2020, has been vacated. A new trial date has not been set.

The parties have filed their expert evidence. A further mediation has been ordered to occur by 4 November 2020. The parties are next before the Court on 15 September 2020 for a case management hearing.

The parties are otherwise in the process of preparing for trial.

No provision has been taken in these accounts. At the present time, it is not possible to predict the ultimate outcome of these proceedings. Legal fees will be incurred in relation to defending the proceedings.

14 Contingent liabilities (continued)

(b) ASIC proceedings

On 22 February 2019, ASIC commenced civil penalty proceedings in the Federal Court of Australia against GetSwift Limited, Mr Joel Macdonald and Mr Bane Hunter. On 15 March 2019 ASIC amended their claim to include former GetSwift director and Corporate Counsel, Mr Brett Eagle, as an additional defendant. By these proceedings, ASIC allege that the defendants failed to meet their continuous disclosure obligations and engaged in misleading or deceptive conduct between February and December 2017. GetSwift Limited, Mr Macdonald and Mr Hunter irrefutably deny the allegations made by ASIC and, collectively, are vigorously defending the proceedings. Further background is set out in previous yearly, half-yearly and quarterly reports.

ASIC seeks pecuniary penalties against each of the defendants, as well as orders against Mr Macdonald, Mr Hunter and Mr Eagle disqualifying them from managing corporations for a period of time.

The company, Mr Macdonald, Mr Hunter and Mr Eagle strongly deny the allegations made by ASIC and will vigorously defend the proceedings.

The trial commenced on 15 June 2020. Closing submissions are part heard. Owing to commitments of the presiding Judge, the trial has been stood down until 30 September 2020. The trial will conclude on this date.

No provision has been taken in these accounts. At the present time, it is not possible to predict the ultimate outcome of these proceedings. Legal fees will be incurred in relation to defending the proceedings.

15 Events occurring after the reporting period

The company, under the US Federal Government CARES Act, applied for and received a $USD 750,000 Small Business Administration Payroll Protection Program Loan "PPP" in early July. The PPP was applied for in May 2020. Some portion or all of the loan may be forgiven if certain criteria regarding headcount full time equivalents "FTE" are met. The company believes it will meet the criteria for full forgiveness and expects 100% of the loan will be forgiven at 31 December 2020.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

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

16 Related party transactions

(a) Subsidiaries

Interests in subsidiaries are set out in note 13(a).

(b) Key management personnel compensation

	2020 **$**	2019 $
Short-term employee benefits	**2,882,752**	2,330,445
Post-employment benefits	**67,735**	89,901
Share-based payments	**1,502,748**	1,438,151
	4,453,235	3,858,497

Detailed remuneration disclosures are provided in the remuneration report contained within the directors' report.

(c) Transactions with other related parties

The following transactions occurred with related parties:

	2020 **$**	2019 $
Sales and purchases of goods and services		
Purchases of various goods and services from entities controlled by key management personnel (i)	**-**	204,000

(i) Purchases from entities controlled by key management personnel

The group acquired the following goods and services from entities that are controlled by members of the group's key management personnel:

- corporate governance consultancy services
- legal services

Eagle Corporate Advisers Pty. Ltd. (ECA), an incorporated legal practice directed and owned by Mr Brett Eagle (director of GetSwift Limited until 29 November 2018), was engaged to provide legal and advisory services to the group. The scope of this engagement included the provision of personnel to take on executive functions and holding positions within the group's business including as a director, other corporate officer and executive or non-executive positions. In the current financial year, ECA provided Mr Brett Eagle to take the title of General Counsel & Corporate Affairs and was paid fees in this respect.

In August 2018, ECA agreed to terminate the engagement in August 2019. For the 12 month balance of the agreement, ECA received monthly payments of $17,000 plus GST (less applicable taxes and deductions, if any) and Mr Brett Eagle continued to be made available to assist the group in accordance with the terms of the engagement.

All transactions were made on normal commercial terms, under normal conditions and at market rates.

(d) Loans to/from related parties

There were no loans to/from related parties in the year ended 30 June 2020 (2019: nil).

17 Share-based payments

(a) GetSwift Employee and Executive Ownership Plan

The establishment of the 'GetSwift Employee and Executive Ownership Plan' was approved by shareholders at the extraordinary general meeting held on 9 August 2017. The plan is designed to provide long-term incentives for employees (including directors) to deliver long-term shareholder returns. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant date	**Expiry date**	**Exercise price ($)**	**Share options 30 June 2020**	Share options 30 June 2019
2016-12-07	2020-12-07	0.20	3,850,000	7,500,000
2017-07-01	2021-08-14	0.80	2,138,890	2,000,000
2017-07-01	2021-08-14	1.00	2,138,889	2,000,000
2017-07-01	2021-08-14	1.20	2,138,888	2,000,000
2017-12-27	2020-12-18	7.00	-	5,000,000
Various grant dates in FY 2018	various	various	552,750	687,140
2018-08-31	2028-09-19	0.408	1,100,000	1,100,000
2018-12-14	2028-12-14	0.439	50,000	50,000
2019-04-02	2029-04-02	0.497	300,000	300,000
2019-05-03	2029-05-03	0.497	300,000	300,000
2019-05-31	2029-05-31	0.497	600,000	600,000
2019-07-29	2029-07-29	0.497	200,000	-
2019-09-05	2029-09-05	0.497	500,000	-
2019-09-05*	2029-09-05	0.279	100,000	-
2020-03-16	2030-03-16	0.30	400,000	-
Total			14,369,417	21,537,140

Notes

- 'Various grant dates in FY 2018' options have exercise prices between $0.80 and $1.20 and expiry dates between 2023 and 2033.
- The weighted average remaining contractual life of options outstanding as at 30 June 2020 is 3 years, 3 months. The average exercise price per share option as at 30 June 2020 is $0.628.
- Options agreed to be issued to John Wilson are accounted for based on the underlying agreement. However, these options are not issued to date.
- At 30 June 2020 the number of options that have vested are 12,288,381.

(i) Fair value of options granted

The assessed fair value of options at grant date was determined using the binomial option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

17 Share-based payments (continued)

(a) GetSwift Employee and Executive Ownership Plan (continued)

The model inputs for options granted during the year ended 30 June 2020 included:

Grant date	Expiry date	Exercise price ($)	No. of options	Share price at grant date ($)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date per option ($)
2019-7-29	2029-07-29	0.497	200,000	0.235	97.00%	0.00%	1.08%	67,800
2019-09-05	2029-09-05	0.497	500,000	0.350	97.00%	0.00%	1.08%	171,000
2019-09-05	2029-09-05	0.279	100,000	0.279	94.00%	0.00%	1.04%	42,700
2020-03-16	2030-03-16	0.300	400,000	0.300	95.00%	0.00%	0.90%	76,000
			1,200,000					

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	2020 **$**	2019 $
Options issued under GetSwift Employee and Executive Ownership Plan	**706,767**	1,162,663
Performance rights	**970,325**	389,331
	1,677,092	1,551,994

18 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:

(a) RSM Australia Partners

(i) Audit and other assurance services

	2020 $	2019 $
Audit and review of financial statements	**151,544**	111,428
Total remuneration for audit and other assurance services	**151,544**	111,428

(ii) Taxation services

Tax compliance services	**15,621**	6,750
Total remuneration for taxation services	**15,621**	6,750

(iii) Other services

Other services	**284,876**	45,200
Total remuneration for other services	**284,876**	45,200
Total remuneration of RSM Australia Partners Australia	**452,041**	163,378

(b) Network firms of RSM Australia Partners

(i) Other services

Tax compliance services	**24,090**	12,254
Other services	**182,457**	62,244
Total remuneration for other services	**206,547**	74,498
Total remuneration of network firms of RSM Australia Partners	**206,547**	74,498
Total auditors' remuneration	**658,588**	237,876

19 Loss per share

(a) Reconciliation of loss used in calculating loss per share

	2020 **$**	2019 $
Basic and diluted loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating loss per share:		
From continuing operations	**31,335,070**	19,493,905

(b) Weighted average number of shares used as the denominator

	2020 **Number**	2019 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**189,231,086**	188,524,310

Notes

[1.] On the basis of the group's losses, the outstanding options as at 30 June 2020 and 30 June 2019 are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

20 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2020 **$**	2019 $
Balance sheet		
Current assets	**3,382,095**	915,284
Non-current assets	**74,711,914**	89,250,418
Total assets	**78,094,009**	90,165,702
Current liabilities	**2,920,758**	32,502
Total liabilities	**2,920,758**	32,502
Shareholders' equity		
Share capital	**103,838,615**	103,240,822
Reserves		
Performance rights	**2,894,024**	1,923,699
Share-based payments	**4,372,399**	4,249,868
Accumulated losses	**(35,931,787)**	(19,281,189)
	75,173,251	90,133,200
Loss for the period	**16,629,223**	9,184,800
Total comprehensive loss	**16,629,223**	9,184,800

(b) Guarantees entered into by the parent entity

The parent entity has not entered into any guarantees in relation to debts of its subsidiaries in the year ended 30 June 2020 (2019: nil).

(c) Contingent liabilities of the parent entity

The parent had contingent liabilities at 30 June 2020 identical to those of the group, as outlined in note 14.

(d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity has not entered into any contractual commitments for the acquisition of property, plant or equipment in the year ended 30 June 2020 (2019: nil).

(e) Determining the parent entity financial information

The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of GetSwift Limited.

Contents of the summary of significant accounting policies

21 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of GetSwift Limited and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. GetSwift Limited is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the GetSwift Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

As disclosed in the financial statements, the group incurred a loss of $31. million and had net cash outflows from operating activities of $26.7 million for the year ended 30 June 2020.

(iii) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the group incurred a loss of $31.3 million and had net cash outflows from operating activities of $26.7 million for the year ended 30 June 2020.

The directors believe that it is reasonably foreseeable that the group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- the group was in a positive working capital position of $32.2 million as at 30 June 2020;
- the group incurred $10.8 million of legal defence costs during the current period that are expected to be significantly reduced during the FY 21 financial year;
- the group has implemented a cost optimization plan to immediately reduce operating cash requirements. The plan Includes significant reductions including the elimination of certain office leases, and performance related compensation, as well as reductions in service delivery communications costs, and various general and administrative expenses; and
- the group has access to the LDA Facility (as per note 5(d)) providing funds up to US $45 million , subject to the terms of the agreement. The amount of any capital call made by the group is subject to and can be limited by conditions imposed in the agreement which are dependent on certain market conditions aligning at the time of the capital call which are not directly within the group’s control.

(iv) New and amended standards adopted by the group

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2019:

- AASB 16 *Leases*

21 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(v) New standards and interpretations not yet adopted

There are no other new standards and interpretations 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.

(vi) AASB Interpretation 23 "Uncertainty over Income Tax Treatments"

Interpretation 23 requires the assessment of whether the effect of uncertainty over income tax treatments should be included in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Interpretation outlines the requirements to determine whether an entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances. The group has adopted Interpretation 23 from 1 July 2019, based on an assessment of whether it is 'probable' that a taxation authority will accept an uncertain tax treatment. This assessment takes into account that for certain jurisdictions in which the group operates, a local tax authority may seek to open a group's books as far back as inception of the group. Where it is probable, the group has determined tax balances consistently with the tax treatment used or planned to be used in its income tax filings. Where the group has determined that it is not probable that the taxation authority will accept an uncertain tax treatment, the most likely amount or the expected value has been used in determining taxable balances (depending on which method is expected to better predict the resolution of the uncertainty). There has been no impact from the adoption of Interpretation 23 in this reporting period. Other accounting pronouncements which have become effect from 1 July 2019 and have therefore been adopted do not have a significant impact on the group's financial results or position.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has 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 deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

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

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. This has been identified as the chief executive officer.

(d) 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.

21 Summary of significant accounting policies (continued)

(d) Foreign currency translation (continued)

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position
- income and expenses for each consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Revenue recognition

The accounting policies for the group’s revenue from contracts with customers are explained in note 2.

(f) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

21 Summary of significant accounting policies (continued)

(f) Income tax (continued)

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

The accounting policies for the group's leases are explained in note 6(h)(iii).

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other 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. The recoverable amount is the higher of an asset's fair value less costs of disposal 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 which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(j) Trade receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

(k) Inventories

(i) Raw materials, work in progress and finished goods

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

21 Summary of significant accounting policies (continued)

(l) Investments and other financial assets

(i) Classification

From 1 July 2019, the group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

(ii) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as a separate line item in the consolidated statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

21 Summary of significant accounting policies (continued)

(l) Investments and other financial assets (continued)

(iv) Impairment

The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(v) Income recognition

Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(m) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 21(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(n) Intangible assets

(i) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments .

(ii) Trademarks, licences and customer contracts

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licenses and customer contracts acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

21 Summary of significant accounting policies (continued)

(n) Intangible assets (continued)

(iii) Software

Separately acquired software is shown at historical cost. Software acquired in a business combination is recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

(iv) Research and development

Expenditure on research activities, undertaken with the prospect of obtaining new scientific or technical knowledge and understanding, is recognised in the consolidated statement of profit or loss and other comprehensive income as an expense when it is incurred.

Expenditure on development activities, being the application of research findings or other knowledge to a plan or design for the production of new or substantially improved products or services before the start of commercial production or use, is capitalised if it is probable that the product or service is technically and commercially feasible, will generate probable economic benefits, adequate resources are available to complete development and cost can be measured reliably. Other development expenditure is recognised in the consolidated statement of profit or loss and other comprehensive income as an expense as incurred.

(v) Amortisation methods and periods

Refer to note 6(b) for details about amortisation methods and periods used by the group for intangible assets.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(p) Warranties

Provision is made for estimated warranty claims in respect of completed construction works and products sold which are still under warranty at the end of the reporting period.

(q) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

21 Summary of significant accounting policies (continued)

(q) Employee benefits (continued)

(ii) Other long-term employee benefit obligations

In some countries, the group also has liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. 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 end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Share-based payments

Share-based compensation benefits are provided to employees via the 'GetSwift Employee and Executive Ownership Plan'. Information relating to these schemes is set out in note 17.

Employee options

The fair value of options granted under the GetSwift Employee and Executive Ownership Plan is recognised as a share-based payment expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (e.g. the company’s share price)
- excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the company over a specified time period), and
- including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holdings shares for a specific period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

(r) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

21 Summary of significant accounting policies (continued)

(s) Loss per share (continued)

(ii) Diluted loss per share

Diluted loss per share adjusts the figures used in the determination of basic loss per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(t) Rounding of amounts

The company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

(u) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

22 Changes in accounting policies

(a) AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (including in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs.) In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to leases expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

(i) Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 July 2019 was as follows:

22 Changes in accounting policies (continued)

(a) AASB 16 Leases (continued)

	1 July 2019
	$
Operating lease commitments as at 1 July 2019 (AASB 117)	927,248
Operating lease commitments discount based on the weighted average incremental borrowing rate of 8.32% (AASB 16)	(76,123)
Other transitional assessment	97,726
Right-of-use assets (AASB 16)	948,951
Lease liabilities - current (AASB 16)	(525,169)
Lease - non-current (AASB 16)	(471,707)
Reduction in opening retained earnings as at 1 July 2019	(47,925)

(ii) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjustment for any remeasurement of lease liabilities.

The group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(iii) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

In applying AASB 16 for the first time, the group has used the following practical expedients permitted by the standard:

- The leases which are managed collectively are obligations of operating companies under the Australian parent. Hence, management has adopted the applicable Australian borrowing rate for the purpose of AASB16;
- reliance on previous assessments on whether leases are onerous;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and

22 Changes in accounting policies (continued)

(a) AASB 16 Leases (continued)

- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying AASB 117 and Interpretation 4 Determining whether an Arrangement contains a Lease.

In the directors' opinion:

(a) the financial statements and notes set out on pages 30 to 90 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial 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.

Note 21(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

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

Stanley Pierre-Louis
Chairman

Dated 31 August 2020

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DEPENDENT AUDITOR'S REPORT
To the Members of GetSwift Limited

Opinion

We have audited the financial report of GetSwift Limited (the Company), and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group's financial position as at 30 June 2020 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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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)

<table>
<tr><th>Key Audit Matter</th><th>How the audit addressed this matter</th></tr>
<tr><td colspan="2">Share-based payments
Refer to Note 17 in the financial statements</td></tr>
<tr><td>GetSwift Limited issues numerous performance rights and options to employees as part of their long-term incentives. We identified share-based payment expenses as an area of significant risk due to the complexity in valuing options and performance rights, in the volume of options and performance rights issued.

An element of subjectivity also exists in respect of management's assessment around achievement of milestones relating to performance rights.

There is a risk that the performance rights and options have both been valued and calculated incorrectly and not in accordance with AASB 2 Share based payments.</td><td>Our audit procedures in relation to the accounting for these options and performance rights included:

• Reviewing the calculations to ensure that accounting for the share-based payments was appropriate and in accordance with AASB 2 Share Based Payments;

• Reviewing management's assessment of the remaining performance rights in respect of the remaining period that the milestones are expected to be achieved in light of the Group's forecast performance;

• Reviewing the option valuation inputs in the Binomial Model, which included assessing the volatility rate applied and comparing the volatility rate to entities in a similar industry as the Group;

• Performing a recalculation of the option valuation model; and

• Utilising the skills of our corporate finance team to assist in the review.</td></tr>
<tr><td colspan="2">Contingent liabilities
Refer to Note 14 in the financial statements</td></tr>
<tr><td>In February 2018, and subsequent thereto, a number of class action proceedings were brought against the Company and Directors of GetSwift. 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 AASB 137 Provisions, Contingent liabilities and Contingent Assets.

We identified the contingent liability in relation to the Class Actions as a significant risk due to the potential severity and materiality of the claims.</td><td>Our audit procedures in relation to the accounting for, and disclosure of, the potential contingent liabilities included:

• Reviewing correspondence between the Company and its legal counsel to assess the position of the claims;

• Obtaining legal representations of the claims from the company's legal counsel;

• Discussing current developments of the claims with management and the Company's legal counsel; and

• Assessing the claims in line with AASB 137 Provisions, Contingent liabilities and Contingent Assets to ensure that the Company has measured and disclosed the contingent liability appropriately in the financial statements</td></tr>
</table>

Key Audit Matters (Continued)

Key Audit Matter	How the audit addressed this matter
Business Combinations *Refer to Note 12 in the financial statements*	
On 31 January 2020, the Group acquired sixty percent of the share capital of the Serbian company, Logo d.o.o. We identified items surrounding this acquisition as an area of significant risk due to the complexity of the transaction and the associated terms. In addition, elements of subjectivity also exist with respect to management's assessment, particularly related to the fair value of the contingent considerations potentially payable to the sellers, fair value of the assets acquired, forward-looking estimates and various discount rates for present value calculations. Beyond the current financial year, the valuation of intangible assets (including goodwill) resulting from the transaction will also impact impairment assessment in future periods, which may be a key element of focus by investors.	Our audit procedures in relation to the to the accounting for the business combination activities included: • Obtaining the share purchase agreement to understand the key terms and conditions, and ensuring that the transaction had been accounted for in compliance with AASB 3 *Business Combinations*; • Testing the initial consideration, through cash and contingent consideration, to the signed share purchase agreement and to bank statements and assessing the appropriateness of the fair value of the total consideration; • Evaluating the fair value of the contingent consideration included in the purchase price; • Assessing the forecasts used for determining the contingent consideration and comparing these against recent actual performance; • Reviewing and assessing the independent valuation report in respect of the intangible assets identified as part of the acquisition including assessing the reasonableness of the assumptions used in the report; and • Utilising the skills of our corporate finance team to assist in the assessment of the independent valuation report.
Impairment of Goodwill *Refer to Note 6 in the financial statements*	
The Group has net book value goodwill of $4.6 million in respect of acquisitions of subsidiaries and businesses as at 30 June 2020. We identified this area as a Key Audit Matter due to the size of the goodwill balance, and because the directors' assessment of the 'value in use' of the cash generating units ("CGUs") involves significant judgements about the future underlying cash flows of the business, discount rates and terminal growth applied. For the year ended 30 June 2020 management performed an impairment assessment over the goodwill balance by: • calculating the value in use for each CGU using a discounted cash flow model. The model used cash flows (revenues, expenses and capital expenditure) for the CGU of 5 years, with a terminal growth rate applied to the 5th year. The cash flows were then discounted to net present value using the CGU's weighted average cost of capital (WACC); and • comparing the resulting value in use of the CGU to its respective carrying value. Management also performed a sensitivity analysis over the value in use calculations, by varying key assumptions like the WACC and revenue.	Our audit procedures in relation to management's impairment assessment involved the assistance of our Corporate Finance team where required, and included: • Assessing management's determination that the goodwill should be allocated to two CGU's based on the nature of the Group's business and the manner in which results are monitored and reported; • Assessing the valuation methodology used; • Challenging the reasonableness of key assumptions, including the cash flow projections, exchange rates, discount rates, and sensitivities used; and • Checking the mathematical accuracy of the discounted cash flow model, and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets.

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Key Audit Matters (Continued)

<table>
<tr><th>Key Audit Matter</th><th>How the audit addressed this matter</th></tr>
<tr><td colspan="2">Going Concern
Refer to Note 21 (a) in the financial statements</td></tr>
<tr><td>For the year ended 30 June 2020, the Group incurred a net loss after income tax of $31.3 million and had net cash outflows from operating activities of $28.8 million.

The directors have prepared the financial report on the going concern basis. The directors' assessment of the Group's ability to continue as a going concern is based on a cash flow budget for twelve months from the date of signing the financial statements.

We determined this assessment of going concern to be a key audit matter due to the significant judgments involved in preparing the cashflow budget, and the potential material impact of the results of management´s assessment.</td><td>Our audit procedures included, among others:
• Critically assessing the directors' reasons as to why they believe it is appropriate to prepare the financial report on a going concern basis, including assessing the reasonableness of the assumptions used in the cash flow forecasts and budgets prepared;
• Reviewing the mathematical accuracy of the cash flow forecasts prepared by management;
• Performing a sensitivity analysis over the key assumptions; and
• Assessing the adequacy of the going concern disclosures in the financial report.</td></tr>
<tr><td colspan="2">Revenue recognition
Refer to Note 2 in the financial statements</td></tr>
<tr><td>Revenue recognition was considered a key audit matter, as it is complex and involves significant management judgements.

Revenue from operations derived from Logo d.o.o makes up $19.6m of the Group’s revenue. Of this revenue, $4.9m is attributable to longer term material contracts. These contracts have numerous performance obligations attached to them and can span over one year. These factors heighten the risk that revenue recognition is not in line with AASB 15 Revenue from Contracts with Customers.

Additionally, AASB 15 was adopted by Logo d.o.o for the first time to 30 June 2020. Logo engaged a management expert to undertake an exercise of ensuring all contracts in existence to 30 June 2020 have been recognized in line with AASB 15 Revenue from Contracts with Customers.</td><td>Our audit procedures in relation revenue included:
• Assessing whether the Group’s revenue recognition policies are in compliance with Australian Accounting Standards;
• Reviewing management expert’s workings by testing a sample of large contracts to ensure the accuracy and consistency with the underlying contracts; and
• Checking the treatment of the revenue recognized for each contract against requirements of AASB 15 Revenue from Contracts with Customers.
• Reviewing sales transactions before and after year-end to ensure that revenue was recognised in the correct period; and
• Reviewing large or unusual transactions during the financial year.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, 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 Group 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 Group 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 forms part of our auditor's report, and is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of GetSwift Limited, for the year ended 30 June 2020, 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

M PARAMESWARAN
Partner

Dated: 31 August 2020
Melbourne, Victoria