GetSwift Limited
Appendix 4D
Half-year ended 31 December 2019

Name of entity:	GetSwift Limited
ABN:	57 604 611 556
Half-year ended ended:	31 December 2019
Previous period:	31 December 2018

Results for announcement to the market

				$'000
Revenue from ordinary activities	Up	414.7%	to	2,840
Loss from ordinary activities after tax attributable to members	Up	97.7%	to	(12,654)
Net loss for the period attributable to members	Up	97.7%	to	(12,654)

Distributions

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

Explanation of results

Please refer to the review of operations on page for explanation of the results.

This information should be read in conjunction with the 2019 annual report. Additional information supporting the Appendix 4D disclosure requirements can be found in the directors' report and the financial statements for the half-year ended 31 December 2019.

Net tangible assets per security

	31 December 2019 Cents	31 December 2018 Cents
Net tangible asset backing (per security)	**29.59**	46.09

Changes in controlled entities

There have been no changes in controlled entities during the half-year ended 31 December 2019.

On 31 January 2020. the group acquired 60% of the issued shares in Serbia-based information and communications technology (ICT) firm Logo d.o.o. (“Logo”). For more information, please refer to Note 8.

Other information required by Listing Rule 4.2A

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

Interim review

GetSwift Limited
Appendix 4D
For the half-year ended 31 December 2019
(continued)

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

GetSwift Limited

ABN 57 604 611 556

Interim financial report for the half-year ended 31 December 2019

Further Information:

Media enquiries:	jjannarone@getswift.co
Investor enquiries:	investors@getswift.co
Company Secretary:	julian.rockett@boardroomlimited.com.au

GetSwift Limited

ABN 57 604 611 556

Interim report - 31 December 2019

Contents

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by GetSwift Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

Your directors present their report on the consolidated entity (referred to hereafter as the 'group') consisting of GetSwift Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

The following persons were directors of GetSwift Limited during the whole of the half-year ended and up to the date of this report (except where otherwise noted below):

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 Terrance White, Independent Non-Executive Director
Mr Carl Mogridge, Independent Non-Executive Director (appointed 29 July 2019)

Review of operations

Total revenue and other income for the half-year ended 31 December 2019 was $3.77 million, representing an increase of 177% over the comparative half-year period in 2018.

GetSwift Limited reported cash and cash equivalents of $57.7 million at 31 December 2019.

The half-year ended 31 December 2019 saw two additional quarters of continued growth in revenues and other income added to the previous eleven consecutive quarters of continued growth since listing on the ASX.

The group experienced continued commercial expansion across its legacy cloud-based delivery management platform and its complementary platforms for scheduled route deliveries and employee scheduling. GetSwift continued growing its distributor clients in the United States, Europe, Middle East and Asia.

As disclosed previously, GetSwift offers two general types of SaaS contracts for last mile logistics, either pay as you go with standard termination clauses or enterprise, with the potential for customisation and negotiated rates in exchange for minimums and/or volume take-up schedules. The contracts mentioned below in this report are not in trial periods and are operational. However, the value generated by any single contract cannot be readily determined at early stages because they are subject to take up utilisation. For that same reason, the company cannot predict with reasonable certainty what the immediate or long-term significance of a single or small number of contracts will be to the company.

Over the period the group announced new scheduled route service subscriber agreements with Intervale Center and Royal Crest Dairy in the United States and a new master IT services and license agreement with Heineken International B.V., with deployments occurring pursuant to that agreement in Egypt, Malaysia, the Philippines and Mexico.

GetSwift also announced expansions for Pizza Hut Saudi Arabia Services and experienced similar engagements announced by clients including KFG in Kuwait and Foodkart, the largest food delivery network in the Gulf Cooperation Council (Saudi Arabia, Kuwait, the United Arab Emirates, Oman, Qatar and Bahrain). Foodkart delivers over 18,000 times a day to over 500 clients in the region including brand units of Pizza Hut, Subway and Dominos as well as courier services Aramex and Safe Arrival.

In addition, Foodics, the leading cloud-based point of sale (POS) operator for restaurants in the Middle East, announced that it selected GetSwift as its exclusive logistics platform to power home delivery to its clients at over 7,000 locations in Saudi Arabia, the UAE, and Egypt.

The group also announced a teaming agreement with Patriot Defense Group LLC, a Florida-based firm that supplies training and evaluation services, specialised support and expeditionary logistics to the US Special Operations Forces (SOF) and Intelligence communities as well as those of foreign allies friendly to the US. As previously advised, the group is not currently in a position, and may be prohibited under the terms of any potential subsequent orders, to announce specific business which may result from this agreement.

Review of operations (continued)

Throughout the period, the firm's technology centre in Denver and its Belgrade technology support centre continued the team's three-week cadence of product releases and feature enhancements to service ongoing client demand.

During the period, the technology team completed a rebranding of the firm's website Getswift.co and its portal to its delivery management platform while continuing planned integration projects for the two acquired complementary platforms DeliveryBizPro and Scheduling+.

The group continues to see strong growth and customer acquisition across North America, EMEA and Asia.

During the half-year ended 31 December 2019, the group operated from offices in the United States, Europe and Australia. Executive management is based in the United States.

Significant changes in the state of affairs

GetSwift Limited has been the subject of shareholder class action litigation and ASIC proceedings. These are ongoing at the date of this report. Please refer to 'regulatory risks' and 'litigation', below in this Directors' report.

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

Matters subsequent to the end of the period

Acquisitions

On 3 February 2020, the group announced it has acquired a majority stake in Logo d.o.o. ('Logo'), a European Information and Communications technology firm, creating a combined company with over 200 staff. These additional engineering and development resources will be at the forefront of GetSwift being able to manage ever increasingly complex enterprise projects and provide for hardware infrastructure solutions where needed.

Logo was founded in 1990, with a record of technical services to a range of enterprise and government clients. Logo's specialties include network and communication systems, data centres, telecommunications infrastructure, Infosec and infrastructure safety systems, along with building automation systems.

Under the terms of the transaction, GetSwift's acquisition consideration for a 60% stake in Logo is EUR €5.5 million in cash and contingent consideration. GetSwift funded the cash consideration with cash from its balance sheet. The transaction was not subject to any financing condition.

Concurrent with the transaction, GetSwift CEO Bane Hunter, at the request of Logo's shareholders, has become Chairman of the Supervisory Board of Logo while GetSwift Chief Operating Officer Robert Bardunias has become Vice Chairman of the Supervisory Board of Logo.

Change in Corporate Secretary and Registered Office

On 31 January 2020, GetSwift announced the resignation of Ms Sophie Karzis and appointment of Mr Julian Rockett as Company Secretary, effective immediately. As part of this transition, the company's registered office has been moved to the address below, effective on the same date:

C/o Boardroom Pty Limited, Level 12, 225 George Street, Sydney, NSW 2000

Likely developments and expected results of operations

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Regulatory risks

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

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 information in relation to these proceedings are below under the Litigation heading.

As previously advised, on 29 April 2019, the company was served by ASIC with a notice to produce documents in relation to the vesting of management performance rights by the company during 1 July 2017 - 31 December 2018. The company produced documents under that notice and there have been no further developments.

Litigation

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 trial of the Webb Proceeding has been listed to commence on 17 August 2020. 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 the director's report in the last annual report.

Since the last report, the developments have been that on 17 December 2019, the Court ordered the parties to participate in further mediation to commence by 10 February 2020 and to be completed by 2 March 2020. The Court ordered that group members must register to benefit from any in-principle settlement (subject to Court approval) reached at mediation. The deadline for registration has passed. The parties are participating in mediation. The parties have otherwise engaged in discovery and are preparing evidence.

There are many more important steps that need to occur before any liability can be imposed on the company or Mr Macdonald in relation to the allegations in the Webb proceeding. No provision has been taken in these accounts. Legal fees will be incurred in defending the matter as it proceeds.

Litigation (continued)

ASIC proceedings

As previously advised and referred to above, the company is continuing to defend the civil penalty proceedings commenced in the Federal Court of Australia by ASIC. Further background is set out in the Director's report in the last annual report.

The trial of the ASIC Proceeding has been listed to commence on 9 June 2020. The orders of the Court require the parties to commence mediation by 16 March 2020. ASIC has served its evidence and provided discovery. The defendants have otherwise engaged in discovery and are preparing evidence. The matter is currently listed for a case management hearing on 2 March 2020.

GetSwift Limited, Mr Macdonald and Mr Hunter irrefutably deny the allegations made by ASIC and, collectively, will vigorously defend the proceedings.

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.

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 Directors' report and financial report. Amounts in the Directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with the instrument.

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

Mr Stanley Pierre-Louis
Independent Non-Executive Chairman

26 February 2020

RSM Australia Partners

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

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of GetSwift Limited for the half year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 26 February 2020
Melbourne, Victoria

		Consolidated entity	
		31 December 2019	31 December 2018
	Notes	**$'000**	$'000
Revenue from contracts with customers		**2,840**	552
Other income		**928**	808
		3,768	1,360
Other gains		**111**	4,574
Employee benefits expenses	3	**(4,871)**	(4,254)
General and administrative expenses	3	**(10,021)**	(6,947)
Share-based payment expenses		**(1,585)**	(1,130)
Operating loss		**(12,598)**	(6,397)
Loss before income tax		**(12,598)**	(6,397)
Income tax expense		**(56)**	-
Loss for the period		**(12,654)**	(6,397)
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations	5(b)	109	(644)
Total comprehensive loss for the period		**(12,545)**	(7,041)
		Cents	Cents
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic/diluted loss per share	9	**(6.71)**	(3.39)

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

	Notes	Consolidated entity 31 December 2019 $'000	 30 June 2019 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**57,700**	68,809
Trade and other receivables		**1,696**	1,318
Other current assets		**717**	414
Total current assets		**60,113**	70,541
Non-current assets			
Property, plant and equipment	4(a)	**775**	177
Intangible assets		**7,229**	7,924
Total non-current assets		**8,004**	8,101
Total assets		**68,117**	78,642
LIABILITIES			
Current liabilities			
Trade and other payables		**3,968**	4,472
Contract liabilities		**103**	51
Employee benefit obligations		**76**	78
Other current liabilities	4(b)	**383**	-
Total current liabilities		**4,530**	4,601
Non-current liabilities			
Trade and other payables		**239**	-
Employee benefit obligations		**11**	11
Other non-current liabilities	4(b)	**313**	-
Total non-current liabilities		**563**	11
Total liabilities		**5,093**	4,612
Net assets		**63,024**	74,030
EQUITY			
Contributed equity	5(a)	**103,243**	103,241
Other reserves	5(b)	**6,748**	5,055
Accumulated losses		**(46,967)**	(34,266)
Total equity		**63,024**	74,030

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

Consolidated entity		Attributable to owners of GetSwift Limited			
		Share capital $'000	**Other reserves $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 1 July 2018		103,241	4,358	(14,771)	92,828
Loss for the period		-	-	(6,400)	(6,400)
Other comprehensive gain/(loss)		-	(644)	-	(644)
Total comprehensive income for the period		**-**	**(644)**	**(6,400)**	**(7,044)**
Transactions with owners in their capacity as owners:					
Options issued/expensed/exercised		-	1,180	-	1,180
Options lapsed		-	(137)	-	(137)
Performance rights issued/expensed		-	161	-	161
Performance rights lapsed		-	(74)	-	(74)
		-	1,130	-	1,130
Balance at 31 December 2018		**103,241**	**4,844**	**(21,171)**	**86,914**
Balance at 1 July 2019		103,241	5,055	(34,265)	74,031
Change in accounting policy		-	-	(48)	(48)
Restated total equity at the beginning of the financial period		**103,241**	**5,055**	**(34,313)**	**73,983**
Loss for the period		-	-	(12,654)	(12,654)
Other comprehensive gain/(loss)	5(b)	-	109	-	109
Total comprehensive income for the period		**-**	**109**	**(12,654)**	**(12,545)**
Transactions with owners in their capacity as owners:					
Options issued/expensed/exercised	5(b)	2	569	-	571
Performance rights issued/expensed	5(b)	-	1,015	-	1,015
		2	1,584	-	1,586
Balance at 31 December 2019		**103,243**	**6,748**	**(46,967)**	**63,024**

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

	Consolidated entity	
	31 December 2019 $'000	31 December 2018 $'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	**2,210**	498
Payments to suppliers and employees (inclusive of GST)	**(13,522)**	(14,184)
R&D tax incentive received	**243**	-
Income taxes paid	**(56)**	-
Interest paid	**(35)**	(13)
Net cash (outflow) from operating activities	**(11,160)**	(13,699)
Cash flows from investing activities		
Payments for plant and equipment	**(13)**	(84)
Payment for acquisition of business	**(715)**	-
Payments for other current assets	**(10)**	-
Investment in term deposits	**-**	(845)
Interest received	**691**	1,032
Net cash (outflow) inflow from investing activities	**(47)**	103
Cash flows from financing activities		
Principal elements of lease payments	**(300)**	-
Net cash (outflow) from financing activities	**(300)**	-
Net (decrease) in cash and cash equivalents	**(11,507)**	(13,596)
Cash and cash equivalents at the beginning of the financial year	**68,809**	35,845
Effects of exchange rate changes on cash and cash equivalents	**398**	923
Cash and cash equivalents at end of period	**57,700**	23,172

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

1 Segment information

Management has determined, based on the reports reviewed by the chief operating decision maker used to make strategic decisions, that the group has one reportable segment being the development and commercialisation of delivery management software as a service. The segment details are therefore fully reflected in the body of the financial statements. Information in relation to geographical segments is shown in note 2. This constitutes a wholistic basis for management's decision making.

2 Revenue from contract with customers

(a) Disaggregation of revenue from contracts with customers

The group derives revenue from customers in the various geographical regions:

Consolidated entity 31 December 2019	**Australia $'000**	**United States $'000**	**Rest of world $'000**	**Total $'000**
Timing of revenue recognition				
At a point in time	**43**	**117**	**124**	**284**
Over time	**161**	**1,932**	**463**	**2,556**
	204	**2,049**	**587**	**2,840**

Consolidated entity 31 December 2018	Australia $'000	United States $'000	Rest of world $'000	Total $'000
Timing of revenue recognition				
At a point in time	47	69	56	172
Over time	187	134	59	380
	234	203	115	552

3 Expenses

	Consolidated entity	
	31 December 2019 $'000	31 December 2018 $'000
Loss before income tax includes the following specific expenses:		
General and administrative expenses		
Advertising and marketing	**661**	309
Amortisation	**712**	-
Bad debts	**29**	33
Depreciation	**356**	27
Insurance	**638**	573
Legal fees	**3,318**	2,179
Occupancy	**83**	369
Professional fees	**1,043**	689
Technology contractors	**1,088**	1,653
Travel and entertainment	**298**	560
Website expenses	**790**	287
Other expenses	**820**	256
Finance costs	**185**	12
	10,021	6,947
Employee benefits expenses		
Salaries, bonuses and directors' fees	**4,323**	3,841
Superannuation and 401(k)	**154**	178
Other	**394**	235
	4,871	4,254

4 Non-financial assets and liabilities

(a) Property, plant and equipment

Consolidated entity	**Furniture, fittings and equipment $'000**	**Leasehold improvements $'000**	**Leased property $'000**	**Total $'000**
At 1 July 2019				
Opening net book amount	114	63	949	1,126
Additions	-	8	-	8
Disposals	(8)	-	-	(8)
Depreciation charge	(20)	(11)	(320)	(351)
Closing net book amount	86	60	629	775

4 Non-financial assets and liabilities (continued)

(b) Leases

The consolidated entity leases buildings for its offices located in the United States, Australia and Serbia. All leases were entered into in prior periods with options to extend the leases. At reporting date it is probable that the group will not take up the option to renew the leases.

(i) Amounts recognised in the balance sheet

	Consolidated entity	
	31 December 2019 $'000	30 June 2019 $'000
Right-of-use assets[1]		
Properties	**629**	-
	629	-
Lease liabilities[2]		
Current	**383**	-
Non-current	**313**	-
	696	-

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

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

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

	Consolidated entity	
	31 December 2019 $'000	31 December 2018 $'000
Interest expense (included in general and administrative expenses)	**34**	-
Depreciation charge of right-of-use assets	**319**	-
	353	-

(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.

5 Equity

(a) Share capital

	31 December 2019 No. of Shares	31 December 2019 $'000	30 June 2019 No. of Shares	30 June 2019 $'000
Fully paid	**188,549,310**	**103,243**	188,524,310	103,241

(b) Other reserves

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

Consolidated entity	Notes	Share-based payments $'000	Performance rights $'000	Foreign currency translation $'000	Total other reserves $'000
At 1 July 2019		**4,250**	**1,924**	**(1,119)**	**5,055**
Currency translation differences		-	-	109	109
Other comprehensive income		-	-	109	109
Transactions with owners in their capacity as owners					
Options expensed	6	571	-	-	571
Performance rights expensed		-	1,015	-	1,015
Options exercised		(2)	-	-	(2)
At 31 December 2019		**4,819**	**2,939**	**(1,010)**	**6,748**

(i) Performance rights

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. During the current period 620,000 performance rights were issued.

5 Equity (continued)

(b) Other reserves (continued)

(i) Performance rights (continued)

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

The total expense recognised from the amortisation of performance rights is $1,014,508.

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.

(ii) Foreign currency translation

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

6 Share-based payments

Options issued

The group granted a total of 1,296,000 options in the half-year ended 31 December 2019 to a number of directors, advisers and an employee. The options were divided into 12 tranches and vest continuously over the four-year vesting period.

GetSwift Limited recognised an expense of $73,346 for the new options issued during the half-year ended 31 December 2019. The value was calculated using the binomial model and the inputs are noted below:

Grant date	Expiry date	Share price at grant date ($)	No. options granted	Exercise price ($)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date ($)
9-Jul-2019	29-Jul-2029	0.200	200,000	0.590	97%	0.00%	1.08%	67,800
5-Sep-2019	5-Sep-2029	0.350	500,000	0.590	97%	0.00%	1.08%	171,000
14-Sep-2017	14-Sep-2032	2.000	132,000	0.800	94%	0.00%	1.13%	47,916
14-Sep-2017	14-Sep-2032	2.000	132,000	1.000	94%	0.00%	1.13%	46,200
14-Sep-2017	14-Sep-2032	2.000	132,000	1.200	94%	0.00%	1.13%	45,012
5-Sep-2019	5-Sep-2029	0.350	100,000	0.279	94%	0.00%	1.04%	42,700

7 Contingencies

(a) Contingent liabilities

(i) 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 trial of the Webb Proceeding has been listed to commence on 17 August 2020. 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 the notes to the financial statements in the last annual report.

Since the last report, the developments have been that on 17 December 2019, the Court ordered the parties to participate in further mediation to commence by 10 February 2020 and to be completed by 2 March 2020. The Court ordered that group members must register to benefit from any in-principle settlement (subject to Court approval) reached at mediation. The deadline for registration has passed. The parties are participating in mediation. The parties have otherwise engaged in discovery and are preparing evidence.

There are many more important steps that need to occur before any liability can be imposed on the company or Mr Macdonald in relation to the allegations in the Webb proceeding. No provision has been taken in these accounts. Legal fees will be incurred in defending the matter as it proceeds.

(ii) 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 the notes to the financial statements in the last annual report.

The trial of the ASIC Proceeding has been listed to commence on 9 June 2020. The orders of the Court require the parties to commence mediation by 16 March 2020. ASIC has served its evidence and provided discovery. The defendants have otherwise engaged in discovery and are preparing evidence. The matter is currently listed for a case management hearing on 2 March 2020.

GetSwift Limited, Mr Macdonald and Mr Hunter irrefutably deny the allegations made by ASIC and, collectively, will vigorously defend the proceedings.

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.

8 Events occurring after the reporting period

(a) 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 SaaS logistics technology. 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.

8 Events occurring after the reporting period (continued)

(a) Acquisition (continued)

The group's consideration for the share capital is comprised of $8.9 million in cash paid at closing, plus contingent consideration as described below

(i) Fiscal year ended 31 December 2020

If the revenue of the Entity for the year ended 31 December 2020 exceed $24.2 million (the “First Revenue Target”) the group will pay $0.8 million. Should the revenue exceed $29.1 million (the “Second Revenue Target”) for the same period an additional $1.6 million will be paid, and should the revenue exceed $32.3 million (the “Third Revenue Target”) for the same period another $1.6 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.

(ii) 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 $24.2 million the group will pay $0.8 million. Should the revenue exceed $29.1 million for the same period an additional $1.6 million will be paid, and should the revenue exceed $32.3 million for the same period another $1.6 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 $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 exceeded both the First Revenue Target and the Second Revenue Target, and the revenue 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.

(iii) 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 $24.2 million the group will pay $0.8 million. Should the revenue exceed $29.1 million for the same period an additional $1.6 million will be paid, and should the revenue exceed $32.4 million for the same period another $1.6 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 $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 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 $32.3 million, $1.6 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 $2.4 million in each of the financial years ending December 31, 2020, 2021 and 2022.

The total fair value of consideration is $10.6 million on an assumed discount rate of 30 percent and under assumed 50 - 90 percent probability adjusted annual revenues of $24.2 million - $32.3 million and expected EBITDA growth of 15 - 20 percent during the initial 3 years post acquisition. Transaction costs related to the acquisitions of $0.2 million were incurred

The sixty percent of the equity acquired is $2.0 million and the group has initially ascribed the excess total fair value consideration of $8.6 million as goodwill (per the table below) since at the time it was impractical to determine the fair value of identifiable intangible assets given the short duration between the acquisition date and this reporting.

8 Events occurring after the reporting period (continued)

(a) Acquisition (continued)

	$'000
Total fair value consideration	
Cash paid	**9,000**
Contingent consideration	**1,700**
	10,700
Less equity	**1,997**
Goodwill	**8,703**
Assets	
Cash and cash equivalents	**142**
Short-term investments	**85**
Trade receivables	**4,315**
Inventories	**1,940**
Other current receivables	**159**
VAT receivable	**143**
Property, plant and equipment - net	**710**
Intangible assets	**23**
Long-term loans	**63**
Deferred tax assets	**42**
Total assets	**7,622**
Liabilities	
Operating liabilities	**1,885**
Short-term loans	**808**
VAT payable	**36**
Taxes/duties payable	**397**
Lease liabilities	**58**
Warranty liabilities	**1,105**
Deferred costs	**3**
Total liabilities	**4,292**
Net assets acquired	**3,330**
Equity attributable to GetSwift Limited	**1,997**
Equity attributable to non-controlling interest	**1,333**

9 Loss per share

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

	Consolidated entity	
	31 December 2019 $'000	31 December 2018 $'000
Basic/diluted loss per share		
Loss attributable to the ordinary equity holders of the company used in calculating basic/diluted loss per share:		
From continuing operations	**(12,651)**	(6,400)

(b) Weighted average number of shares used as denominator

	Consolidated entity	
	2019 Number	2018 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**188,534,120**	188,524,309

The number options as at 31 December 2019 were 18,040,417 (31 December 2018: 26,825,000). These are considered to be anti-dilutive and therefore were excluded from the diluted weighted average number of ordinary shares calculation.

10 Basis of preparation of interim report

These condensed consolidated interim financial report for the half-year reporting period ended 31 December 2019 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These condensed consolidated financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by GetSwift Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of the new and amended standards as set out below. The Interim Financial Statements have been approved and authorised for issue by the board on 26 February 2020.

(a) New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period and the group had to change its accounting policies and make retrospective adjustments as a result of adopting AASB 16 Leases. The impact of the adoption of leasing standard and the new accounting policies are disclosed in note 11 below. The other standards did not have any impact on the group's accounting policies and did not require retrospective adjustments.

10 Basis of preparation of interim report (continued)

(b) 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.

11 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:

	1 July 2019 $'000
Operating lease commitments as at 1 July 2019 (AASB 117)	927
Operating lease commitments discount based on the weighted average incremental borrowing rate of 8.32% (AASB 16)	(76)
Other transitional assessment	98
Right-of-use assets (AASB 16)	949
Lease liabilities - current (AASB 16)	(525)
Lease - non-current (AASB 16)	(472)
Reduction in opening retained earnings as at 1 July 2019	(48)

11 Changes in accounting policies (continued)

(a) AASB 16 Leases (continued)

(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
- 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 1 to 21 are in accordance with the *Corporations Act 2001*, including:

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

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended ended on that date, and

(b) there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.

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

Mr Stanley Pierre-Louis
Independent Non-Executive Chairman

Melbourne
26 February 2020

RSM Australia Partners

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

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

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

We have reviewed the accompanying half-year financial report of GetSwift Limited ('the Company") and its subsidiaries (the Group), which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ***Corporations Act 2001*** and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 ***Review of a Financial Report Performed by the Independent Auditor of the Entity***, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the ***Corporations Act 2001*** including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 ***Interim Financial Reporting*** and the ***Corporations Regulations 2001***. As the auditor of GetSwift Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GetSwift Limited is not in accordance with the ***Corporations Act 2001*** including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 ***Interim Financial Reporting*** and ***Corporations Regulations 2001***

RSM

RSM AUSTRALIA PARTNERS

J S CROALL
Partner

Dated: 26 February 2020
Melbourne, Victoria