Condensed Consolidated Interim Financial Statements
(In U.S. dollars)

GetSwift Limited

Interim report - 31 December 2020
For the three and six months ended 31 December 2020 and 2019

GetSwift Limited

Interim report - 31 December 2020

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 2020 and any public announcements made by GetSwift Limited during the interim reporting period.

		Consolidated entity			
		Three months ended 31 December		**Six months ended 31 December**	
	Notes	**2020**	2019	**2020**	2019
		$	$	**$**	$
Revenue from contracts with customers	2	**5,281,042**	1,153,140	**12,791,994**	1,950,963
Other income	3(a)	**952,549**	228,457	**1,191,645**	641,322
		6,233,591	1,381,597	**13,983,639**	2,592,285
Other losses	3(b)	**(4,342,082)**	(355,888)	**(5,866,166)**	(361,420)
General and administrative expenses	3(c)	**(3,813,354)**	(3,806,014)	**(10,992,840)**	(6,884,918)
Employee benefits expenses	3(c)	**(2,552,318)**	(1,641,725)	**(4,782,904)**	(3,345,425)
Operating expenses	3(c)	**(2,757,145)**	-	**(7,278,495)**	-
Share-based payment expenses		**(37,121)**	(1,087,824)	**(62,153)**	(1,088,537)
Operating loss		**(7,268,429)**	(5,509,854)	**(14,998,919)**	(9,088,015)
Loss before income tax		**(7,268,429)**	(5,509,854)	**(14,998,919)**	(9,088,015)
Income tax benefit/(expense)		**158,719**	-	**41,048**	(38,453)
Loss for the period		**(7,109,710)**	(5,509,854)	**(14,957,871)**	(9,126,468)
Other comprehensive income					
Items that may be reclassified to profit or loss:					
Exchange differences on translation of foreign operations	4(b)	1,690,173	362,401	7,324,036	(828,921)
Total comprehensive loss for the period		**(5,419,537)**	(5,147,453)	**(7,633,835)**	(9,955,389)
Total comprehensive loss for the period is attributable to:					
Owners of GetSwift Limited		**(5,008,893)**	(5,147,453)	**(7,421,417)**	(9,955,389)
Non-controlling interests		**(410,644)**	-	**(212,418)**	-
		(5,419,537)	(5,147,453)	**(7,633,835)**	(9,955,389)
		Cents	Cents	**Cents**	Cents
Loss per share for loss attributable to the ordinary equity holders of the company:					
Basic/diluted loss per share	7	**(3.42)**	(2.92)	**(7.20)**	(4.84)

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

	Notes	**Consolidated entity** **31 December 2020 $**	30 June 2020 $
ASSETS			
Current assets			
Cash and cash equivalents		**7,432,341**	23,300,583
Trade and other receivables		**12,493,577**	10,504,507
Inventories		**1,358,056**	1,660,744
Other current assets		**2,681,125**	2,267,718
Total current assets		**23,965,099**	37,733,552
Non-current assets			
Property, plant and equipment		**1,479,582**	1,318,721
Deferred tax assets		**36,712**	32,456
Intangible assets		**12,664,650**	12,962,869
Other non-current assets		**83,699**	130,517
Total non-current assets		**14,264,643**	14,444,563
Total assets		**38,229,742**	52,178,115
LIABILITIES			
Current liabilities			
Trade and other payables		**7,059,758**	13,820,893
Contract liabilities		**158,980**	306,920
Warranty provisions		**670,682**	275,530
Employee benefit obligations		**26,129**	97,837
Other current liabilities		**401,486**	573,524
Total current liabilities		**8,317,035**	15,074,704
Non-current liabilities			
Trade and other payables		**-**	297,972
Borrowings		**422,078**	-
Deferred tax liabilities		**1,008,394**	1,070,663
Warranty provisions		**376,876**	554,278
Employee benefit obligations		**-**	7,302
Other non-current liabilities		**333,214**	327,827
Total non-current liabilities		**2,140,562**	2,258,042
Total liabilities		**10,457,597**	17,332,746
EQUITY			
Contributed equity	4(a)	**82,332,552**	79,980,173
Other reserves	4(b)	**2,503,568**	(3,028,700)
Accumulated losses		**(61,190,551)**	(46,445,098)
Non-controlling interests		**4,126,576**	4,338,994
Total liabilities and equity		**38,229,742**	52,178,115

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	**Other reserves**	**Accumulated losses**	**Non-controlling interests**	**Total equity**
		$	**$**	**$**	**$**	**$**
Balance at 1 July 2019		79,528,244	(2,395,323)	(25,283,074)	-	51,849,847
Loss for the period		-	-	(8,674,230)	-	(8,674,230)
Other comprehensive gain	4(b)	-	(111,198)	-	-	(111,198)
Total comprehensive income for the period		**-**	**(111,198)**	**(8,674,230)**	**-**	**(8,785,428)**
Transactions with owners in their capacity as owners:						
Options issued/expensed/exercised	4(b)	1,129	398,319	-	-	399,448
Performance rights issued/expensed		-	695,438	-	-	695,438
		1,129	1,093,757	-	-	1,094,886
Balance at 31 December 2019		**79,529,373**	**(1,412,764)**	**(33,957,304)**	**-**	**44,159,305**
Balance at 1 July 2020		79,980,173	(3,028,701)	(46,445,098)	4,338,994	34,845,368
Loss for the period		-	-	(14,745,453)	(212,418)	(14,957,871)
Other comprehensive gain	4(b)	-	7,324,036	-	-	7,324,036
Total comprehensive income for the period		**-**	**7,324,036**	**(14,745,453)**	**(212,418)**	**(7,633,835)**
Transactions with owners in their capacity as owners:						
Options issued/expensed/exercised	4(b)	511,734	41,727	-	-	553,461
Performance rights issued/expensed	4(b)	-	7,151	-	-	7,151
Performance rights converted to ordinary shares		1,840,645	(1,840,645)	-	-	-
		2,352,379	(1,791,767)	-	-	560,612
Balance at 31 December 2020		**82,332,552**	**2,503,568**	**(61,190,551)**	**4,126,576**	**27,772,145**

Opening and closing balances will differ to previously lodged financials due to the change in reporting currency. For more details, please refer to Note 9(a).

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

	Consolidated entity			
	Three months ended 31 December		Six months ended 31 December	
	2020	2019	**2020**	2019
	$	$	**$**	$
Cash flows from operating activities				
Receipts from customers (inclusive of GST)	**7,058,262**	700,730	**11,073,865**	1,465,790
Payments to suppliers and employees (inclusive of GST)	**(10,844,734)**	(5,467,213)	**(25,798,353)**	(9,089,124)
R&D tax incentive received	**4,735**	-	**162,617**	166,891
Income taxes paid	**-**	-	**(355,760)**	(38,453)
Interest received	**20,333**	228,457	**74,410**	474,431
Interest paid	**(9,834)**	(9,855)	**(19,648)**	(22,777)
Net cash (outflow) from operating activities	**(3,771,238)**	(4,547,881)	**(14,862,869)**	(7,043,242)
Cash flows from investing activities				
Payments for plant and equipment	**(2,428)**	-	**(140,790)**	(5,221)
Payment for acquisition of business	**-**	509,577	**-**	(421,514)
Repayment of rental bonds	**-**	(6,700)	**-**	(6,597)
Net cash (outflow) from investing activities	**(2,428)**	502,877	**(140,790)**	(433,332)
Cash flows from financing activities				
Proceeds from issues of shares	**-**	-	**489,859**	-
Proceeds from borrowings	**422,078**	-	**422,078**	-
Financing for LDA facility	**-**	-	**(300,000)**	-
Restriction of letter of credit	**558,442**	-	**(991,564)**	-
Proceeds from line of credit	**-**	-	**2,106,751**	-
Repayment of line of credit	**(1,702,261)**	-	**(2,670,507)**	-
Principal elements of lease payments	**(18,882)**	(107,016)	**(67,021)**	(172,451)
Net cash (outflow) from financing activities	**(740,623)**	(107,016)	**(1,010,404)**	(172,451)
Net (decrease) in cash and cash equivalents	**(4,514,289)**	(4,152,020)	**(16,014,063)**	(7,649,025)
Cash and cash equivalents at the beginning of the financial period	**11,505,108**	44,593,363	**23,300,583**	48,255,760
Effects of exchange rate changes on cash and cash equivalents	**441,522**	(15,950)	**145,821**	(181,342)
Cash and cash equivalents at end of period	**7,432,341**	40,425,393	**7,432,341**	40,425,393

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

1 Segment information

For the 3 month period ending 31 December 2020, approximately 15% of the revenue was generated from a single customer (2019: 38% from three customers).

For the 6 month period ending 31 December 2020, approximately 23% of the revenue was generated from a single customer (2019: 15% from a single customer).

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

Consolidated entity **Three months ended 31 December 2020**	**Technology subscription services** $	**Communication technology services** $	**Corporate and administration** $	**Total** $
Revenue from contracts with customers	1,226,454	4,054,588	-	5,281,042
Other income	11,970	92,946	847,633	952,549
Other gains	-	(139,958)	(4,202,124)	(4,342,082)
	1,238,424	4,007,576	(3,354,491)	1,891,509
Segment expense				
Segment expense	(1,267,979)	(4,563,635)	(3,328,324)	(9,159,938)
	(1,267,979)	(4,563,635)	(3,328,324)	(9,159,938)
Operating loss/income	(29,555)	(556,059)	(6,682,815)	(7,268,429)
Income tax (expense)/benefit	-	88,397	70,322	158,719
Total loss/income for the period	(29,555)	(467,662)	(6,612,493)	(7,109,710)
Assets				
Total segment assets	678,180	14,127,530	23,424,032	38,229,742
Total assets	678,180	14,127,530	23,424,032	38,229,742
Liabilities				
Total segment liabilities	645,478	4,430,870	5,381,249	10,457,597
Total liabilities	645,478	4,430,870	5,381,249	10,457,597

Consolidated entity Six months ended 31 December 2020	Technology subscription services $	Communication technology services $	Corporate and administration $	Total $
Revenue from contracts with customers	2,327,335	10,452,003	12,656	12,791,994
Other income	169,852	120,807	900,986	1,191,645
Other gains	-	(140,619)	(5,725,547)	(5,866,166)
	2,569,583	10,432,191	(4,884,301)	8,117,473
Segment expense				
Segment expense	(3,300,465)	(10,082,931)	(9,732,996)	(23,116,392)
	(3,300,465)	(10,082,931)	(9,732,996)	(23,116,392)
Operating loss/income	(730,882)	349,260	(14,544,901)	(14,998,919)
Income tax (expense)/benefit	-	(62,491)	103,539	41,048
Total loss/income for the period	(730,882)	286,769	(14,441,362)	(14,957,871)
Assets				
Total segment assets	678,180	14,127,530	23,424,032	38,229,742
Total assets	678,180	14,127,530	23,424,032	38,229,742
Liabilities				
Total segment liabilities	645,478	4,430,870	5,381,249	10,457,597
Total liabilities	645,478	4,430,870	5,381,249	10,457,597

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:

Consolidated entity **Three months ended 31 December 2020**	**Asia Pacific** **$**	**Americas** **$**	**EMEA** **$**	**Total** **$**
Point in time				
Subscription services	**17,695**	**55,075**	**47,415**	**120,184**
Sale of products	**-**	**-**	**1,408,440**	**1,408,440**
Sale of finished products and services	**-**	**-**	**1,943,402**	**1,943,402**
	17,695	**55,075**	**3,399,257**	**3,472,026**
Over time				
Subscription services	**73,126**	**877,767**	**155,377**	**1,106,270**
Sale of finished goods and services	**-**	**-**	**702,746**	**702,746**
	73,126	**877,767**	**858,123**	**1,809,016**
Total revenue	**90,821**	**932,842**	**4,257,380**	**5,281,042**

Consolidated entity Three months ended 31 December 2019	Asia Pacific $	Americas $	EMEA $	Total $
Point in time				
Subscription services	15,153	50,457	25,683	91,293
	15,153	50,457	25,683	91,293
Over time				
Subscription services	53,591	747,543	260,713	1,061,847
	53,591	747,543	260,713	1,061,847
Total revenue	**68,744**	**798,000**	**286,396**	**1,153,140**

Consolidated entity **Six months ended 31 December 2020**	**Asia Pacific** **$**	**Americas** **$**	**EMEA** **$**	**Total** **$**
Point in time				
Subscription services	**35,230**	**117,931**	**86,531**	**239,692**
Sale of products	**-**	**-**	**3,864,989**	**3,864,989**
Sale of finished products and services	**-**	**-**	**4,243,598**	**4,243,598**
	35,230	**117,931**	**8,195,118**	**8,348,279**
Over time				
Subscription services	**147,131**	**1,744,443**	**196,069**	**2,087,643**
Sale of finished goods and services	**-**	**-**	**2,356,072**	**2,356,072**
	147,131	**1,744,443**	**2,552,141**	**4,443,715**
Total revenue	**182,361**	**1,862,374**	**10,747,259**	**12,791,994**

Consolidated entity Six months ended 31 December 2019	Asia Pacific $	Americas $	EMEA $	Total $
Point in time				
Subscription services	34,139	99,446	46,339	179,924
	34,139	99,446	46,339	179,924
Over time				
Subscription services	111,358	1,355,289	304,392	1,771,039
	111,358	1,355,289	304,392	1,771,039
Total revenue	**145,497**	**1,454,735**	**350,731**	**1,950,963**

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

		Consolidated entity			
		Three months ended 31 December		Six months ended 31 December	
	Notes	**2020** **$**	2019 $	**2020** **$**	2019 $
Interest on financial assets held as investments		**20,333**	228,457	**74,410**	474,431
Research and development tax incentive (i)		**4,735**	-	**162,617**	166,891
US CARES Act funding		**754,182**	-	**754,182**	-
Other items		**173,299**	-	**200,436**	-
		952,549	228,457	**1,191,645**	641,322

(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. For the half-year ended 31 December 2020, the group has received $162,617 (31 December 2019: $166,891) for their research and development.

(b) Other gains/(losses)

		Consolidated entity			
		Three months ended 31 December		Six months ended 31 December	
	Notes	**2020** **$**	2019 $	**2020** **$**	2019 $
Net gain on disposal of property, plant and equipment		**31**	2,225	**31**	(3,429)
Net foreign exchange losses		**(4,328,738)**	(358,113)	**(5,821,145)**	(357,991)
Other items		**1,713**	-	**(45,052)**	-
Stock obsolescence		**(15,088)**	-	**-**	-
		(4,342,082)	(355,888)	**(5,866,166)**	(361,420)

(i) Net foreign exchange losses

The group's net foreign exchange loss is strongly reflected by the AUS dollars position against the United States dollar.

3 Other income and expense items (continued)

(c) Breakdown of expenses by nature

	Consolidated entity			
	Three months ended 31 December		Six months ended 31 December	
	2020	2019	**2020**	2019
	$	$	**$**	$
General and administrative expenses				
Advertising and marketing	**77,667**	236,697	**245,361**	453,581
Amortisation	**641,254**	244,374	**1,274,672**	488,748
Bad debts	**-**	20,000	**12,506**	20,000
Contingent consideration expense	**276,339**	-	**408,224**	-
Depreciation	**159,073**	122,074	**316,022**	244,016
Finance costs	**16,791**	117,278	**32,657**	130,233
Insurance	**525,867**	223,467	**1,045,773**	438,266
Legal fees	**516,275**	1,379,805	**4,381,976**	2,279,390
Occupancy	**16,640**	27,475	**33,541**	57,632
Professional fees	**698,286**	380,367	**1,298,041**	716,639
Technology contractors	**460,953**	355,309	**886,296**	747,150
Travel and entertainment	**1,705**	112,351	**6,953**	204,804
Website expenses	**153,518**	275,461	**569,463**	542,627
Other expenses	**268,986**	311,356	**481,355**	561,832
	3,813,354	3,806,014	**10,992,840**	6,884,918
Employee benefits expenses				
Salaries, bonuses and directors' fees	**2,440,501**	1,494,978	**4,516,395**	2,969,180
Superannuation and 401(k)	**39,949**	21,343	**38,436**	105,690
Other	**71,868**	125,404	**228,073**	270,555
	2,552,318	1,641,725	**4,782,904**	3,345,425
Operating expenses				
Materials	**2,074,585**	-	**5,434,683**	-
Services	**694,452**	-	**1,705,204**	-
Warranty provisions net	**(11,892)**	-	**138,608**	-
	2,757,145	-	**7,278,495**	-

4 Equity

(a) Share capital

	31 December 2020 No. of Shares	31 December 2020 $	30 June 2020 No. of Shares	30 June 2020 $
Fully paid	**215,629,796**	**82,332,552**	192,174,310	79,980,173

(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 $**	**Performance rights $**	**Foreign currency translation $**	**Total other reserves $**
At 1 July 2020		**3,292,885**	**2,131,889**	**(8,453,475)**	**(3,028,701)**
Currency translation differences		-	-	7,324,036	7,324,036
Other comprehensive income		-	-	7,324,036	7,324,036
Transactions with owners in their capacity as owners					
Options expensed		62,153	-	-	62,153
Performance rights expensed		-	7,151	-	7,151
Options exercised		(20,426)	-	-	(20,426)
Performance rights converted to ordinary shares		-	(1,840,645)	-	(1,840,645)
At 31 December 2020		**3,334,612**	**298,395**	**(1,129,439)**	**2,503,568**

(i) Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 9(a) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

5 Contingencies

(a) Contingent liabilities

(i) Raffaele Webb v GetSwift Limited & Anor NSD 580 of 2018

On 20 February 2018, Squire Patton Boggs commenced an open class representative proceeding in the Federal Court of Australia against GetSwift and Mr Joel Macdonald (the Perera Proceeding).

Subsequently, two more open class actions were commenced against GetSwift and Mr Macdonald by Corrs Chambers Westgarth (the McTaggart Proceeding) and Phi Finney McDonald (the Webb Proceeding), on 26 March and 13 April 2018, respectively. The McTaggart Proceeding additionally included Mr Bane Hunter as a defendant.

On 23 May 2018, the Federal Court of Australia ordered that only 1 of the 3 competing class actions filed against GetSwift could continue (the Webb Proceeding). The decision was appealed and upheld by the Full Court of the Federal Court of Australia. The (Perera) applicant unsuccessfully sought special leave to appeal to the High Court of Australia, which dismissed the application on 17 April 2019. As a result of the High Court's decision, the judgment of the Full Court is final and only the Webb Proceeding continues against GetSwift and Mr Macdonald.

The Webb Proceeding is filed on behalf of persons who acquired an interest in fully paid GetSwift Shares during the period from 24 February 2017 until 19 January 2018 and who claim to have suffered loss as the result of the alleged contraventions.

The Webb Proceeding alleges that GetSwift and Mr Macdonald engaged in misleading and deceptive conduct and made false and misleading statements in the manner in which they made announcements to the market on the ASX, including in relation to 16 client contracts.

The Webb Proceeding also alleges that GetSwift failed to meet its continuous disclosure obligations in relation to information about certain client contracts and client contracts generally, and that Mr Macdonald was involved in the contraventions.

The claim seeks declarations of contraventions against GetSwift and Mr Macdonald as well as compensation for loss suffered. The claim alleges that the contravening conduct caused the market price for GetSwift Shares to be higher than their true price or the price that would have prevailed if the contravening conduct had not occurred. Therefore, the applicant and group members claim to have suffered resulting loss and that the defendants are liable to compensate them for the amount of the loss and damage suffered by them.

All defendants are vigorously defending the proceeding.

The parties have filed their expert evidence. A further mediation commenced on 4 November 2020. The parties were unable to resolve the matter and are preparing for trial.

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 (see below). The respondents filed an interlocutory application seeking that the matter be reallocated to a different judge. An interlocutory hearing occurred on 13 August 2020 in that regard. Judgment was delivered on 9 September 2020. The application was dismissed and the parties were given leave to appeal the judgment. The respondents lodged an appeal on 23 September 2020. The appeal has been listed for a Full Court hearing on 15 February 2021.

At the interlocutory hearing on 13 August 2020, the trial date was vacated. A new trial date has not been set.

On 14 August 2020 the applicant filed an Asset Notification Application. The hearing of the Asset Notification Application was adjourned pending the outcome of GetSwift's Scheme of Arrangement. Following the approval of the Scheme of Arrangement, the Asset Notification Application was withdrawn.

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5 Contingencies (continued)

(a) Contingent liabilities (continued)

(i) Raffaele Webb v GetSwift Limited & Anor NSD 580 of 2018 (continued)

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.

(ii) Australian Securities and Investments Commission v GetSwift Limited & others Federal Court of Australia VID 146 of 2019

On 22 February 2019, ASIC commenced civil penalty proceedings by filing an Originating Process and a Concise Statement in the Federal Court of Australia against GetSwift, Mr Joel Macdonald and Mr Bane Hunter. ASIC filed and served an Amended Originating Process and Statement of Claim on 15 March 2019 and amended its claim to include former GetSwift Director and Corporate Counsel, Mr Brett Eagle, as an additional defendant.

The proceedings brought by ASIC allege that GetSwift failed to meet its continuous disclosure obligations and engaged in misleading or deceptive conduct in the manner in which it made announcements to the market on the ASX, including in relation to 13 client contracts. The proceedings also allege that Mr Macdonald and Mr Hunter were involved in GetSwift's continuous disclosure contraventions, engaged in misleading and deceptive conduct and failed to exercise their powers and discharge their duties as directors of GetSwift with the required degree of care and diligence (by failing to take all reasonable steps to mitigate the risk of GetSwift engaging in misleading conduct or not disclosing material information).

ASIC is seeking declarations of contraventions against GetSwift and each of Mr Macdonald, Mr Hunter and Mr Eagle as well as orders disqualifying each of Mr Macdonald and Mr Hunter from managing corporations for a period of time to be determined. Further, ASIC seeks pecuniary penalties against GetSwift in relation to the alleged continuous disclosure contraventions and against Mr Hunter and Mr Macdonald in relation to the alleged continuous disclosure contraventions and breach of directors' duties "in such amount as the Court considers appropriate in respect of each of the declared contraventions".

All defendants are vigorously defending the proceeding.

The initial trial on liability was conducted between 15 June 2020 and 30 September 2020, including a number of adjournments. The presiding Judge reserved judgment at the conclusion of the trial. Once issued, the judgment will deal with the question of whether the alleged contraventions occurred. If the defendants are found liable in respect of any of the alleged contraventions, a separate hearing will occur in relation to whether any penalties should be imposed, including the extent and form of any penalties. The parties would then have a right to appeal any orders issued by the Court as part of the liability and/or penalty judgments.

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.

6 Events occurring after the reporting period

On 4 September 2020, the company entered into a scheme implementation deed with GetSwift Technologies Limited a Canadian entity, setting forth the terms and conditions to its shareholders of a scheme of arrangement under Part 5.1 of the Australian *Corporations Act 2001 (Cth)* (the "Arrangement"). The Arrangement became Effective on 4 January 2021. Pursuant to the Arrangement, all of the issued and outstanding fully paid ordinary shares of GetSwift Limited ("GSW Shares") were exchanged for common shares in the capital of GetSwift Technologies Limited ("Common Shares") based on an exchange ratio of seven GSW Shares for each Common Share, with any fractional entitlement to a Common Share resulting from such exchange being rounded down to the nearest whole number of Common Shares, and GetSwift Limited became a wholly-owned subsidiary of GetSwift Technologies Limited.

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

7 Loss per share

(a) Weighted average number of shares used as denominator

	Consolidated entity	
	2020 Number	2019 Number
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	**207,841,336**	188,534,120

8 Basis of preparation of interim report

These condensed consolidated interim financial report for the half-year reporting period ended 31 December 2020 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 2020 and any public announcements made by GetSwift Limited during the interim reporting period.

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 15 February 2021.

(a) 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 $14.9 million, had net cash outflows from operating activities of $14.8 million for the six months ended 31 December 2020. Additionally, the group incurred a loss of $7.1 million, had net cash outflows from operating activities of $3.7 million for the three months ended 31 December 2020 and ongoing losses are forecasted.

These factors indicate a material uncertainty which may cast significant doubt as to whether the group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe that there are reasonable grounds to believe that the group will be able to continue as a going concern, after consideration of the following factors:

- the group had a positive net current asset of $15.6 million as at 31 December 2020;
- the group implemented a cost optimization plan to reduce operating cash requirements. The plan Includes significant reductions including the elimination of certain office leases, performance related compensation, as well as reductions in service delivery communications costs, advisory fees, staff costs, and various general and administrative expenses;
- the group has access to the LDA Facility 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; and
- the group has a reasonable expectation that it will be able to obtain additional funds as and when required from existing shareholders or external parties until it is able to achieve profitable operations.

Accordingly, the directors believe that the group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the longer term, the ability of the group to continue as a going concern will likely be dependent on the group's ability to obtain additional equity, debt or other financing as and when required, from time to time, until it is able to achieve profitable operations. The directors have a reasonable expectation that the group will be able to obtain sufficient funds from either existing shareholders or external parties in order to continue as a going concern.

Notwithstanding the assessment above of the group's ability to continue as a going concern, the failure to obtain sufficient funds if and when needed could:

- delay or suspend the group's activities, business plan and other objectives;
- have a material adverse effect on the Corporation's business and its financial condition and performance and the group's ability to continue as a going concern; or
- may result in the group pursuing one or more alternative funding alternatives for the purposes of satisfying it operational and expenditure requirements, which may include equity capital raisings and may not be on terms that are favourable to the group and its shareholders. One or more of these funding options could have the effect of diluting the interest of the group's shareholders.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the group does not continue as a going concern.

9 Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these condensed 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 periods presented, unless otherwise stated. The financial statements are for the group consisting of GetSwift Limited and its subsidiaries.

(a) Foreign currency translation

(i) Functional and presentation currency

The Directors have elected to change the presentation currency from Australian dollars ("A$") to United States (US) dollars effective from 31 December 2020. The change in presentation currency is a voluntary change which is accounted for retrospectively. All other accounting policies are consistent with those adopted in the annual financial report for the year ended 30 June 2020. The financial report has been restated to US dollars using the procedures outlined below:

- Income Statement and Statement of Cash Flows have been translated into US dollars using average foreign currency rates prevailing for the relevant period.
- Assets and liabilities in the Statement of Financial Position have been translated into US dollars at the closing foreign currency rates on the relevant balance sheet dates.
- The equity section of the Statement of Financial Position, including foreign currency translation reserve, retained earnings, share capital and the other reserves, have been translated into US dollars using historical rates.
- Earnings per share and dividend disclosures have also been restated to US dollars to reflect the change in 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 United States dollar ($), which is GetSwift Limited's presentation currency.

(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 period end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the condensed consolidated statement of profit or loss and other comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the condensed consolidated statement of profit or loss and other comprehensive income 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 available-for-sale financial assets 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 balance sheet presented are translated at the closing rate at the date of that balance sheet
- income and expenses for each statement of profit or loss and statement of 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.