

Consolidated Financial Statements
(In US dollars)

GetSwift Technologies Limited

For the years ended June 30, 2021 and 2020

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of GetSwift Technologies Limited

Opinion

We have audited the consolidated financial statements of GetSwift Technologies Limited (the "Company"), which comprise the consolidated statement of financial position as at June 30, 2021 and the consolidated statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the consolidated financial statements, which indicates that the Company incurred a net loss of \$23,522,483 and had net cash outflows from operating activities of \$14,578,111 for the year ended December 31, 2021. As stated in Note 2(a), these events or conditions, along with other matters as set forth in Note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of Company for the year ended June 30, 2020, were audited by another auditor who expressed an unmodified opinion on those statements on August 31, 2020.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 Canadian generally accepted 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 these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Terry Booth.

RSM Alberta LLP

Chartered Professional Accountants
October 15, 2021
Calgary, Alberta

GetSwift Technologies Limited

Consolidated financial statements – June 30, 2021

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GetSwift Technologies Limited
Consolidated statements of loss and comprehensive loss
For the years ended June 30, 2021 and 2020
(In US dollars)

		June 30	June 30
	Notes	2021	2020*
		\$	\$
Revenue from contracts with customers	6	19,833,450	16,432,365
Total revenue		<u>19,833,450</u>	<u>16,432,365</u>
General and administrative expenses	7(c)	(21,210,901)	(19,502,782)
Employee benefits expenses	7(c)	(8,804,664)	(8,754,016)
Operating expenses	7(c)	(10,296,205)	(10,136,606)
Share-based payment expenses	19(b)	111,870	(1,139,717)
Total expenses		<u>(40,199,900)</u>	<u>(39,533,121)</u>
Other income	7(a)	1,355,589	1,091,909
Other gains(losses)	7(b)	(4,649,871)	1,139,578
Loss before income tax		(23,660,732)	(20,869,269)
Income tax benefit/(expense)	21	138,249	(116,229)
Loss for the year		(23,522,483)	(20,985,498)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations	19(b)	5,374,862	(1,385,260)
Total comprehensive loss for the year		(18,147,621)	(22,370,758)
Total comprehensive loss for the year is attributable to:			
Owners of GetSwift Technologies Limited		(18,090,171)	(22,531,539)
Non-controlling interests		(57,450)	160,781
		<u>(18,147,621)</u>	<u>(22,370,758)</u>
Loss per share for loss attributable to the ordinary equity holders of the company:			
Basic/diluted loss per share**	22	(0.77)	(0.78)

*Comparative figures will differ to previously issued financial statements due to the change in reporting currency. For more details, please refer to Note 3(a) & 26.

**Reflect the retrospective application of the 7:1 exchange ratio. For more details, please refer to Note 2(b).

See accompanying notes to financial statements.

GetSwift Technologies Limited
Consolidated statements of financial position
As at June 30, 2021 and 2020
(In US dollars)

	Notes	30 June 2021 \$	30 June 2020* \$	30 June 2019* \$
ASSETS				
Current assets				
Cash and cash equivalents	9	7,276,107	23,300,583	48,192,318
Trade and other receivables	10	5,438,149	10,504,507	923,746
Prepays	11	2,520,151	2,267,718	209,859
Inventories	12	1,860,062	1,660,744	-
Total current assets		17,094,469	37,733,552	49,325,923
Non-current assets				
Property, plant and equipment	13	1,598,650	1,318,721	122,962
Deferred tax assets	21	35,735	32,456	-
Goodwill and intangible assets	14	11,140,009	12,962,869	5,549,379
Other non-current assets	15	1,137,412	130,517	79,957
Total non-current assets		13,911,806	14,444,563	5,752,298
Total assets		31,006,275	52,178,115	55,078,221
LIABILITIES				
Current liabilities				
Trade and other payables	16	11,073,244	14,118,866	3,131,191
Contract liabilities		79,481	306,920	35,529
Warranty provisions	17	557,540	275,530	-
Employee benefit obligations		65,997	97,837	54,202
Other current liabilities	18	457,246	573,524	-
Total current liabilities		12,233,508	15,372,677	3,220,922
Non-current liabilities				
Deferred tax liabilities	21	858,220	1,070,663	-
Warranty provisions	17	283,680	554,278	-
Employee benefit obligations		-	7,302	7,452
Other non-current liabilities	18	612,493	327,827	-
Total non-current liabilities		1,754,393	1,960,070	7,452
Total liabilities		13,987,901	17,332,747	3,228,374
EQUITY				
Share capital	19(a)	82,332,552	79,980,173	79,528,244
Other reserves	19(b)	314,409	(3,028,701)	(2,395,323)
Accumulated losses		(69,910,131)	(46,445,098)	(25,283,074)
Non-controlling interests	3(b)	4,281,544	4,338,994	-
Total equity		17,018,374	34,845,368	51,849,847
Total liabilities and equity		31,006,275	52,178,115	55,078,221

*Comparative figures will differ to previously issued financial statements due to the change in reporting currency. For more details, please refer to Note 3(a) & 26.

See accompanying notes to financial statements.

GetSwift Technologies Limited
Consolidated statements of changes in equity
For the years ended June 30, 2021 and 2020
(In US dollars)

Consolidated entity	Notes	Attributable to owners of GetSwift Technologies Limited			Non- controlling interests \$	Total Equity \$
		Share capital \$	Other reserves \$	Accumulated losses \$		
Balance at June 30, 2019		79,528,244	(2,395,323)	(25,283,074)	-	51,849,847
Total comprehensive income for the year		-	(1,385,260)	(21,146,279)	160,781	(22,370,758)
Transactions with owners in their capacity as owners:						
Transactions costs and tax options		(447,771)	-	-	-	(447,771)
Options issued/expensed/exercised	19(b)	899,700	85,459	-	-	985,159
Performance rights issued/expensed		-	666,423	-	-	666,423
Changes in accounting policy on acquisition		-	-	(15,745)	-	(15,745)
Non-controlling interests on acquisition		-	-	-	4,178,213	4,178,213
Balance at June 30, 2020		79,980,173	(3,028,701)	(46,445,098)	4,338,994	34,845,368
Balance at July 1, 2020		79,980,173	(3,028,701)	(46,445,098)	4,338,994	34,845,368
Total comprehensive income for the year		-	5,374,862	(23,465,033)	(57,450)	(18,147,621)
Transactions with owners in their capacity as owners:						
Options issued/expensed/exercised	19(b)	511,734	100,197	-	-	611,931
Performance rights issued/expensed	19(b)	-	7,151	-	-	7,151
Performance rights expired	19(b)	-	(232,306)	-	-	(232,306)
Performance rights settled	19(b)	-	(66,149)	-	-	(66,149)
Performance rights converted to ordinary shares	19(b)	1,840,645	(1,840,645)	-	-	-
Balance at June 30, 2021		82,332,552	314,409	(69,910,131)	4,281,544	17,018,374

Opening and closing balances will differ to previously issued financial statements due to the change in reporting currency. For more details, please refer to Note 3(a) & 26.

See accompanying notes to financial statements.

GetSwift Technologies Limited
Consolidated statements of cash flows
For the years ended June 30, 2021 and 2020
(In US dollars)

	Notes	2021 \$	2020* \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		24,876,542	10,233,515
Payments to suppliers and employees (inclusive of GST)		(39,325,899)	(28,295,444)
R&D tax incentive received	7(a)	167,304	163,708
Income taxes paid		(355,760)	(113,967)
Interest paid		(27,681)	(39,208)
Interest received	7(a)	87,383	785,733
Net cash (outflow) from operating activities		(14,578,111)	(17,265,663)
Cash flows from investing activities			
Payments for property, plant and equipment		(1,016,132)	(18,266)
Payments for acquisition of business		-	(5,826,951)
Payments for other non-current assets		-	(52,468)
Deferred consideration payments		-	(628,932)
Other acquisition payments		-	(134,760)
Net cash (outflow) from investing activities		(1,016,132)	(6,661,377)
Cash flows from financing activities			
Proceeds from issues of shares	19(a)	491,308	-
Financing costs for LDA facility	11	(300,000)	(589,072)
Proceeds from line of credit		2,106,751	-
Repayment of line of credit		(2,188,674)	-
Principal elements of lease payments		(142,864)	(445,922)
Net cash (outflow) from financing activities		(33,479)	(1,034,994)
Net (decrease) in cash and cash equivalents		(15,627,722)	(24,962,034)
Cash and cash equivalents at the beginning of the year		23,300,583	48,255,760
Effects of exchange rate changes on cash and cash equivalents		(396,754)	6,857
Cash and cash equivalents at end of the year		7,276,107	23,300,583

*Comparative figures will differ to previously issued financial statements due to the change in reporting currency. For more details, please refer to Note 3(a)

1. Nature of operations

GetSwift Technologies Limited ("GSW" or the "Corporation") is a technology and services company that offers a suite of software, products, and services through its operating subsidiaries, which are focused on business and logistics and automation, data management and analysis, communications, information security, and infrastructure optimization and also includes ecommerce and marketplace ordering, workforce management, data analytics and augmentation, business intelligence, route optimization, cash management, task management shift management, asset tracking, real-time alerts, cloud communications, and communications infrastructure services and products through consulting, design, construction, and maintenance. The Corporation'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.

The Corporation's registered office is 1185 6th Avenue, New York, NY, 10036. GSW is a publicly-traded company listed on the NEO Exchange under the symbol "GSW".

Additional information about the Corporation is available at GetSwift.co. and on its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

2. Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). These consolidated financial statements were approved and authorized for issue by the Board of Directors of the Corporation on October 15, 2021.

These consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments presented at fair value (note 3(j)).

(a) Going concern

The Corporation's consolidated 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.

The Corporation incurred a loss of \$23,552,483 (2020: \$20,985,498), and had net cash outflows from operating activities of \$14,578,111 (2020: \$17,265,663) for the year ended June 30, 2021.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Corporation 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 consolidated financial statements.

The above factors are mitigated by the followings:

- the Corporation had positive net working capital of \$4,860,961 as at June 30, 2021; and
- the Corporation 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, and
- the Corporation has an expectation that it should be able to obtain additional funds as and when required from existing shareholders or external parties until it is able to achieve profitable operations.

Management has resolved at this time that any short to mid-term expectations that the Corporation will be able to leverage capital from the facility available from LDA Capital LLC (note 11) is reduced in practicality due to the Corporation's share price and trading volume, and would not be in the best interest of the Corporation and its shareholders, due to the Corporation's share price and trading volume and the execution terms of the Facility. In any event, the amount of any capital call made by the Corporation at any time is subject to and can be limited by conditions imposed in the Amended LDA Agreement, which are dependent on certain market conditions aligning at the time of the capital call which are not directly within the Corporation's control.

The ability of the Corporation to continue as a going concern will likely be dependent on the Corporation's ability to obtain additional equity or debt to achieve suitable financing for ongoing operations. The directors have an expectation that the Corporation 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 Corporation's ability to continue as a going concern, the failure to obtain sufficient funds if and when needed could: delay or suspend the Corporation'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 Corporation's ability to continue as a going concern; or may result in the Corporation pursuing additional cost reductions or one or more alternative funding alternatives for the purposes of satisfying its operational and expenditure requirements, which may include equity capital raisings and may not be on terms that are favourable to the Corporation and its shareholders. One or more of these funding options could have the effect of diluting the interest of the Corporation's shareholders.

If alternative funding arrangements are not obtained in the next 2-3 month period from the date of approval of these financial statements, the Corporation will pursue further cost optimization initiatives in order to ensure adequate funding in the short term.

The consolidated financial statements do not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Corporation does not continue as a going concern. Such adjustments could be material.

(b) Reverse takeover transaction: Australian scheme of arrangement

On September 4, 2020, the Corporation entered into a scheme implementation deed with GetSwift Limited, an Australian entity, setting forth the terms and conditions to the shareholders of GetSwift Limited of a scheme of arrangement under Part 5.1 of the Australian Corporations Act 2001 (Cth) (the "Arrangement"). The Arrangement became legally effective on January 4, 2021 and was completed on January 13, 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.

The Arrangement was treated as a reverse takeover for accounting purposes based on its terms. In accordance with the guidelines of IFRS 3, the acquisition does not meet the definition of a business for accounting purposes. Therefore, the reverse takeover does not constitute a business combination but a capital transaction with GetSwift Limited, being the continuing entity from an accounting perspective.

The reverse takeover transaction has been accounted for in the consolidated financial statements as a continuation of the consolidated financial statements of GetSwift Limited, include the comparative period information. Prior to the Arrangement, the Corporation had one preferred share outstanding for \$10, which was redeemed in connection with the Arrangement.

3. 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 consolidated financial statements are for the group consisting of GetSwift Technologies Limited and its subsidiaries (note 3(b)).

(a) Foreign currency translation

(i) Functional and presentation currency

The Directors elected to change the presentation currency from Australian dollars ("AUD") to United States (US) dollars (" \$" or "USD") effective from December 31, 2020. The change in presentation currency is a voluntary change in

accounting policy which is accounted for retrospectively. The consolidated financial statements have been restated to US dollars using the procedures outlined below:

- Consolidated statement of loss and comprehensive loss and consolidated 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 consolidated statement of financial position have been translated into US dollars at the closing foreign currency rates on each balance sheet date.
- The equity section of the consolidated statement of financial position, including foreign currency translation reserve, accumulated losses, share capital and the other reserves, have been translated into US dollars using historical rates, with each transaction being reexpressed as if it had always been presented in US dollars.
- 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 dollars, which is GetSwift Technologies Limited's functional and 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 consolidated statement of loss and other comprehensive income, within finance costs under general and administrative expenses. All other foreign exchange gains and losses are presented in the consolidated statement of 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, with balances accumulating in foreign currency translation reserve within other reserves in equity.

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.

(b) Basis of consolidation

These consolidated financial statements include the financial results of the Corporation and its subsidiaries, which are the entities over which the Corporation has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and can affect those returns through its power over the investee. The financial statements of the subsidiaries have been prepared for the period since the date of acquisition, using consistent accounting policies. Non-controlling interests, if any, are included as a component of the members' equity. All inter-company balances and transactions were eliminated upon consolidation.

Material Subsidiaries

Corporation's subsidiaries on June 30, 2021, are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares, and the proportion of ownership interests held equals the voting rights held by the Corporation. Other than GetSwift Limited, which is a wholly-owned subsidiary of the Corporation, the Corporation's ownership of the ordinary shares listed below is held indirectly through its ownership of GetSwift Limited. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/country of incorporation	Functional currency	Ownership interest held by the group		Ownership interest held by non-controlling interests	
			2021 %	2020* %	2021 %	2020 %
GetSwift Limited	Australia	AUD	100	-	-	-
Get Swift Logistics Pty Ltd	Australia	AUD	100	100	-	-
GetSwift, Inc.	United States	USD	100	100	-	-
GetSwift DOO	Serbia	RSD	100	100	-	-
Marketplace connect Pty Ltd	Australia	AUD	100	100	-	-
Liquorun Pty Ltd	Australia	AUD	100	100	-	-
Distributed Logistics Pty Ltd	Australia	AUD	100	100	-	-
Logo d.o.o.**	Serbia	RSD	60	60	40	40

*2020 does not reflect GetSwift Technologies Limited

** the non-controlling interests hold 40% of the voting rights of Logo d.o.o.

(c) Business combination

A business combination is a transaction or event in which an acquirer obtains control of one or more businesses and is accounted for using the acquisition method. The total consideration paid for the acquisition is the aggregate of the fair values of assets given, liabilities incurred or assumed, and equity instruments issued in exchange for control of the acquiree at the acquisition date. The acquisition date is the date on which the Corporation obtains control of the acquiree. The identifiable assets acquired, and liabilities assumed are recognised at their acquisition date fair values,

Contingent consideration, if any, is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates with the corresponding gain or loss being recognised in net loss.

The Corporation measures goodwill as the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount of the identifiable assets and liabilities assumed, all measured as of the acquisition date. Goodwill is initially recognised at cost as an asset and subsequently measured at cost less accumulated impairment. Goodwill is not amortised but is tested annually for impairment.

(d) Revenue recognition

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.

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.

(e) 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 Corporation 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.

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.

(f) 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.

(g) 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.

(h) 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 Corporation 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.

(i) Inventories

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.

(j) Financial instruments

Recognition and initial measurement

Financial assets and financial liabilities, including derivatives, are recognized in the consolidated statement of financial position when the Corporation becomes a party to the contractual provisions of a financial instrument or non-financial derivative contract. All financial instruments are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities, other than financial assets and financial liabilities classified as Fair Value Through Profit or Loss ("FVTPL"), are added to or deducted from the fair value on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities classified as FVTPL are recognized immediately in net loss.

Classification and subsequent measurement

Financial assets

Subsequent measurement of financial assets 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 financial assets:

- 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. The financial assets measured at amortized cost include cash and cash equivalents, trade and other receivables, prepaids, and other non-current assets.
- Fair Value Through Other Comprehensive Income ("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 Other Comprehensive Income ("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.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Financial Liabilities

The Corporation classifies each financial liability into one of two categories depending on the purpose for which the liability was incurred.

- **Amortised cost:** Liabilities in this category are non-derivative financial liabilities that are not classified as held-for-trading. After initial recognition, such liabilities are measured at amortized cost using the effective interest rate method. The financial liabilities measured at amortized cost include trade and other payables, contract liabilities, employee benefit obligations and leases.

FVTPL: Liabilities in this category are derivatives or liabilities classified as held-for-trading, or designated as FVTPL upon initial recognition. The classification of a financial liability is irrevocable. After initial recognition, such liabilities are measured at fair value with changes in fair value, along with any interest expense, recognized in the consolidated statement of loss and comprehensive loss. Any gain or loss on derecognition is also recognized in the consolidated statement of loss.

Impairment

The group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI. For trade and other receivables, the Corporation applies the simplified approach to providing for expected credit losses prescribed under IFRS 9, which requires the use of the lifetime expected loss provision for all accounts and trade receivables based on the Corporation's historical default rates over the expected life of the accounts and trade receivables, and is adjusted for forward-looking estimates. The methodologies and assumptions, including any forecasts of future economic conditions, are reviewed regularly.

Derecognition

The Corporation derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are recognized in the consolidated statements of loss and comprehensive loss.

The Corporation derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of loss and comprehensive loss.

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.

(k) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditures that are 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.

Depreciation is recognized in profit or loss on a straight-line basis or declining balance basis, depending on the approach that most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset, and the estimated useful lives of each component.

The estimated useful lives for the current and comparative periods are as follows:

Asset	Rate
Plant and equipment	15 - 30 years
Furniture and equipment	5 – 10 years
Leasehold improvements	Shorter of the estimated useful life and the term of the lease

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.

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

(I) 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.

(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

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

(n) 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.

(o) 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. Warranties are measured at the estimated future cash flows required to settle the present obligation, based on the most reliable evidence available at the reporting date. The estimated cash flows are discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The amortization of the discount is recognized as part of finance costs.

(p) 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.

(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'.

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 Corporation'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 Corporation 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 fair value of the options granted is calculated using the Black-Scholes option pricing model based on their respective issuance dates taking into account volatility, expected life, exercise price, market price at the date of issuance, expected dividend yield, and the risk-free interest rate.

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.

(q) Leases

At inception of a contract, the Corporation assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Corporation is reasonably certain to exercise that option. In addition, the right-of-use asset can be periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Corporation's estimate of the amount expected to be payable under a residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Corporation has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

(r) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the estimated future cash flows required to settle the present obligation, based on the most reliable evidence available at the reporting date. The estimated cash flows are discounted at a pre-tax rate

that reflects current market assessments of the time value of money and the risks specific to the liability. The amortization of the discount is recognized as part of finance costs.

(s) 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.

(t) Loss per share

(i) Basic loss per share

Basic loss per share is calculated by dividing:

- the loss attributable to owners of the Corporation, 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.

(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.

(u) Government assistance

Government grants and credits are initially recorded as a liability when funds are received in advance of the costs to which the funds relate. Grants and credits are recognized into income or against to which the grants relate when the Corporation establishes reasonable assurance of compliance with the applicable terms and the amounts will be realized. Upon recognition, the amounts are recognized in other income or credited against the assets to which the amounts relate.

(v) Critical estimates and judgements

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these judgments, estimates and assumptions could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The information about significant areas of estimation uncertainty considered by management in preparing the consolidated financial statements is as follows:

(i) Allowance for expected credit losses

The allowance for expected credit losses assessment 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.

(ii) Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation. 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.

(iii) 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.

(iv) Goodwill

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has 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.

(v) 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.

(vi) 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.

(vii) 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.

(viii) 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.

The information about areas of significant judgements made by management in preparing the consolidated financial statements is as follows:

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

When recognising revenue in relation to the sale of services to customers, judgement is necessary to determine 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. The Corporation also applies significant judgement to determine the estimated hours to completion which affect the timing of revenue recognized for services provided.

(ii) Lease

The application of IFRS 16 requires the Corporation to make judgements that affect the measurement of lease liabilities and right-of-use assets. These include: determining contracts in scope of IFRS 16, determining the contract term and determining the interest rate used for discounting of future cash flows.

(iii) 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.

(iv) 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.

4. Changes in accounting standards

On July 1, 2020, the Corporation adopted IFRS 3, Business Combinations. The adoption of these amendments did not have a material impact on the Corporation's financial statements.

Accounting standards issued but not yet adopted

IAS 1 – Presentation of Financial Statements ("IAS 1") was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023. Earlier adoption is permitted. The Corporation will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") was amended in January 2020 to introduce a definition of "accounting estimates" and to clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The amendments are effective for annual periods beginning on January 1, 2023. Earlier adoption is permitted. The Corporation will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets ("IAS 37") was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022. Earlier adoption is permitted. The Company will adopt these amendments as of their effective date, and is currently assessing the impacts on adoption.

5. Segment information

During the financial year, approximately 19% of the revenue was generated from one customer (2020: 35%).

Management conducted a review of internal reporting to the CEO (the Chief Operating Decision Maker ("CODM")) and identified two primary operating and 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 Corporation 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. GSW'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.

Consolidated entity	Technology subscription services	Communication technology services	Corporate and administration	Total
Year ended June 30, 2021				
	\$	\$	\$	\$
Revenue from contracts with customers	4,489,667	15,343,783	-	19,833,450
Total revenue	4,489,667	15,343,783	-	19,833,450
General and administrative expenses	(5,453,174)	(1,233,561)	(14,524,166)	(21,210,901)
Employee benefits expenses	(89,286)	(4,054,573)	(4,660,805)	(8,804,664)
Operating expenses	-	(10,296,205)	-	(10,296,205)
Share-based payment expenses	-	-	111,870	111,870
Total expenses	(5,542,460)	(15,584,339)	(19,073,101)	(40,199,900)
Other income	185,452	254,099	916,038	1,355,589
Other gains (losses)	(7,805)	(123,779)	(4,518,287)	(4,649,871)
Loss before income tax	(875,146)	(110,236)	(22,675,350)	(23,660,732)
Income tax (expense)/benefit	-	(86,797)	225,046	138,249
Total loss for the period	(875,146)	(197,033)	(22,450,304)	(23,522,483)
Assets	600,349	8,344,745	22,061,181	31,006,275
Total assets	600,349	8,344,745	22,061,181	31,006,275
Liabilities	(73,264)	6,539,700	7,521,465	13,987,901
Total liabilities	(73,264)	6,539,700	7,521,465	13,987,901

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(In US dollars)

Consolidated entity	Technology subscription services	Communication technology services	Corporate and administration	Total
Year ended June 30, 2020	\$	\$	\$	\$
Revenue from contracts with customers	3,636,924	12,795,441	-	16,432,365
Total revenue	3,636,924	12,795,441	-	16,432,365
General and administrative expenses	(5,130,063)	(376,349)	(13,629,592)	(19,136,004)
Employee benefits expenses	(433,016)	(1,052,013)	(7,329,905)	(8,814,934)
Operating expenses	-	(10,442,466)	-	(10,442,466)
Share-based payment expenses	-	-	(1,139,717)	(1,139,717)
Total expenses	(5,563,079)	(11,870,828)	(22,099,214)	(39,533,121)
Other income	163,709	142,467	785,733	1,091,909
Other gains (losses)	-	(26,838)	1,166,416	1,139,578
Income/(loss) before income tax	(1,762,446)	1,040,242	(20,147,065)	(20,869,269)
Income tax (expense)/benefit	-	(171,890)	55,661	(116,229)
Total income/(loss) for the period	(1,762,446)	868,352	(20,091,404)	(20,985,498)
Assets	933,622	12,398,943	38,845,550	52,178,115
Total assets	933,622	12,398,943	38,845,550	52,178,115
Liabilities	683,293	9,504,949	7,144,505	17,332,747
Total liabilities	683,293	9,504,949	7,144,505	17,332,747

6. 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:

Year ended June 30, 2021	Serbia	United States	Australia	Other	Total
	\$	\$	\$	\$	\$
Point in time					
Subscription services	-	205,136	55,169	204,164	464,469
Sale of products	4,559,244	-	-	-	4,559,244
Sale of finished products and services	1,084,199	-	-	-	1,084,199
	5,643,443	205,136	55,169	204,164	6,107,912
Over time					
Subscription services	-	3,515,123	280,298	229,777	4,025,198
Sale of finished products and services	9,700,340	-	-	-	9,700,340
	9,700,340	3,515,123	280,298	229,777	13,725,538
Total revenue	15,343,783	3,720,259	335,467	433,941	19,833,450

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Year ended June 30, 2020	Serbia \$	United States \$	Australia \$	Other \$	Total \$
Point in time					
Subscription services	-	164,189	69,066	215,172	448,427
Sale of products	9,592,356	-	-	-	9,592,356
Sale of finished products and services	2,255,338	-	-	-	2,255,338
	<u>11,847,694</u>	<u>164,189</u>	<u>69,066</u>	<u>215,172</u>	<u>12,296,121</u>
Over time					
Subscription services	-	2,523,597	235,038	429,862	3,188,497
Sale of finished products and services	947,747	-	-	-	947,747
	<u>947,747</u>	<u>2,523,597</u>	<u>235,038</u>	<u>429,862</u>	<u>4,136,244</u>
Total revenue	<u>12,795,441</u>	<u>2,687,786</u>	<u>304,104</u>	<u>645,034</u>	<u>16,432,365</u>

Revenue from the sale of all goods and services is measured at the fair value of the consideration received or receivable. Revenue is recognized when persuasive evidence exists that control of the goods or services has been transferred to the buyer and it is probable that the consideration will be collected.

The Corporation provides software as a service ("SaaS") and services that are related to the SaaS, and communication, energy and infrastructure products and services. When two or more deliverables are sold under a single arrangement, each deliverable that is considered to be a separate performance obligation is accounted for separately. The allocation of consideration from the revenue arrangement to its separate performance obligation is based on the relative stand-alone selling price of each performance obligation.

The Corporation's performance obligations consist of the following:

Performance obligations from contracts with customers	Timing of the satisfaction of the performance obligation	Pattern of transfer of control
Delivery Service Software Application	Upon completion and delivery	Point in time
E-Commerce	Over the life of the contract	Over time
E-Commerce -Set up fee	Over the life of the contract	Over time
Infrastructure Sales of Goods and Products	Upon completion and delivery	Point in time
Systems Maintenance (telecommunication, electrical, data centers.)	Over the life of the contract	Over time
Infrastructure, Telecommunication and Electrical Services (design and installation)	Over the life of the contract	Over time
System Integration	Over the life of the contract	Over time

Delivery Service Software Application

For the delivery service software application, software is provided to customers in the delivery service industry. Customers pay online to receive access to software which allows them to make use of delivery services. The performance obligation is satisfied at the time of each delivery service.

E-Commerce

Under the E-Commerce revenue stream, off the shelf software is provided to customers in the delivery service industry. Customers pay monthly online to receive access to software under a contract and they can use the software for the duration of and to the terms of their contract, provide payment is continued to be made. Satisfaction of the performance obligation and transfer of control continues over the life of the contract.

In addition, a set up fee may apply, which is paid 50% within the first month, then the remainder during the life of the contract (usually 12 months). The satisfaction of the performance continues over the life of the contract as this is when control transfers.

Communication, Energy and Infrastructure

The communication, energy and infrastructure business model has four revenue streams.

Customers may purchase infrastructure goods and products and payment is made at time of purchase either with or without terms. The performance obligation is met upon completion and delivery of the product or service as well as the transfer of control. In addition, maintenance may be required by a customer for the product where the performance obligation is satisfied upon completion as well as control is transferred at this time.

Customers may purchase system maintenance services where a contract is set up to provide services over a period of time. Payments are made over time and are either monthly, quarterly, or to the terms of the contract and with the performance obligation and transfer of control over time.

Similar to maintenance contracts, customers may purchase infrastructure, telecommunication, and electrical services for design and installation either as a one time service where the performance obligation is satisfied and the transfer of control time is at a point in time; or as an ongoing service where payment is made under contract and the performance obligation is satisfied and the transfer of control is over the life of the contract.

Finally, system integration can be provided as a short term or long term service, depending on the size and complexity of the project. For integration projects, an output method is used, with terms, and the satisfaction of the performance obligation and transfer of control is over the life of the contract.

7. Other income and expense items

(a) Other income

	2021	2020
	\$	\$
Interest on financial assets held as investments	87,383	785,733
Research and development tax incentive (i)	167,304	163,709
US CARES Act funding	754,182	-
Other items	346,720	142,467
	<u>1,355,589</u>	<u>1,091,909</u>

(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 year ended June 30, 2021, the group has received \$167,304 (2020: \$163,709) for their research and development.

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(b) Other gains/(losses)

	2021	2020
	\$	\$
Net gain/(loss) on disposal of property, plant and equipment	(7,211)	2,942
Net foreign exchange gain/(loss)	(4,615,647)	1,169,183
Other items	(27,013)	(32,547)
	<u>(4,649,871)</u>	<u>1,139,578</u>

(c) Breakdown of expenses by nature

	2021	2020
	\$	\$
General and administrative expenses		
Advertising and marketing	347,792	803,915
Amortisation	2,594,645	1,587,058
Bad debts	26,411	210,567
Contingent consideration expense	2,880,351	425,908
Depreciation	643,163	564,959
Finance costs	47,209	153,743
Insurance	1,807,061	1,080,287
Legal fees	6,924,635	8,639,581
Occupancy	91,862	205,848
Professional fees	2,027,752	1,799,611
Technology contractors	1,788,435	1,411,955
Travel and entertainment	18,438	318,348
Website expenses	1,012,480	1,185,562
Other expenses	1,000,667	1,115,440
	<u>21,210,901</u>	<u>19,502,782</u>
Employee benefits expenses		
Salaries, bonuses and directors' fees	8,171,609	7,844,932
Superannuation and 401(k)	113,358	250,463
Other	519,697	658,621
	<u>8,804,664</u>	<u>8,754,016</u>
Operating expenses		
Materials	7,718,942	9,130,931
Services	2,626,445	1,252,841
Warranty provisions net	(49,182)	(247,166)
	<u>10,296,205</u>	<u>10,136,606</u>

8. Business combination

a) Summary of acquisition

On January 31, 2020, the group acquired sixty percent of the share capital of Logo d.o.o. ("Logo") 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	
Cash paid	6,063,617
Contingent consideration	33,074
Total purchase consideration	<u>6,096,691</u>

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

	Fair value \$
Assets	
Cash and cash equivalents	248,773
Short-term investments	42,892
Trade receivables (i)	2,248,219
Inventories	1,748,076
Other current receivables	361,756
VAT receivable	290,586
Property, plant and equipment - net	695,850
Intangible assets	7,416,612
Long-term loans	42,582
Deferred tax assets	30,266
Total assets	<u>13,125,612</u>
Liabilities	
Operating liabilities	(1,525,500)
Other current liabilities	(477,660)
Lease liabilities	(516,918)
Warranty liabilities	(756,558)
Deferred tax liabilities	(1,142,165)
Total liabilities	<u>(4,418,801)</u>
Less: non-controlling interests (ii)	(4,006,957)
Add: goodwill (iii)	1,396,837
Net assets acquired	<u>6,096,691</u>

- (i) As of the acquisition date, the fair value of trade receivables approximated carrying value.
- (ii) Non-controlling interests was measured at its proportionate share of the recognized amount of Logo's identifiable net assets at the acquisition date.
- (iii) The goodwill is attributable to the workforce and the high revenues of the acquired business. It will not be deductible for tax purposes.

b) Significant estimate: contingent consideration

Over the fiscal years of 2020, 2021, and 2022, the following revenue targets need to be achieved in order for the earn out to be paid. These targets are not cumulative over the three year period and, once achieved, are only paid once in the fiscal year that they are achieved:

	<u>Revenue Target</u>	<u>Earn Out Amount</u>
First	\$17.4 million	\$0.6 million
Second	\$20.9 million	\$1.2 million
Third	\$23.2 million	<u>\$1.2 million</u>
Total		\$3.0 million

If an aggregate \$3.0 million in contingent consideration is paid, no additional revenue-based consideration will be paid in future years.

In addition to the preceding, the group will pay additional contingent consideration equal to 10% of the EBITDA of Logo above \$1.7 million in each of the fiscal years ending June 30, 2020, 2021 and 2022. This has not been achieved in the 2020 and 2021 fiscal years.

All payments are made to the Seller (Miodrag and Sanja Veljkovic).

On February 1, 2021, the Seller provided an Earn Out Notice that the First and Second Revenue Targets were achieved, and negotiations are underway regarding payment. Management is working to confirm whether the Second Revenue Target has been achieved.

The total fair value of contingent consideration is estimated at \$3.1 million, based on a discount rate of 15 percent and estimated fiscal revenues of \$13 million - \$38 million with expected EBITDA of \$0.4 - \$6.4 million during the initial 3 fiscal years post acquisition. Transaction costs related to the acquisitions of \$0.2 million were incurred. This \$3.1 million has been included in trade and other payables as at June 30, 2021. The increase in provision of \$2.8 million (2020: \$0.3 million) has been included in contingent consideration expense for the year ended June 30, 2021.

c) Revenue and profit contribution

The Logo contributed revenues of \$28.1 million and net income of \$0.7 million to the group for the period from February 1, 2020 to June 30, 2021.

9. Cash and cash equivalents

	June 30 2021 \$	June 30 2020 \$
Cash at bank and in hand	7,276,107	23,300,583
Other cash and cash equivalents	-	-
	<u>7,276,107</u>	<u>23,300,583</u>

10. Trade and other receivables

	June 30 2021 \$	June 30 2020 \$
Trade receivables (i)	2,825,952	7,833,707
Accrued receivables	1,908,742	1,955,506
Expected credit loss	<u>(127,837)</u>	<u>(282,130)</u>
	<u>4,606,857</u>	<u>9,507,083</u>
 Other receivables (ii)	 <u>831,292</u>	 <u>997,424</u>
	<u>831,292</u>	<u>997,424</u>
 Total trade and other receivables	 <u>5,438,149</u>	 <u>10,504,507</u>

(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.

(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 of trade and other receivables 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 24.

(v) Allowance for expected credit losses

The group has recognised a loss allowance of \$127,837 in the balance sheet which relates to expected credit losses for the year ended June 30, 2021 (2020: \$282,130).

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

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June 30, 2021

	Days past due					
	Current	1 - 30 Days	31 - 60 Days	61 - 90 Days	Older	Total
	\$	\$	\$	\$	\$	\$
Technology subscription	2,041,998	88,152	25,992	12,524	21,981	2,190,647
Expected Credit Loss Rate	0.41%	6.23%	8.39%	16.83%	37.87%	
Gross Carrying Amount	\$ 8,305	\$ 5,494	\$ 2,181	\$ 2,108	\$ 8,323	\$ 26,411
Communication technology services	1,106,237	188,371	732,460	1,614	515,365	2,544,047
Expected Credit Loss Rate	0.32%	0.32%	1.65%	11.83%	16.49%	
Gross Carrying Amount	\$ 3,519	\$ 599	\$ 12,115	\$ 191	\$ 85,002	\$ 101,426
Total AR	\$3,148,235	\$276,523	\$758,452	\$14,138	\$537,346	\$4,734,694
Total Loss Allowance	\$ 11,824	\$ 6,093	\$ 14,296	\$ 2,299	\$ 93,325	\$ 127,837

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.

11. Prepaids

	June 30 2021 \$	June 30 2020 \$
Prepayments (i)	1,620,151	1,367,718
Capital facility fees (ii)	900,000	900,000
	2,520,151	2,267,718

(i) Prepayments

These amounts represent prepayments made for inventory purchase, legal fees and insurance premiums.

(ii) 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 Corporation with up to US\$45 million in committed equity capital over the next 36 months.

Capital call elections by the Corporation are subject to the requirements and limitations of the terms of the share lending agreement. The purchase price of the Corporation'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 Corporation and the delivery of such shares to LDA.

In addition, the Corporation has agreed to issue up to 565,650 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 Corporation 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 Corporation agreed to pay a commitment fee of 2% of the commitment amount (US\$900,000) 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. The US\$600,000 payment was made on May 7, 2020. The Corporation has also agreed to pay financing fees customary for facilities of this nature in respect of amounts drawn down under the agreement.

The LDA option is recognised as a financial instrument designated as fair value through the profit and loss to minimize any accounting mis-match from recognizing 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.

12. Inventory

	June 30 2021 \$	June 30 2020 \$
Raw materials	1,117,537	862,256
Goods in transit	-	81,139
Traded goods	674,742	677,126
Finished goods	83,044	66,700
	1,875,323	1,687,221
Provision of traded goods	(15,261)	(26,477)
	1,860,062	1,660,744

Raw materials and changes in finished goods and work in progress recognized as operating expenses in the consolidated statements of income amounted to \$7,718,942 (2020: \$9,130,931).

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 2021 year-end review management concluded that \$15,261 would be provided for.

13. Property, plant and equipment

	Plant and equipment \$	fittings and equipment \$	Leasehold improvements \$	Leased property \$	Assets under construction \$	Total \$
Year ended June 30, 2021						
Opening net book amount	634,198	11,358	34,490	598,605	40,070	1,318,721
Additions	1,000,991	-	-	492,865	15,141	1,508,997
Exchange differences	(21,300)	1,486	-	-	2,268	(17,546)
Disposals	-	(10,936)	(8,071)	(549,352)	-	(568,359)
Depreciation charge	(804,176)	(1,908)	(14,820)	177,741	-	(643,163)
Closing net book amount	809,713	-	11,599	719,859	57,479	1,598,650
At June 30, 2021						
Cost	2,421,881	-	44,381	1,455,347	57,479	3,979,088
Accumulated depreciation	(1,612,168)	-	(32,782)	(735,488)	-	(2,380,438)
Net book amount	809,713	-	11,599	719,859	57,479	1,598,650

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	Plant and equipment \$	fittings and equipment \$	Leasehold improvements \$	Leased property \$	Assets under construction \$	Total \$
Year ended June 30, 2020						
Opening net book amount	-	79,182	43,941	-	-	123,123
Acquisition of subsidiary (Note 12)	656,745	-	-	-	39,105	695,850
Adoption of IFRS 16	-	-	-	639,436	-	639,436
Additions	-	12,148	6,118	-	-	18,266
Exchange differences	72,685	1,088	223	37,822	965	112,783
Disposals	-	3,031	-	-	-	3,031
Adoption of IFRS 16 by Logo	-	-	-	291,191	-	291,191
Depreciation charge	(95,232)	(84,091)	(15,792)	(369,844)	-	(564,959)
Closing net book amount	634,198	11,358	34,490	598,605	40,070	1,318,721
At June 30, 2020						
Cost	1,400,088	32,993	52,452	1,507,809	40,070	3,033,412
Accumulated depreciation	(765,890)	(21,635)	(17,962)	(909,204)	-	(1,714,691)
Net book amount	634,198	11,358	34,490	598,605	40,070	1,318,721

The plant, property and equipment were evaluated for indicators of impairment, and it was determined that none existed as at June 30, 2021 or 2020.

14. Goodwill and intangible assets

	Goodwill \$	Trademarks and other rights \$	Software \$	Customer lists and contracts \$	Other \$	Total \$
Year ended June 30, 2021						
Opening net book amount	3,150,029	5,922,077	952,666	2,924,672	13,425	12,962,869
Exchange differences	136,362	541,663	(12,233)	100,580	5,413	771,785
Amortisation charge	-	(1,385,076)	(255,996)	(950,441)	(3,132)	(2,594,645)
Closing net book amount	3,286,391	5,078,664	684,437	2,074,811	15,706	11,140,009
At June 30, 2021						
Cost	3,286,391	7,080,460	1,528,201	4,083,548	22,215	16,000,815
Accumulated amortisation	-	(2,001,796)	(843,764)	(2,008,737)	(6,509)	(4,860,806)
Net book amount	3,286,391	5,078,664	684,437	2,074,811	15,706	11,140,009

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	Goodwill	Trademarks and other rights	Software	Customer lists and contracts	Other	Total
	\$	\$	\$	\$	\$	\$
Year ended June 30, 2020						
Opening net book amount	1,707,262	111,355	1,199,340	2,538,728	-	5,556,685
Acquisition of business	1,396,837	6,234,295	9,387	1,158,586	14,344	8,813,449
Exchange differences	45,930	115,565	1,531	16,501	266	179,793
Amortisation charge	-	(539,138)	(257,592)	(789,143)	(1,185)	(1,587,058)
Closing net book amount	3,150,029	5,922,077	952,666	2,924,672	13,425	12,962,869
At June 30, 2020						
Cost	3,150,029	6,477,756	1,527,683	3,971,541	16,484	15,143,493
Accumulated amortisation	-	(555,679)	(575,017)	(1,046,869)	(3,059)	(2,180,624)
Net book amount	3,150,029	5,922,077	952,666	2,924,672	13,425	12,962,869

Ø Impairment testing

	Goodwill
	\$
Year ended June 30, 2021	
DBP	1,725,523
LOGO	1,560,868
Total	3,286,391

DBP

The recoverable amount of the DBP cash generating unit as at June 30, 2021 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.

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

- 23.5% Pre-tax discount rate
- 3.5% Implied revenue compound annual growth rate ("CAGR")

The discount rate of 23.5% pre-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.

Management believes the projected revenue compound annual growth rate of 3.5% per annum is prudent and justified.

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.

Logo

The recoverable amount of the Logo cash generating unit as at June 30, 2021 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.

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

- 11.3% Pre-tax discount rate
- 150.3% Revenue growth rate for fiscal year end 2022 due to new contracts put in place
- 10.0% Annual revenue growth rate for fiscal year ends 2023 onwards

The discount rate of 11.3% pre-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.

Management believes the revenue growth rate of 150.3% for fiscal year end 2022 is prudent and justified based off of new contracts put into place. Furthermore, the projected annual revenue growth of 10.0% per annum is prudent and justified based off of management's expectations of sustained revenue growth.

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.

Other intangible assets

Trademarks and other rights, software, and customer lists and contracts were evaluated for indicators of impairment, and it was determined that none existed as at June 30, 2021.

15. Other non-current assets

During the year ended June 30, 2021, GSW entered into a binding letter of credit to a banking institution with an outstanding amount equal to \$1,137,412 on the cash balance placing restrictions on accessibility as at year end (2020: \$130,517).

16. Trade and other payables

	June 30 2021 \$	June 30 2020 \$
Trade payables	5,553,300	10,544,004
Social security and other taxes	5,026	377,964
Accrued expenses	1,281,241	1,604,364
Contingent consideration (i)	3,510,209	579,276
Capital facility fee	-	300,002
Line of credit (ii)	482,342	564,265
Other payables	241,126	148,991
	<u>11,073,244</u>	<u>14,118,866</u>

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) Contingent consideration

These amounts represent payables for the acquisition of Delivery Biz Pro and Scheduling Plus in an amount of \$438,876 as Management believes the related final revenue earnout target will be fully achieved. \$3,071,333 is included for the acquisition of Logo as Management believes the First Revenue Target has been fully achieved and the Second Revenue Target and Third Revenue Target will be achieved. The increase in provision of \$2.8 million has been included in contingent consideration expense for the year ended June 30, 2021.

(ii) Line of credit

Logo has entered into line of credit agreements enabling the Corporation to borrow funds up to 2.85 million euros through several lenders with terms expiring through May 2022 and interest rates based upon 1 to 6 month EURIBOR plus 2.2% to 2.7%. The line of credit may be drawn at any time and may be terminated by the bank without notice. At June 30, 2021 there was \$482,342 outstanding balance on any of these line of credits (2020: \$564,265).

17. Warranty provision

	Current	2021 Non-current	Total	Current	2020 Non-current	Total
	\$	\$	\$	\$	\$	\$
Service warranties	557,540	283,680	841,220	275,530	554,278	829,808

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 2 to 5% of invoiced revenue. The change in warranty provision of \$681,299, net of warranty provision amortization of \$669,887 has been recorded in operating expenses for the year end June 30, 2021.

18. 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

	2021 \$	2020 \$
Right-of-use assets¹		
Properties	719,859	598,605
	<u>719,859</u>	<u>598,605</u>
Lease liabilities²		
Current	330,980	228,738
Non-current	612,493	327,827
	<u>943,473</u>	<u>556,565</u>

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

	2021 \$	2020 \$
Interest expense (included in general and administrative expenses)	19,528	39,353
Depreciation charge on right-of-use assets	190,581	372,837
	<u>210,109</u>	<u>412,190</u>

(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.

19. Equity

(a) Share capital

	June 30, 2021 No. of Shares	June 30, 2021 \$	June 30, 2020 No. of Shares	June 30, 2020 \$
Fully paid	30,764,181	82,332,552	27,453,472	79,980,173

(i) Movements in ordinary shares:

	Number of shares	Total \$
Balance as July 1, 2019	26,932,044	79,528,244
Shares issued on exercise of options	521,429	498,191
Transfer from reserves on exercise of options	-	401,509
Less: Transaction costs arising on share issues	-	(447,771)
Balance as June 30, 2020	27,453,473	79,980,173
Shares issued on exercise of options	483,434	491,308
Transfer from reserves on exercise of options	-	20,426
Conversion of performance rights to shares	2,827,275	1,840,645
Balance as June 30, 2021	30,764,182	82,332,552

On September 4, 2020, the GetSwift Limited 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 legally effective on January 4, 2021 and was completed on January 13, 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. Accordingly, the number of shares, price per share and any calculations based on the foregoing as of June 30, 2020 was restated using the exchange ratio established in the Arrangement.

(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.

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	Share-based payments	Performance rights	Foreign currency translation	Total other reserves
	\$	\$	\$	\$
At July 1, 2019	3,212,309	1,465,526	(7,073,158)	(2,395,323)
Currency translation differences	-	-	(1,385,260)	(1,385,260)
Transactions with owners in their capacity as owners				
Options issued	316,755	-	-	316,755
Options expensed	170,213	-	-	170,213
Options exercised	(401,509)	-	-	(401,509)
Performance rights expensed	-	666,423	-	666,423
At June 30, 2020	<u>3,297,768</u>	<u>2,131,949</u>	<u>(8,458,418)</u>	<u>(3,028,701)</u>
Currency translation differences	-	-	5,374,862	5,374,862
Transactions with owners in their capacity as owners				
Options expensed	120,623	-	-	120,623
Options exercised	(20,426)	-	-	(20,426)
Performance rights expensed	-	7,151	-	7,151
Performance rights expired	-	(232,306)	-	(232,306)
Performance rights settled	-	(66,149)	-	(66,149)
Performance rights converted to ordinary shares	-	(1,840,645)	-	(1,840,645)
At June 30, 2021	<u>3,397,965</u>	<u>-</u>	<u>(3,083,556)</u>	<u>314,409</u>

(i) *Foreign currency translation*

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 3(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.

(ii) *Movements in options:*

	Number of options	Total \$
Balance as July 1, 2019	21,537,140	3,212,309
Issue of options	1,502,277	316,755
Exercise of options	(3,650,000)	(401,509)
Lapse of options	(5,020,000)	-
Amortisation of share-based payments for options issued in prior periods	-	170,213
Balance as June 30, 2020	<u>14,369,417</u>	<u>3,297,768</u>
Exercise of options	(3,425,000)	(20,426)
Lapse of options	(730,250)	(2,632)
Amortisation of share-based payments for options issued in prior periods	-	123,255
Balance as June 30, 2021	<u>10,214,167</u>	<u>3,397,965</u>

(iii) *Movements in performance rights:*

	Number of performance rights	Total \$
Balance as July 1, 2019	21,676,828	1,465,526
Performance rights expense for period	-	666,423
Balance as June 30, 2020	21,676,828	2,131,949
Conversion of performance rights to shares	(20,030,486)	(1,840,645)
Performance rights expense for period	-	7,151
Performance rights settled	(200,000)	(66,149)
Performance rights expired	(1,446,342)	(232,306)
Balance as June 30, 2021	-	-

20. 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 Limited and Mr Joel Macdonald (the Perera Proceeding).

Subsequently, two more open class actions were commenced against GetSwift Limited 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 Limited 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 Limited and Mr Macdonald.

The Webb Proceeding is filed on behalf of persons who acquired an interest in fully paid GetSwift Limited 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 Limited 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 Australian Stock Exchange ("ASX"), including in relation to 16 client contracts.

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

The claim seeks declarations of contraventions against GetSwift Limited 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.

At a case management hearing on 21 April 2021, the Webb proceeding was set down for trial on 20-24 September 2021 and 18-29 October 2021 before Justice Yates.

On 13 July 2021 a conditional settlement agreement was entered into between the applicant, GetSwift Limited, Mr Macdonald and GetSwift Technologies Limited, without any admission of liability. The settlement agreement was conditional upon the parties entering into a comprehensive deed of settlement.

On 19 August 2021 a settlement deed was executed with no admissions as to liability. The settlement deed is conditional upon final settlement approval pursuant to the *Federal Court of Australia Act 1976* (Cth).

The settlement sum to be paid by the respondents and GSW is the aggregate amount derived from the following settlement formula, with each component amount (each, a “settlement payment”), if payable, to be paid at or by the dates and times set out below.

1. A first settlement payment of AU\$1.5m, to be paid in instalments as follows:
 - a. AU\$500,000 within 7 days of the date of execution of the Deed;
 - b. AU\$500,000 due by 7 October 2021; and
 - c. AU\$500,000 due by 7 January 2022.
2. During the term of 3 years from the date of the parties executing a Deed of Settlement (“Fundraising Term”), settlement payments equalling 8% of any funds raised by GSW by way of capital raising, with each such amount to be paid within 6 weeks of the amount being collected by GSW.
3. During the Fundraising Term, GSW is required to raise capital equivalent to 10% to 20% of its preraising market capitalisation at the point in time that:
 - a. it first hits any of the following market capitalisation levels (in Canadian dollars):
 - i. \$100m;
 - ii. \$250m;
 - iii. \$400m; and
 - b. the market capitalisation remains at the level in 3.a.i – iii (as applicable) on average for 4 weeks following the date it first hit that market capitalisation.
4. In any of the three 12-month periods comprising the Fundraising Term, if no funds are raised by capital raising:
 - a. the respondents and/or GSW will be required to make a settlement payment equal to 5% of the GSW group’s revenue from contracts with customers (“revenue”) during the 12-month period ending on the most recent quarterly reporting date prior to the conclusion of the relevant 12-month period (“revenue percentage”) within 4 weeks of expiry of the period; however, if 4(a) applies in respect of the first year of the Fundraising Term, the required settlement payment under 4(a) will be not be payable until the conclusion of the second year of the Fundraising Term.
5. Subject to clause 6 below, during any of the three 12-month periods comprising the Fundraising Term, for any capital raising undertaken by GSW where the amount of funds raised is less than 20% of GSW’s pre-raising market capitalisation, then:
 - a. the Respondents and/or GSW will be required to make a settlement payment calculated on the same revenue percentage basis as clause 4 above within 4 weeks of expiry of the relevant 12-month period; however
 - b. the amount payable will be discounted based on the amount of funds raised applying the following formula:

1. the revenue percentage payable will be the percentage equivalent to 25% of the percentage amount by which the relevant capital raising is less than 20% of GSW's market capitalisation; such that (by way of example);

2. if the capital raising is 10% of GSW's market capitalisation, the revenue percentage payable is 2.5%; whereas

3. if the capital raising is 15% of GSW's market capitalisation, the revenue percentage payable is 1.25%.

6. If GSW conducts more than one capital raising during any of the 3 twelve-month periods comprising the Fundraising Term, then for the purpose of the calculation of any revenue percentage settlement payment for that period, the two or more capital raisings will be treated as one capital raising. For instance, if:

a. GSW conducted two capital raisings during a single 12-month period for amounts of 5% and 10% of GSW's market capitalisation at the relevant times;

b. GSW's market capitalisation was CAD200m at the time of the first capital raising and CAD250m at the time of the second capital raising;

c. this resulted in raisings of CAD10m and CAD25m respectively;

d. the weighted average revenue payment would be calculated premised on the extent to which CAD35m (the combined amount raised) fell short of being 20% of CAD225m (the weighted average market capitalisation); and

e. the relevant percentage per (d) would be about 15.5%, such that the revenue percentage payment for that 12-month period would be a single payment of about 1.11% of annual revenue.

7. All settlement payments are to be made in Australian dollars. The rate of exchange to be used in calculating the amount of currency equivalent in Australian dollars is the closing exchange rate reported in The Australian Financial Review on the preceding business day before the applicable settlement payment is made.

GSW has accrued AU\$1.5m as of June 30, 2021, which is management's best estimate of the amount to be paid under the proposed settlement deed during the first year of the Fundraising Term. Subsequent to year end, the Company placed AU\$500,000 into escrow with its external legal counsel in relation to the proposed settlement. The increase in provision of AU\$1.5 million has been included in general and administrative expenses for the year ended June 30, 2021.

On 19 August 2021 the Federal Court of Australia made orders that the trial, and all relevant orders programming the proceeding to trial, be vacated.

The parties will undergo the settlement approval process pursuant to the Federal Court of Australia Act 1976 (Cth). The first case management hearing in the court approval process is now listed for October 18, 2021.

(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 in the Federal Court of Australia against GetSwift Limited, Mr Joel Macdonald and Mr Bane Hunter and on 15 March 2019 amended its claim to include former GetSwift Limited Director and Corporate Counsel, Mr Brett Eagle, as an additional defendant.

The proceedings brought by ASIC allege that GetSwift Limited 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 Limited's continuous disclosure contraventions, engaged in misleading and deceptive conduct and failed to exercise their powers and discharge their duties as directors of GetSwift Limited with the required degree of care and diligence (by failing to take all reasonable steps to mitigate the risk of GetSwift Limited engaging in misleading conduct or not disclosing material information).

ASIC is seeking declarations of contraventions against GetSwift Limited 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".

The initial trial on liability was conducted between 15 June 2020 and 30 September 2020, including a number of adjournments. At trial, all defendants vigorously defended the proceeding. The presiding Judge reserved judgment at the conclusion of the trial. GetSwift Limited is waiting for the decision. 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.

ASIC alleges 20 contraventions of the continuous disclosure provisions of the Australian Corporations Act 2001 (Cth) against GSW Australia, each carrying a maximum penalty of A\$1 million. 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.

(iii) John Wilson v GetSwift Limited

Former employee John Wilson brought suit against the Corporation in the United States District Court for the Northern District of Georgia, Atlanta division. In the complaint, Wilson alleges claims for breach of contract related to his former employment by the GetSwift Inc. More specifically, Wilson alleges his entitlement to severance pay as well as for the award of performance shares and stock options. The Corporation is vigorously defending the lawsuit and has alleged counterclaims for breach of fiduciary duty, among other things.

The case is in its infant stages and the full extent of the relevant information and discovery is not yet known. The Corporation is also investigating a potential claim against its former legal counsel for malpractice based upon performance and a potential conflict of interest related to the Wilson claim. The details of such a claim, if any, are being evaluated by the Corporation's outside counsel. The total amount claimed is \$400,000.

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.

(iv) Undertaking and Indemnity Regarding Australian Civil Proceedings

In response to the objections raised by counsel representing ASIC and the plaintiff in the Webb Proceeding, the Corporation delivered an undertaking to the Federal Court of Australia (the "Court") pursuant to which the Corporation will (i) not take any steps to wind up GetSwift Limited, (ii) indemnify GetSwift Limited in respect of any pecuniary penalties or other monetary liabilities that are ultimately ordered against GetSwift Limited in any adverse judgment in either the Webb Proceeding or the ASIC proceeding, including any order against GetSwift Limited pursuant to section 91 of the Australian ASIC Act, and (iii) submit to the jurisdiction of the Court in respect of the undertaking.

The Corporation executed a deed poll (the "Undertaking Deed Poll"), under which the Corporation has covenanted to provide GetSwift Limited with sufficient funds to discharge its liabilities to the extent that GetSwift Limited is unable to discharge them as and when they fall due, until such time as any adverse judgment in the Webb Proceeding or ASIC proceeding, or any order under section 91 of the ASIC Act in respect of the ASIC Proceeding, has been satisfied or the proceedings are otherwise resolved on a final basis.

In addition, GetSwift Limited provided an undertaking to the Court, Mr. Raffaele Webb and ASIC, pursuant to which GetSwift Limited undertakes to take all reasonable and practicable steps to enforce GetSwift Limited's rights under the Undertaking Deed Poll in the event that the Corporation fails to meet any of its obligations thereunder. In the event that any monetary penalties or monetary liabilities are ordered against GetSwift Limited, the Corporation will be required, subject to the terms of any applicable order, to allocate funds available to it toward the satisfaction of such penalties or judgments if and to the extent necessary to satisfy GetSwift Limited's obligations under such judgement(s).

21. Income tax expense

(a) Tax rate reconciliation

	2021	2020
	\$	\$
Loss from continuing operations before income tax benefit	(23,660,732)	(20,869,269)
Tax at blended tax rate of 27.5% (2020: 27.5%)	(6,506,701)	(5,739,049)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
R&D tax incentive	(46,009)	(45,020)
Blackhole expenditure (Section 40-880, ITAA 1997)	-	(345,892)
Employee leave provisions	(6,732)	547
Stock provision	-	7,412
Bonus provision	-	79,659
Entertainment	855	12,420
Legal fees	589,973	1,259,903
Share-based payments	(30,764)	313,422
Superannuation liability	(12,830)	8,148
Unrealised currency (gains)/losses	429,782	(339,697)
Other items	25,863	30,663
	(5,556,563)	(4,757,484)
Tax losses and other timing differences for which no deferred tax asset is recognised	5,418,314	4,873,713
Income tax expense (recovery)	(138,249)	116,229

(b) Tax losses

	2021	2020
	\$	\$
Unused tax losses for which no deferred tax asset has been recognised	57,334,954	37,631,994
Potential tax benefit at 27.5% (2020: 27.5%)	15,767,112	10,348,798

US tax losses of \$1,739,845 expire between 2036 and 2037 and \$32,556,362 can be carried forward indefinitely. Australian tax losses of \$23,038,747 can be carried forward indefinitely.

(c) Deferred tax balances

	2021	2020
	\$	\$

The balance comprises temporary differences attributable to:

Fixed assets	<u>35,735</u>	<u>32,456</u>
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(i) Deferred tax liabilities

	2021	2020
	\$	\$

The balance comprises temporary differences attributable to:

Acquired from business combination - Logo	1,127,296	1,127,296
Intangible assets	<u>(269,076)</u>	<u>(56,633)</u>
Closing balance	<u>858,220</u>	<u>1,070,663</u>

(d) Income tax payable

	2021	2020
	\$	\$

Income tax payable	<u>-</u>	<u>364,698</u>
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Income tax payable is included in trade and other payables in the consolidated statement of financial position.

22. Loss per share

	2021	2020
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	30,484,100	27,033,012

(Reflect the retrospective application of the 7:1 exchange ratio)

The effect of the Corporation's outstanding stock options and performance units have been excluded from the calculation of diluted loss per share as they are anti-dilutive.

23. Related party transactions

The Corporation considers its related parties to consist of key members of its Board of Directors, senior officers, and companies controlled or significantly influenced by such individuals, which may exert significant influence over the Corporation's activities.

Total compensation and other benefits provided to directors, officers and employees classified as key management, being individuals having authority and responsibility for planning, directing and controlling the activities of the Company, are included as related party transactions.

(a) Key management personnel compensation

	2021	2020
	\$	\$
Short-term employee benefits	1,159,568	1,942,398
Post-employment benefits	49,707	45,640
Share-based payments	77,736	1,012,551
	<u>1,287,011</u>	<u>3,000,589</u>

24. Financial risks and concentration of risk

(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 Serbian Dinar ("RSD")/USD. Currently, the group does not use derivative instruments to reduce its exposure to foreign currency risk.

The Corporation's net working capital denominated in AUD as at June 30, 2021 was \$1,926,289 (2020: (\$870,490)), and a 1% change in the USD/AUD exchange rate would result in an exchange gain or loss of \$19,263 (2020: (\$8,705)).

The Corporation's net working capital denominated in RSD as at June 30, 2021 was \$1,778,413 (2020: \$2,922,155), and a 1% change in the USD/RSD exchange rate would result in an exchange gain or loss of \$17,784 (2020: 29,222).

(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 2021 and 2020, 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 US dollars, was as follows:

	2021	2020
	\$	\$
Financial instruments with cash flow risk		
Cash and cash equivalents (AUD denominated)	309,124	1,014,710
Cash and cash equivalents (USD denominated)	6,645,150	22,067,702
Cash and cash equivalents (RSD denominated)	321,833	218,171
	<u>7,276,107</u>	<u>23,300,583</u>

(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 IFRS 9, the identified impairment loss was immaterial.

Trade receivables

The group applies the expected credit loss model in IFRS 9 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.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before June 30, 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 June 30, 2021 was determined to be \$127,837 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:

	2021	2020
	\$	\$
Line of credit	2,897,094	1,166,710
Bank guarantee	4,150,523	780,510

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.

(ii) Maturities of financial liabilities

The tables below analyse the 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.

At June 30, 2020	Carrying amount	Total contractual cash flows	Repayable within 1 year or on demand	Repayable more than 1 year but less than 2 years	Repayable more than 2 years but less than 5 years
Trade and other payable	\$ 10,544,004	\$ 10,544,004	\$ 10,544,004	\$ -	\$ -
Contingent consideration	579,276	579,276	579,276	-	-
Capital facility fee	300,002	300,002	300,002	-	-
Line of credit	564,265	564,265	564,265	-	-
Lease Liabilities	556,565	556,565	228,738	327,827	-
	\$ 12,544,112	\$ 12,544,112	\$ 12,216,285	\$ 327,827	\$ -

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At June 30, 2021	Carrying amount	Total contractual cash flows	Repayable within 1 year or on demand	Repayable more than 1 year but less than 2 years	Repayable more than 2 years but less than 5 years
Trade and other payable	\$ 5,553,300	\$ 5,553,300	\$ 5,553,300	\$ -	\$ -
Contingent consideration	3,510,209	3,510,209	3,510,209	-	-
Line of credit	482,342	482,342	482,342	-	-
Lease Liabilities	943,473	943,473	330,980	612,493	-
	\$ 10,489,324	\$ 10,489,324	\$ 9,876,831	\$ 612,493	\$ -

25. Capital management

(a) Risk management

Management'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 Corporation may issue new shares or reduce its capital, subject to the provisions of the corporate constitution. The capital structure of the group consists of equity attributed to the Corporation's equity holders, comprising share capital, other 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. There were no changes to the Corporation's capital management objectives during the year.

(b) Dividends

No dividends were declared or paid to members for the year ended June 30, 2021 (2020: nil).

26. Change in presentation currency

As stated in Note 3(a), the Directors elected to change the presentation currency from AUD to USD effective from December 31, 2020. The change in presentation currency is a voluntary change in accounting policy which is accounted for retrospectively. The consolidated financial statements have been restated to US dollars as follows:

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Consolidated statement of financial position as at June 30, 2020 and 2019:

		June 30	June 30	June 30	June 30
	Notes	2020	2020	2019	2019
		AUD	USD	AUD	USD
ASSETS					
Current assets					
Cash and cash equivalents	(i)	33,949,125	23,300,583	68,809,011	48,192,318
Trade and other receivables	(i)	15,251,506	10,504,507	1,318,925	923,746
Prepays	(i)	3,302,611	2,267,718	299,637	209,859
Inventories	(i)	2,410,762	1,660,744	-	-
Total current assets		54,914,004	37,733,552	70,427,573	49,325,923
Non-current assets					
Property, plant and equipment		1,917,103	1,318,721	175,565	122,962
Deferred tax assets	(i)	47,117	32,456	-	-
Intangible assets	(i)	18,886,914	12,962,869	7,923,406	5,549,379
Other non-current assets	(i)	189,926	130,517	114,162	79,957
Total non-current assets		21,041,060	14,444,563	8,213,133	5,752,298
Total assets		75,955,064	52,178,115	78,640,706	55,078,221
LIABILITIES					
Current liabilities					
Trade and other payables	(i)	20,888,872	14,118,866	4,470,716	3,131,191
Contract liabilities	(i)	446,303	306,920	50,728	35,529
Warranty provisions	(i)	401,471	275,530	-	-
Employee benefit obligations	(i)	142,559	97,837	77,389	54,202
Other current liabilities	(i)	833,725	573,524	-	-
Total current liabilities		22,712,930	15,372,677	4,598,833	3,220,922
Non-current liabilities					
Deferred tax liabilities	(i)	1,560,051	1,070,663	-	-
Warranty provisions	(i)	802,941	554,278	-	-
Employee benefit obligations	(i)	10,640	7,302	10,640	7,452
Other non-current liabilities	(i)	476,377	327,827	-	-
Total non-current liabilities		2,850,009	1,960,070	10,640	7,452
Total liabilities		25,562,939	17,332,747	4,609,473	3,228,374
EQUITY					
Share capital	(ii)	103,839,824	79,980,173	103,242,031	79,528,244
Other reserves	(ii)	6,241,185	(3,028,701)	5,054,277	(2,395,323)
Accumulated losses	(ii)	(65,892,398)	(46,445,098)	(34,265,075)	(25,283,074)
Non-controlling interests	(ii)	6,203,514	4,338,994	-	-
Total equity		50,392,125	34,845,368	74,031,233	51,849,847
Total liabilities and equity		75,955,064	52,178,115	78,640,706	55,078,221

(i) translated at year end exchange rates

(ii) translated at historical rates

GetSwift Technologies Limited
Notes to the consolidated financial statements
For the years ended June 30, 2021 and 2020
(In US dollars)

Consolidated statements of loss and comprehensive loss for the year ended June 30, 2020:

	Notes	2020 AUD	2020 USD
Revenue from contracts with customers	(i)	24,962,375	16,432,365
Total revenue		24,962,375	16,432,365
General and administrative expenses	(i)	(29,315,524)	(19,502,782)
Employee benefits expenses	(i)	(13,039,084)	(8,754,016)
Operating expenses	(i)	(15,499,278)	(10,136,606)
Share-based payment expenses	(i)	(1,691,477)	(1,139,717)
Total expenses		(59,545,363)	(39,533,121)
Other income	(i)	1,626,923	1,091,909
Other gains(losses)	(i)	1,790,135	1,139,578
Loss before income tax		(31,165,930)	(20,869,269)
Income tax benefit/(expense)	(i)	(169,140)	(116,229)
Loss for the year		(31,335,070)	(20,985,498)
Other comprehensive income			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		94,053	(1,385,260)
Total comprehensive loss for the year		(31,241,017)	(22,370,758)
Total comprehensive loss for the year is attributable to:			
Owners of GetSwift Technologies Limited	(i)	(31,485,345)	(22,531,539)
Non-controlling interests	(i)	244,328	160,781
		(31,241,017)	(22,370,758)

(i) translated at average annual exchange rate

27. Subsequent events

On July 13, 2021 a conditional settlement agreement was entered into between the applicant, GetSwift Limited, Mr Macdonald and the Corporation, without any admission of liability. The settlement agreement was conditional upon the parties entering into a comprehensive deed of settlement (See Note 20).

On August 19, 2021 a settlement deed was executed with no admissions as to liability. The settlement deed is conditional upon final settlement approval pursuant to the Federal Court of Australia Act 1976 (Cth). The settlement sum is the aggregate amount derived from the settlement formula (See Note 20).