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Research Report – Update

Investors should consider this report as only a single factor in making their investment decision.

GetSwift Technologies Limited

Rating: Speculative Buy

Howard Halpern

GTSWF $0.12 — (OTC)

April 19, 2022

	FY20 A	FY21 A	*FY22 E*	*FY23 E*
Total Revenue (in millions)	$16.4	$19.8	***$30.0***	***$34.5***
Earnings (loss) per share	($0.78)	($0.77)	***($0.56)***	***($0.29)***

52-Week range	$2.28 – $0.10	Fiscal year ends:	June
Shares outstanding a/o 12/31/21	30.8 million	Revenue/shares (ttm)	$0.89
Approximate float	20.0 million	Price/Sales (ttm)	0.1X
Market Capitalization	$5.2 million	Price/Sales (2023) E	0.1X
Tangible Book value/shr	$0.16	Price/Earnings (ttm)	NMF
Price/Book	0.8X	Price/Earnings (2023) E	NMF

GetSwift Technologies headquartered in New York, has an established technology hub in Colorado and serves customers in more than 70 countries with its recurring revenue and systems integration technology platforms. GetSwift Delivery technology platforms provide a comprehensive secure, cloud-based Software-as-a-Service solution that automates a variety of business operations (last-mile, same day, recurring deliveries, and scheduling) for its customers. The Logo subsidiary is an information and technology firm specializing in establishing and managing data centers and telecommunications infrastructure.

Key Investment Considerations:

Maintaining Speculative Buy rating and 12-month price target of $0.75 per share.

The company has substantial growth potential for its GetSwift Delivery technology platforms that provide its customers a secure, cloud-based recurring revenue solution that automates a variety of business operations centered on delivery management primarily for last mile, same day, and recurring product deliveries.

The global last mile delivery market is predicted to grow annually by nearly 9.3% to over $200 billion by 2027 with the global same-day delivery services market achieving 22.1% annualized growth to $11.4 billion by 2025. Growth drivers are expected to be increased use of software technologies and companies changing their habits to meet consumer needs after two years of global COVID-19 pandemic conditions.

GetSwift reported (on 02-14-22) a 2Q22 loss per share of ($0.30) on 151.3% increase in revenues to $13.3 million. In 2Q21, the loss per share was ($0.24) on revenue of $5.3 million. We projected EPS of $0.02 on revenue of $10 million.

For FY22, we project a net loss per share of ($0.56) on revenue growth of 51.3% to $30 million. We previously forecast a loss per share of ($0.07) on revenue of $30.7 million. Our revised net loss forecast reflects higher than anticipated operating expenses in 2Q22.

For FY23, we project a net loss per share of ($0.29) on 15% revenue growth to $34.5 million. We previously forecast a loss per share of ($0.03) on revenue of $37 million. Our revised forecasts anticipates higher operating expenses and lower than anticipated subscription revenue.

Our forecast anticipates the company raising at least $4 million in capital through the issuance of common stock through our forecast period ending June 30, 2023.

Please view our Disclosures pages 15 - 17

Appreciation Potential

Maintaining our Speculative Buy rating and 12-month price target of $0.75 per share. Our rating and price target reflects projected revenue growth and narrowing of operating losses to approximately $11.1 million in FY23 from $20.4 million reported in FY21. In FY23, we anticipate the company's recurring revenue technology subscription services segment should grow 44.5% reaching $5.9 million from an estimated $4.1 million in FY22. In FY21, that segment generated revenue of nearly $4.5 million. The company's communication technology services segment should maintain a global customer base (primarily in Europe) that we forecast should generate revenue of at least $25.9 million and $28.6 million in FY22 and FY23, respectively.

Our 12-month price target of $0.75 per share implies shares could increase more than five-fold over the next twelve months. According to finviz.com (as of 04/11/22), the average price-to-sales multiple for companies with similar market capitalizations in the software application, communications equipment, and Internet information industries is 1.8X (prior was 1.2X), compared to GetSwift's trailing price-to-sales multiple of 0.1X (prior was 0.4X). We anticipate investors are likely to accord GetSwift a multiple that is between the industries multiple and its current trailing multiple. We applied a price-to-sales multiple of 1X (prior was 0.8X) to our FY23 (ending June 30, 2023) sales per share forecast of $0.90, discounted for execution and financial risks, to obtain a year-ahead price target of approximately $0.75 per share.

GetSwift's valuation improvement is contingent upon growing revenues from its two segments' technology subscription services and communication technology services, as well as streamlining the company's operations. Increased revenues and streamlining internal operations should enable the company to reduce cash outflow from operating activities to $819,000 in FY23 from an estimated outflow $11 million in FY22. In FY21 cash outflow was $14.6 million.

We believe GetSwift Technologies Limited is most suitable for risk tolerant investors seeking exposure to a micro cap company providing last mile, same day, and recurring product delivery logistics software platforms and systems integration solutions to a global customers base.

Overview

GetSwift Technologies headquartered in New York, has an established technology hub in Colorado and serves customers in more than 70 countries with its recurring revenue and systems integration technology platforms. The company has operating subsidiaries in North America, Europe, and Australia. Its GetSwift Delivery technology platforms (includes the 2019 acquisitions of Delivery Biz Pro and Scheduling+) provides a simple and secure, cloud-based recurring revenue Software-as-a-Service (SaaS) solution that automates a variety of business operations centered on delivery management for its customers. The chart on the right shows the flow of how the technology operates. The GetSwift Delivery platforms are designed to be directly integrated with a customer's (retailers, couriers, restaurants, food distributors, etc.) online ordering or point of sale system and is already integrated with major global point of sale and online order platforms (such as Clover, Square, Givex, OLO, Clorder, Eat24, Grubhub, Dash, and at least eight more). The company's technology enables orders (by its customer's customer) to flow directly into the GetSwift Delivery dashboard so that an order is dispatched to the nearest driver in real-time.

The company's technology is designed to reside on an interface that enables its customer's to have access in order to make the most prudent analytical use of data collected as the GetSwift Delivery platforms are used. An important aspect of the company's technology are the embedded algorithms that are continually being improve and updated. One embedded algorithm dispatches orders based on distance giving the driver the most efficient route in order to minimize delivery time and reduce fuel costs. Another algorithm knows and continually updates the capacity of the driver's vehicle by combining vehicle size with order size and the logistics of packing the order onto the vehicle.

The Logo subsidiary is an information and technology firm specializing in establishing and managing data centers and telecommunications infrastructure.

GetSwift, through its operating subsidiaries, is focused on business logistics and automation, data management and analysis, communications, information security, and infrastructure optimization. The company's technology and communications infrastructure offerings are deployed and used globally by public and private sector customers.

History
On September 4, 2020, the company entered into an agreement to relocate from Australia to Canada. On October 1, 2020, the company's shareholders voted in favor of relocation from Australia to Canada. The relocation of the company's common stock was legally effective on January 4, 2021, which meant the company's shares were suspended from trading on the Australian stock exchange and then delisted. Pursuant to the overall relocation agreement, GSW Australia became a direct wholly-owned subsidiary of GetSwift Technologies Limited. On January 13, 2021, the Canadian NEO exchange approved the listing of the company's common shares under the symbol GSW. The company's shares trade in the US on the OTC market under the symbol GTSWF.

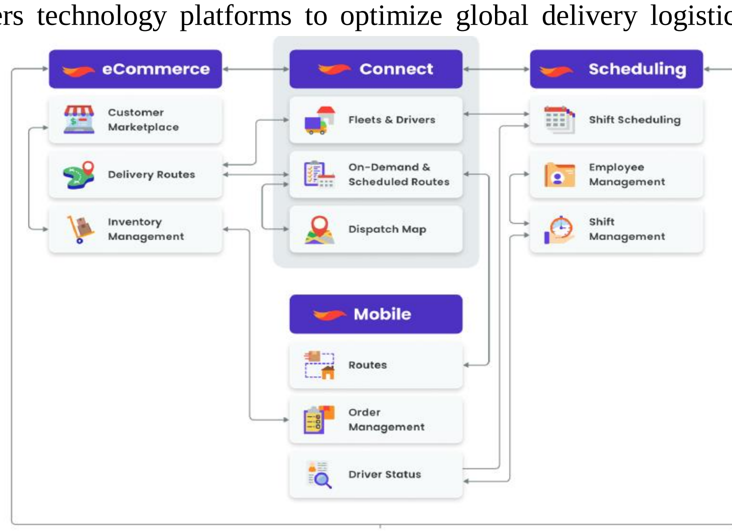
Recent Developments

In December 2021, the company appointed Michael Willetts as its CFO. He previously served as a financial consultant to, and the Corporate Secretary of, GetSwift. He succeed Rob Bardunias, who had served as CFO and COO of the company. Mr. Bardunias will continue in as the company's COO. Willets has over 25 years of operational finance experience working for multinational automotive companies, such as the Ford Motor Company, and mid-market manufacturers, and start-up companies.

In February 2022, the company announced the resignation of Bane Hunter, its CEO and board member. The company's board of directors appointed the company's founder and current President, Joel Macdonald, as its interim CEO.

Operations

The company's mission is to provide their customers technology platforms to optimize global delivery logistics primarily for last mile delivery management in order to provide easy-to-use, innovative delivery management software to assist its customers in managing and improving their supply chains. The chart on the right (April 2021 presentation) shows the company's technology offerings and how they fit together.



The company reports its revenue generating operations within two segments, technology subscription services (TSS) and communication technology services (CTS). Overall, the company generates revenue from contracts with its clients by offering a suite of software, products and services.

Revenue from the company's CTS segment is primarily generated from its Logo operation, in which a 60% ownership interest was acquired in February 2020. Logo's customers utilize its cloud communications, communications infrastructure and services that includes consulting, design, construction, and maintenance offerings. Logo specializes in building network and communication centers, establishing and managing data centers, telecommunications infrastructure, information security, infrastructure safety systems, and building automation systems. Logo's offerings when deployed by a customer is typically an integral part of their public and/or private network, infrastructure, and information security operations.

The company's TSS segment generates recurring subscription revenue from its GetSwift Delivery technology platforms that include the operations of Delivery Biz Pro and Scheduling+ (acquired in 2019). One of the most important elements to the company's delivery technology offering is the ability to have all the data of a customer captured in its reporting application that provides a breakdown of the data. The data can be used by a customer to make data-first decisions to improve their own delivery operation and thus improve revenue and reduce costs.

Delivery Biz Pro (DBP) offers a comprehensive all-in-one eCommerce delivery management platform that provides its customers automated logistics management technology. A key to this operation is its ability to scale along with the growth of a customer's operations. DBP is focused on SaaS customers that require recurring product orders. The company's customer based is served in the following delivery verticals - meals, produce, alcohol, dairy, diapers, dry cleaning, oxygen and propane tanks, and waste management. DBP builds its customer's Website so their customers can browse, fill their carts, enter delivery times, and eventually track the driver route. DBP's technology offering provides customers a backend system that tracks daily operations and allows for a detailed view of sales data, as well as tracking drivers and allowing a driver to receive payments from the end consumer, obtain directions, capture signatures, and return deposits.

Scheduling+ (SP) offers its customers an end-to-end technology platform that enables staff scheduling, task management, time and attendance, recordkeeping, and payroll into a single subscription-based cloud solution. This offering is designed to enable its customers of any size to reduce time spent on employee management. Customers utilizing this offering include KOA, PODS, Ace Hardware, and True Value.

Key features of the SP offering is reducing overtime costs and streamlining employee scheduling via email and text. The offering reduces the time a customer spends on employee scheduling and its payroll process, which overtime should reduce labor costs. The SP technology platform is used as a tool in order to prevent employees from reaching overtime levels through alerts that shows when an employee is within a certain number of hours of overtime. The SP technology platform allows employees to clock in from anywhere, or from one workplace portal, which should prevent buddy punching and early clock-ins, as well as an open shifts component that enables employees to self-schedule themselves which saves a manager's time.

SP is integrated with the GetSwift Delivery technology platforms, so it can be sold as a unified technology or cross sold to an existing customer.

Growth Strategy

The company aims to grow its operations through the continued development of machine learning algorithms and data analytics within its GetSwift Delivery technology platforms. GetSwift is also focused on increasing its global brand awareness among businesses of all types for its delivery services and enterprise customers for its communications infrastructure offering.

The company has positioned its technology offerings within the intersection of the e-commerce/retail solutions and delivery management and workforce sectors for its global customers. The company anticipates its delivery as a service technology offering will enable its customers to choose the right courier in exchange for the company receiving a transaction fee. Additional revenue is expected to come from the company's Scheduling+ technology offering as it can be fully integrated within the GetSwift Delivery offering.

The company is developing programs to expand its logistic and employee management technology platforms offerings to new verticals such as construction, infrastructure, and resource distribution and management.

The technology subscription services segment is seeking to develop partnerships to enhance their customer's delivery logistics opportunities to generate revenue from them and GetSwift. In September 2021, the company announced a partnership agreement with Uber Technologies, Inc. that when fully deployed and integrated, both existing and new clients across the US will have access to Uber's pool of drivers and vehicles to supplement existing drivers so as not to lose a delivery order. The partnership will expand over time to Canada, Mexico, Brazil and Australia.

The communication technology services is an important growth vehicle for the company. In July 2021, the company announced that this segment received an information technology contract from the Ministry of Trade, Tourism and Telecommunications, in the Republic of Serbia. The two year contract value is expected to exceed €24 million (subject to currency fluctuations). The contract calls for the implementation of telecommunication and computer equipment for the purpose of improving the communications infrastructure in Serbian schools and localities. Building and upgrading a technology infrastructure that improves the reliability of telecommunications (including 5G technology deployments and upgrades) is vital to the future of GetSwift and should enable future growth of its recurring revenue offerings as reliable communications and technology infrastructure is needed to properly execute last mile delivery logistics for its new and existing customers.

Projections

Basis of Forecast

Supporting our forecast is the organic growth the company is experiencing within its technology subscription services (TSS) and communication technology services (CTS) revenue generating segments. In FY23, we anticipate CTS segment revenue reaching $28.6 million (prior was $26.8 million), up from an estimated $25.9 million (prior was $24.5 million) in FY22. Supporting our CTS segment forecast is the company working on a number of large deployments primarily in Europe that includes an information technology contract from the Ministry of Trade in the Republic of Serbia. In FY23, we anticipate TSS segment revenue growth of 44.5% to nearly $5.9 million (prior was $10.2 million) compared to projected revenue of nearly $4.1 million (prior was ($6.2 million) in FY22. While the GetSwift Delivery subscription offerings are gaining customer acceptance and increased brand awareness in North America it will be at a slower pace than previously anticipated.

Based on 2Q22 results, we anticipate expenses will be higher than previously anticipated due in part to higher labor costs caused by labor shortages, as well as higher material costs.

As the company files it financial reports in Canada, it does not report costs of sales; therefore our forecasts do not include gross margin analysis.

At June 30, 2021, GetSwift had US tax loss carryforwards of $1.7 million that expire in 2036 and 2037 and $32.6 million that can be carried forward indefinitely.

Economy

In January 2022, the International Monetary Fund (IMF) revised its global economic growth estimates to 4.4% for 2022 and 3.8% for 2023. While the IMF's growth projection for 2022 is reduced from its earlier projection (October 2021) of 4.9%, its 2023 projection is up from its prior projection of 3.6%. The 2022 downward revision reflects the global economy entering the year in a weaker position than previously expected stemming from the new COVID-19 variant that resulted in countries re-imposing mobility restrictions, as well as rising energy prices and supply disruptions that is causing higher and more broad-based inflation than anticipated.

The IMF revised its economic growth estimate for the US to 3.9% for 2022 and 2.6% for 2023. In October 2021, the IMF projected US economic growth of 4.5% and 2.2% for 2022 and 2023, respectively.

Operations FY22 (ending June 30)

We project 51.3% total revenue growth to $30 million (prior was $30.7 million) from $19.8 million in FY21 supported by a 68.9% revenue growth in its CTS segment to $25.9 million, partly offset by a 9% decrease in the company's recurring revenue TSS segment to approximately to $4.1 million. Our revised forecast reflects 2Q22 results.

We project the operating loss narrowing to $17.6 million from $20.4 million in FY21. The narrowing of the operating loss reflects revenue growth and operating margin expense improving to 158.5% from 203% last year. We forecast operating expenses increasing 18.3% to $47.6 million compared to $40.2 million in FY21 due primarily to a doubling of operating expenses to $20.7 million from $10.3 million due primarily to increased material costs within the company's CTS segment. Partly offsetting the increase should be a decrease in G&A expense to an estimated $17.7 million from $21.2 million. Our G&A expense forecast included legal fees of $4.2 million (in 2Q22) stemming from an additional legal provision due to the company moving its operations and common stock listing from Australia to Canada. We anticipate employee benefits costs of $9.1 million compared to $8.8 million last year. We project share-based payments of $90,000 compared to $112,000 in FY21.

We project other non-operating expense of $227,000 compared to an expense of $3.3 million. Our annual forecast reflects income and gains reported in 1H22.

We project a net loss of $17.9 million or ($0.56) per share compared to a loss of $23.5 million or ($0.77) per share in FY21. We previously projected a net loss of $2.3 million or ($0.07) per.

Finances – FY022

We project cash outflow of $11 million and a $1.6 million expense from investing activities related to the purchase of property and equipment. Party offsetting cash outflows and expense from investing activities is $7.1 million from financing activities primarily from proceeds from a line of credit and issuance of common stock. We anticipate cash to decrease by $5.5 million to $1.8 million at June 30, 2022.

Operations – FY23 (ends June 30)

We project 15% total revenue growth to $34.5 million (prior was $37 million) from an estimated $30 million in FY22 driven by 44.5% revenue growth in the company's recurring revenue TSS segment to $5.9 million and 10.3% revenue growth in the CTS segment to $28.6 million.

We project the operating loss narrowing to $11.1 million from an estimated $17.6 million in FY22. The narrowing of the operating loss reflects revenue growth and operating margin expense improving to 132% from an estimated 158.5% last year. We forecast operating expenses decreasing to $45.6 million compared to an estimated $47.6 million in FY22 due primarily to lower legal costs, partly offset by higher material and labor costs.

We are projecting no non-operating income or expense compared to an expense of $227,000 last year. We project a net loss of 11.1 million or ($0.29) per share. We previously projected a net loss of $1 million or ($0.03) per share.

Finances – FY23

We project cash outflow of $819,000 and $1 million of expense from investing activities related to the purchase of property and equipment. Party offsetting cash outflows and expense from investing activities is $2 million from financing activities primarily from proceeds from the issuance of common stock. We anticipated cash to increase by $181,000 to $1.9 million at June 30, 2023.

Market Briefs

GetSwift Delivery technology platforms are positioned to take advantage of the market trends in last mile, same day, and recurring deliveries as it will provide its customers with software technology offerings to make such deliveries easier and more efficient than having to build one in-house. The GetSwift offering is positioned between companies that provide e-commerce/retail solutions and delivery management and workforce solutions (see chart at right).

Last Mile Delivery
In September 2021, consulting firm Brandessence Market Research published The Global Last Mile Delivery Market repored that forecasts annualized revenue growth of nearly 9.3% to over $200 billion in 2027 from $108 billion in 2020. Growth in the last mile delivery market should be driven by a sustained increase in online orders by consumers. A significant number of consumers are prepared to pay extra charges for a fast delivery that is resulting in higher demand for last mile deliveries.

Same Day Delivery
In December 2021, ReportLinker.com published a report that forecast the global same-day delivery services market growing to over $5.1 billion in 2021 from nearly $4.5 billion in 2020. The report projects 22.1% annualized growth to over $11.4 billion by 2025. The growth reflects companies resuming their operations and adapting to the new normal while recovering from the COVID-19 impact. Growth will be seen in all commerce categories - business-to-business, business-to-consumer, customer-to-customer.

Telecommunications Infrastructure
In October 2021, Global Market Insights issued a report projecting the telecom Network Infrastructure Market should grow annually by 4% to $120 billion in 2027 from an estimated $90 billion in 2020. Growth is anticipated to be driven by the increased demand for deploying 5G network technology that will create better speed and connectivity features.

In October 2021, Fortune Business Insights published a report indicating that the global 5G infrastructure market could reach $80 billion by the end of 2027.

2Q22 and 1H22 Financial Results

2Q22
The company reported revenue increased 151.3% to $13.3 million from $5.3 million in 2Q21. The revenue increase reflects the company's communication technology services segment generating revenue of nearly $12.3 million compared to $4 million in the year-ago period driven by the launch of a number of large projects in Serbia. Partly offsetting revenue growth was a sales decrease in the company's technology subscription services segment to $1 million from $1.2 million in 2Q21 stemming from tight labor market and lingering challenges from COVID-19 pandemic conditions.

In 2Q22, 57% of the customer revenue was represented by a single customer compared to a 15% from a single customer in 2Q21.

The company does not report costs of sales, but did report expenses increased to $18.9 million from nearly $9.2 million in the year-ago period. Expenses increased due primarily to G&A and operating expenses increasing to $7.4 million and $9.1 million, respectively, compared to $3.8 million and $2.9 million, respectively in 2Q21. G&A expense increased due primarily to a $3.7 million increase in legal fees to $4.2 million stemming from an additional legal provision due to the company moving its operations and common stock listing from Australia to Canada in 1Q21 compared to no similar provision in the year-ago period. Another component of G&A expense that experienced a significant increase was a $378,000 rise in Website expenses to $532,000 due to cloud vendor overages from prior periods that were recognized in the current period. The increase in operating expenses was due to higher material and service costs within the company's communication technology services segment. Overall employee benefits expense decreased by $107,000 to $2.4 million.

Loss from operations was $5.7 million compared to $3.9 million in the year-ago period due primarily to total expenses increasing by $9.8 million compared to an increase in revenue from contracts with customers of nearly $8 million. Overall there was an improvement in operating margin expense to 143% from 173% in 2Q21. The overall increase in operating expenses reflects higher legal provisions and material and service costs, partly offset by the implementation of a cost reduction program and streamlining of operations that began at the beginning of FY22.

Non-operating expense was $3.3 million compared to an expense of $3.4 million in the year-ago period. The losses reflect foreign currency exchange as it relates to the Australian dollar versus the US dollar.

The company reported a net loss of $9.1 million or ($0.30) per share compared to a net loss of $7.1 million or ($0.24) per share in 2Q21. We estimated EPS of $0.05 on revenue from contracts with customers of $10 million.

1H22

The company reported revenue increased 60.1% to $20.5 million from $12.8 million in 1H21. The revenue increase reflects the company's communication technology services segment generating revenue of $18.4 million compared to $10.5 million in the year-ago period. Partly offsetting revenue growth was a sales decrease in the company's technology subscription services segment to nearly $2.1 million from $2.3 million in 1H21.

The company does not report costs of sales, but did report expenses increased 20.4% to $27.8 million from $23.1 million in the year-ago period. The increase is due primarily to higher material and service costs within the company's communication technology services segment.

Loss from operations was $7.4 million compared to $10.3 million in the year-ago period due primarily to operating margin expense to 136% from 181% in 1H21.

Non-operating expense was $227,000 compared to an expense of $4.7 million in the year-ago period. GTSWF reported a net loss of $7.7 million or ($0.25) per share compared to a loss of $15 million or ($0.50) per share in 1H21.

Source: Company reports In Thousands $	6Mos22	6Mos21	% D
Revenue from contracts with customers	$ 20,482	$ 12,792	60.1%
Expenses:			
General and Administrative	10,489	10,993	(4.6%)
Employee benefits	4,167	4,783	(12.9%)
Operating expenses	13,141	7,278	80.5%
Share-based payments	40	62	(35.3%)
Total Expenses	27,838	23,116	20.4%
Operating Income (loss)	(7,356)	(10,324)	
Other income (expense)			
Income	322	1,192	
Gains (losses)	(548)	(5,866)	
Total Other Income (expense)	(227)	(4,675)	
Income (loss) before taxes	(7,582)	(14,999)	
Income Tax Expense (Benefit)	135	(41)	
Net Income (loss)	(7,717)	(14,958)	
Earnings (loss) per share	$ (0.25)	$ (0.50)	
Avg Shares Outstanding	30,764	29,692	
Margin Analysis			
General and Administrative	51.2%	85.9%	
Employee benefits	20.3%	37.4%	
Operating expenses	64.2%	56.9%	

Finances

In 1H22, the company reported cash used in operating activities of $8.6 million due primarily to payments of suppliers and employees. Proceeds of $5.8 million from a line of credit did not cover cash used in operations, capital expenditures, and partial repayment on the company's lease payments. Cash decreased $4.1 million to nearly $1.5 million at December 31, 2021.

Capital Structure

The company's Logo subsidiary entered into line of credit agreements enabling GetSwift to borrow funds up to $10.1 million euros through several lenders with terms expiring through May 2022 and interest rates based upon 1 month to 6 month EUR-LIBOR 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 December 31, 2021 there was an outstanding balance of nearly $6.2 million.

In March 2020, GetSwift entered into a put option agreement with LDA Capital LLC (an alternative investment group), which agreed to provide the company with up to $45 million in committed equity capital through March 2023. Capital call elections by the company will be subject to the requirements and limitations of the terms of the share lending agreement. The purchase price of shares by LDA will be based on certain criteria including GetSwift'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. The company also agreed to issue up to 565,650 unlisted options to LDA Capital proportional to the amount subscribed by LDA Capital under the agreement. As of December 31, 2021, the company has no intention to use the put option to fund operations.

The company is seeking to obtain short-term funding by the end of February 2022 that should provide sufficient working capital for through July 2022, which should lay the groundwork to obtain additional long-term funding.

Competitive Landscape

GetSwift competes in markets that are highly fragmented, intensely competitive, and experience shifting user preferences, as well as frequent introductions of new services and offerings. The competitive environment includes merchants and consumers, as well as local food delivery logistics services. Last mile delivery services are fragmented and intensely competitive and competition includes local food delivery logistics platforms such as Uber Eats (and their acquisition of Postmates), Grubhub, Doordash, Deputy, Aaptean, Deliverr, Onfleet, and Instacart.

Most of GetSwift's competition have more financial resources, and product development, engineering, infrastructure, and marketing experience. In order to remain competitive, since the company is likely to see competition from new entrants, it will need to invest in R&D, marketing, sales and client support.

Risks

In our view, these are the principal risks underlying the stock.

Operating Losses – Going Concern
At December 31, 2021, the company's accumulated loss was $78.1 million, up from $46.4 million at June 30, 2020. GetSwift has yet to turn an annual operating profit. In FY21 the operating loss was $20.4 million compared to an operating loss of $23.1 million in FY20. While we anticipate operating losses narrowing during our forecast period, if our expectations are not achieved, it could result in the company's inability to execute its growth strategy.

The company's continuation as a going concern will depend upon its ability to generate sufficient cash flow and/or raise sufficient capital to meet its future obligations. The plan to eliminate the company's going concern situation includes improving cash flow, maintaining moderate cost reductions, creation of additional sales and profits across its product lines, as well as obtaining sufficient financing opportunities.

Limited Operating History
The company and its subsidiaries have a limited history of operations and is therefore subject to many risks including being under-capitalization, experiencing cash shortages, having limitations with respect to personnel and financial resources and revenue variability.

Dilution
The company has a reasonable expectation that it should be able to obtain additional capital to fund its operations from external parties. However, if the company were to raise additional capital through issuances of equity or convertible debt securities, it would likely be dilutive to existing shareholders. We anticipate the company will obtain at least $4 million in equity financing through our forecast period.

Global Health and Politics
A disruption of global economic conditions due to COVID-19 and/or war-like conditions in Eastern Europe that cause Western nations to impose economic sanctions against Russian banks and Oligarch's could result in disruptions of economic activity that in turn could adversely impact the company's corporate operating results.

Regulatory Environment
The company's global operations must comply with local, regional, and national regulations. Achievement of the company's growth strategy is contingent, in part, upon compliance with necessary and applicable regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals necessary. No assurance can be given that the company will be able to maintain its licenses, permits, or authorizations to growth operation.

Acquisition Risks
The company utilizes acquisitions as part of its growth strategy. Acquisitions that expand the company's operations in North America or in other parts of the world are likely to require management's time and effort. The diversion of management could reduce revenues and/or operating profits from the new or existing operations.

New Product Development
Coordinating the design, development, and launch of new product offerings to meet changing customer demand is and will continue to be challenging and costly. To develop new offerings, the company would likely need to expend capital in order for those offerings to gain acceptance and generate meaningful revenue. If new offerings do not gain acceptance it could have an adverse effect on the company's operations.

Reliance on Software and Systems
The company relies on proprietary software, hardware and third-party software products and services from a number of different providers for its management information systems. Disruptions to any of these systems could negatively impact the ability of the company to provide its offerings to existing customers, thus impacting operations.

Intellectual Property
The company must have the ability to protect proprietary products, services, and technologies. Failure to file patent applications in the US, Canada, Australia, and other countries would likely diminish the company's ability to protect its proprietary products and technologies. Also, patents may only provide limited protection of the company's intellectual property since protecting patents could be costly.

Cyber Security and Privacy Concerns
Security breaches could expose the company to a risk of loss of its customers' information, litigation and possible liability. While security measures are in place, they may be breached as a result of third-party action, including intentional misconduct by computer hackers, employee error or malfeasance and result in someone obtaining unauthorized access the company's information technology systems, its customers' or its own data, including intellectual property and other confidential business information.

There can be no assurance that efforts to prevent significant breakdowns, breaches in systems, or other cyber incidents will be successful. Incidents related to cyber security events could have a material adverse effect upon the company's reputation, business, operations or financial condition.

Legal and Regulatory
Prior to the company's relocation to North America it was an Australian based and publicly traded company. The company has ongoing legal proceedings and regulatory actions primarily related to the Australian securities and investments commission within the Australian court system. Those actions could financially impact the company in future periods depending on the outcome of those actions. There is also a class action lawsuit against the company in Australia due to disclosure issues. Details can be found in the company's sedar.com filings.

In the US, the company has a pending action against it from a former employee for breach of contract. This action is in its early stages. The claim against the company is approximately $400,000.

Shareholder Control
Officers and directors collectively own or have a controlling interest in approximately 34.3% of the company's outstanding voting stock as of June 30, 2021 (based on an annual filing with Sedar). Collectively this ownership could potentially greatly influence the outcome of matters requiring stockholder approval. These decisions may or may not be in the best interests of the other shareholders.

Miscellaneous Risk
The company's financial results and equity values are subject to other risks and uncertainties, including competition, operations, financial markets, regulatory risk, and/or other events. These risks may cause actual results to differ from expected results.

Trading Volume
Average daily volume over the last three months (ending April 15, 2022) was 1,000 for the company's OTC traded GTSWF symbol in the US. While average shares traded over the last three months on the NEO Exchange in Canada for GSW was approximately 1,200. GTSWF has a float of approximately 20 million shares and outstanding shares of 30.8 million.

GetSwift Technologies Limited
Consolidated Balance Sheets – Ending June 30
FY2020A – FY2023E
(in thousands)

	FY20 A	FY21 A	2Q22 A	**FY22 E**	**FY23 E**
ASSETS					
Current assets:					
Cash and cash equivalents	$ 23,301	$ 7,276	$ 1,460	**$ 1,753**	**$ 1,934**
Trade and other receivables	10,505	5,438	17,589	**13,753**	**15,333**
Prepaids	2,268	2,520	2,359	**2,101**	**2,760**
Inventories	1,661	1,860	5,869	**4,201**	**4,485**
Total current assets	37,734	17,094	27,277	**21,808**	**24,512**
Property, plant and equipment	1,319	1,599	3,469	**3,475**	**3,000**
Deferred tax assets	32	36	44	**44**	**44**
Goodwill and intangible assets	12,963	11,140	9,602	**8,020**	**3,000**
Other non-current assets	131	1,137	883	**855**	**300**
Total assets	$ 52,178	$ 31,006	$ 41,276	**$ 34,202**	**$ 30,856**
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Trade and other payables	14,119	10,591	23,337	**21,841**	**18,827**
Line of Credit	-	482	6,174	**6,174**	**6,174**
Contract liabilities	307	79	41	**106**	**106**
Warranty provisions	276	558	547	**512**	**512**
Employee benefit obligations	98	66	10	**100**	**200**
Other current liabilities	574	457	593	**1,000**	**1,500**
Total current liabilities	15,373	12,234	30,702	**29,733**	**27,319**
Deferred tax liabilities	1,071	858	707	**707**	**707**
Warranty provisions	554	284	352	**352**	**349**
Employee benefit obligations	7	-	-	**-**	**-**
Other non-current liabilities	328	612	1,891	**2,614**	**5,030**
Stockholders' equity:					
Share capital	79,980	82,333	82,333	**84,333**	**86,333**
Other reserves	(3,029)	314	(1,364)	**(500)**	**2,000**
Accumulated earnings (losses)	(46,445)	(69,910)	(78,137)	**(87,827)**	**(98,882)**
Non-controlling interests	4,339	4,282	4,791	**4,791**	**8,000**
Total stockholders' equity	34,845	17,018	7,623	**796**	**(2,550)**
Total liabilities and stockholders' equity	$ 52,178	$ 31,006	$ 41,276	**$ 34,202**	**$ 30,856**
SHARES OUT	27,453	30,764	30,764	**36,000**	**40,000**

Source: Company reports and Taglich Brothers estimates

GetSwift Technologies Limited
Annual Income Statement – Ending June 30
FY2020A – FY2023E
(in thousands)

	FY20 A	FY21A	**2022 E**	**2023 E**
Revenue from contracts with customers	$ 16,432	$ 19,833	**$ 30,007**	**$ 34,500**
Expenses:				
General and Administrative	19,503	21,211	**17,689**	**16,000**
Employee benefits	8,754	8,805	**9,092**	**10,090**
Operating expenses	10,137	10,296	**20,691**	**19,365**
Share-based payments	1,140	112	**90**	**100**
Total Expenses	39,533	40,200	**47,563**	**45,555**
Operating Income (loss)	(23,101)	(20,366)	**(17,556)**	**(11,055)**
Other income (expense)				
Income	1,092	1,356	**322**	**-**
Gains (losses)	1,140	(4,650)	**(548)**	**-**
Total Other Income (expense)	2,231	(3,294)	**(227)**	**-**
Income (loss) before taxes	(20,869)	(23,661)	**(17,782)**	**(11,055)**
Income Tax Expense (Benefit)	116	(138)	**135**	**-**
Net Income (loss)	(20,985)	(23,522)	**(17,917)**	**(11,055)**
Earnings (loss) per share	$ (0.78)	$ (0.77)	**$ (0.56)**	**$ (0.29)**
Avg Shares Outstanding	27,033	30,484	**32,073**	**38,081**
Margin Analysis				
General and Administrative	118.7%	106.9%	**58.9%**	**46.4%**
Employee benefits	53.3%	44.4%	**30.3%**	**29.2%**
Operating expenses	61.7%	51.9%	**69.0%**	**56.1%**
YEAR / YEAR GROWTH				
Total Revenues		20.7%	**51.3%**	**15.0%**

Source: Company reports and Taglich Brothers estimates

GetSwift Technologies Limited
Income Statement Model – Ending June 30
Quarters FY2021A – 2023E
(in thousands)

	Q1 21A	Q2 21 A	Q3 21 A	Q4 21 A	FY21A	Q1 22A	Q2 22 A	Q3 22 E	Q4 22 E	**2022 E**	Q1 23 E	Q2 23 E	Q3 23 E	Q4 23 E	**2023 E**
Revenue from contracts with customers	$ 7,511	$ 5,281	$ 2,642	$ 4,400	$ 19,833	$ 7,211	$ 13,271	$ 4,500	$ 5,025	**$ 30,007**	$ 6,950	$ 11,950	$ 6,700	$ 8,900	**$ 34,500**
Expenses:															
General and Administrative	7,179	3,813	3,517	6,701	21,211	3,061	7,428	3,500	3,700	**17,689**	3,800	4,200	3,900	4,100	**16,000**
Employee benefits	2,231	2,552	1,957	2,065	8,805	1,722	2,445	2,450	2,475	**9,092**	2,500	2,515	2,525	2,550	**10,090**
Operating expenses	4,521	2,757	860	2,157	10,296	4,090	9,051	4,000	3,550	**20,691**	4,150	6,000	4,215	5,000	**19,365**
Share-based payments	25	37	25	25	112	17	23	25	25	**90**	25	25	25	25	**100**
Total Expenses	13,956	9,160	6,358	10,949	40,200	8,890	18,948	9,975	9,750	**47,563**	10,475	12,740	10,665	11,675	**45,555**
Operating Income (loss)	(6,446)	(3,879)	(3,717)	(6,549)	(20,366)	(1,678)	(5,677)	(5,475)	(4,725)	**(17,556)**	(3,525)	(790)	(3,965)	(2,775)	**(11,055)**
Other income (expense)															
Income	239	953	34	130	1,356	97	225	-	-	**322**	-	-	-	-	-
Gains (losses)	(1,524)	(4,342)	582	635	(4,650)	2,995	(3,544)	-	-	**(548)**	-	-	-	-	-
Total Other Income (expense)	(1,285)	(3,390)	616	765	(3,294)	3,093	(3,319)	-	-	**(227)**	-	-	-	-	-
Income (loss) before taxes	(7,730)	(7,268)	(3,101)	(5,785)	(23,661)	1,414	(8,996)	(5,475)	(4,725)	**(17,782)**	(3,525)	(790)	(3,965)	(2,775)	**(11,055)**
Income Tax Expense (Benefit)	118	(159)	(52)	(46)	(138)	(6)	141	-	-	**135**	-	-	-	-	-
Net Income (loss)	(7,848)	(7,110)	(3,049)	(5,739)	(23,522)	1,420	(9,137)	(5,475)	(4,725)	**(17,917)**	(3,525)	(790)	(3,965)	(2,775)	**(11,055)**
Earnings (loss) per share	$ (0.26)	$ (0.24)	$ (0.10)	$ (0.18)	$ (0.77)	$ 0.05	$ (0.30)	$ (0.18)	$ (0.13)	**$ (0.56)**	$ (0.10)	$ (0.02)	$ (0.10)	$ (0.07)	**$ (0.29)**
Avg Shares Outstanding	30,764	30,250	30,494	31,100	30,484	30,764	30,764	30,764	36,000	**32,073**	36,100	36,125	40,000	40,100	**38,081**
Margin Analysis															
General and Administrative	95.6%	72.2%	133.1%	152.3%	106.9%	42.4%	56.0%	77.8%	73.6%	**58.9%**	54.7%	35.1%	58.2%	46.1%	**46.4%**
Employee benefits	29.7%	48.3%	74.1%	46.9%	44.4%	23.9%	18.4%	54.4%	49.3%	**30.3%**	36.0%	21.0%	37.7%	28.7%	**29.2%**
Operating expenses	60.2%	52.2%	32.6%	49.0%	51.9%	56.7%	68.2%	88.9%	70.6%	**69.0%**	59.7%	50.2%	62.9%	56.2%	**56.1%**
YEAR / YEAR GROWTH															
Total Revenues					20.7%	(4.0%)	151.3%	70.3%	14.2%	**51.3%**	(3.6%)	(10.0%)	48.9%	77.1%	**15.0%**

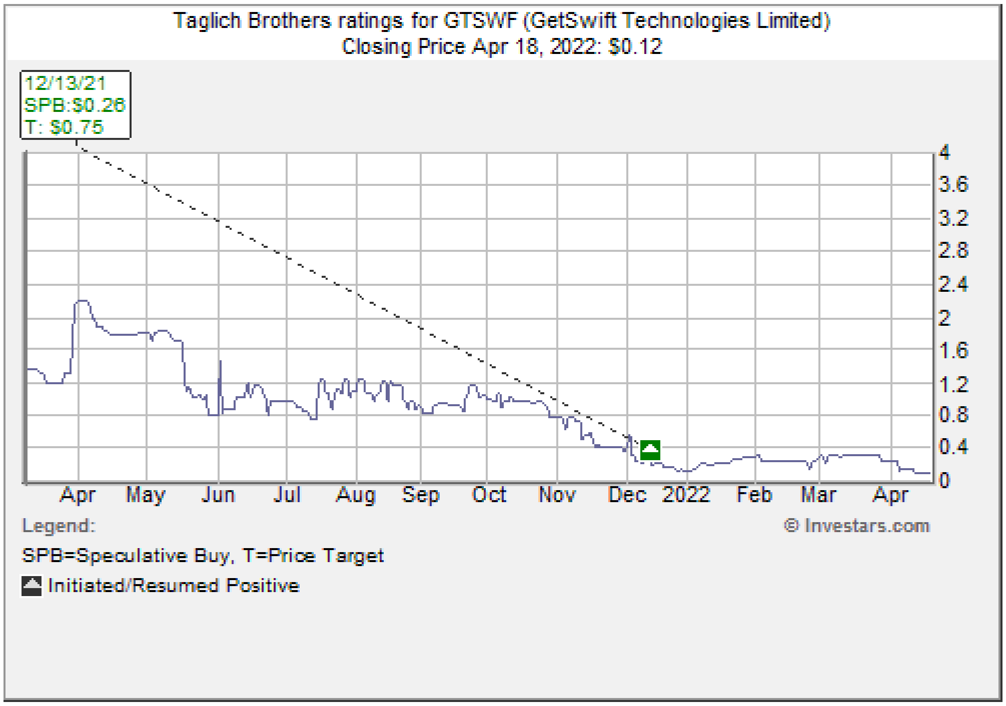
Source: Company reports and Taglich Brothers estimates

GetSwift Technologies Limited
Cash Flow Statement – Ending June 30
FY2020A – FY2023E
(in thousands)

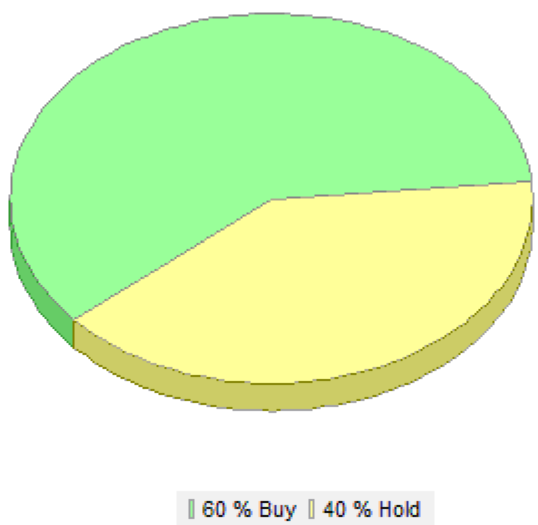
	FY20A	FY21A	6 Mos.22A	**FY22E**	**FY23E**
Cash Flows from Operating Activities					
Receipts from customers (inclusive of GST)	$ 10,234	$ 24,877	$ 8,794	**$ 21,692**	**$ 32,920**
Payments to suppliers and employees (inclusive of GST)	(28,295)	(39,326)	(17,007)	**(32,124)**	**(33,739)**
R&D tax incentive received	164	167	-	-	-
Income taxes paid	(114)	(356)	(356)	**(356)**	-
Interest paid	(39)	(28)	(68)	**(200)**	-
Interest received	786	87	6	**10**	-
Net cash inflow (outflow) from operating activities	(17,266)	(14,578)	(8,631)	**(10,978)**	**(819)**
Cash Flows from Investing Activities					
Payments for property, plant and equipment	(18)	(1,016)	(818)	**(1,636)**	**(1,000)**
Payments for acquisition of business	(5,827)	-	-	-	-
Payments for other non-current assets	(52)	-	-	-	-
Deferred consideration payments	(629)	-	-	-	-
Other acquisition payments	(135)	-	-	-	-
Cash flow provided (used in - outflow) from Investing Activities	(6,661)	(1,016)	(818)	**(1,636)**	**(1,000)**
Cash Flows from Financing Activities					
Proceeds from issuance of shares	-	491	-	**2,000**	**2,000**
Financing costs for LDA facility	(589)	(300)	-	-	-
Proceeds from line of credit	-	2,107	5,812	**5,812**	-
Payment of line of credit	-	(2,189)	(120)	**(367)**	-
Principal elements of lease payments	(446)	(143)	(354)	**(354)**	-
Net cash inflow (outflow) from Financing Activities	(1,035)	(33)	5,337	**7,091**	**2,000**
Net change in Cash	(24,962)	(15,628)	(4,112)	**(5,523)**	**181**
Cash and cash equivalents at beginning of period	48,256	23,301	7,276	**7,276**	**1,753**
Effects of exchange rate changes on cash and cash equivalents	7	(397)	(1,704)	-	-
Cash and cash equivalents at end of period	$ 23,301	$ 7,276	$ 1,460	**$ 1,753**	**$ 1,934**

Source: Company reports and Taglich Brothers estimates

Price Chart



Taglich Brothers Current Ratings Distribution



Investment Banking Services for Companies Covered in the Past 12 Months

Rating	#	%
Buy	5	25
Hold		
Sell		
Not Rated		

Important Disclosures

As of the date of this report, we, our affiliates, any officer, director or stockholder, or any member of their families do not have a position in the stock of the company mentioned in this report. Taglich Brothers, Inc. does not currently have an Investment Banking relationship with the company mentioned in this report and was not a manager or co-manager of any offering for the company with in the last three years.

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Analyst Certification

I, Howard Halpern, the research analyst of this report, hereby certify that the views expressed in this report accurately reflect my personal views about the subject securities and issuers; and that no part of my compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in this report.

Public Companies mentioned in this report:

DoorDash, Inc.	(NYSE: DASH)	Zebra Technologies	(NASDAQ: ZBRA)
Lightspeed Commerce Inc.	(NASDAQ: LSPD)	Shopify Inc.	(NYSE: SHOP)

Meaning of Ratings

Buy – The growth prospects, degree of investment risk, and valuation make the stock attractive relative to the general market or comparable stocks.

Speculative Buy – Long-term prospects of the company are promising but investment risk is significantly higher than it is in our BUY-rated stocks. Risk-reward considerations justify purchase mainly by high risk-tolerant accounts. In the short run, the stock may be subject to high volatility and could continue to trade at a discount to its market.

Neutral – Based on our outlook the stock is adequately valued. If investment risks are within acceptable parameters, this equity could remain a holding if already owned.

Sell – Based on our outlook the stock is significantly overvalued. A weak company or sector outlook and a high degree of investment risk make it likely that the stock will underperform relative to the general market.

Discontinued – Research coverage discontinued due to the acquisition of the company, termination of research services (includes non-payment for such services), diminished investor interest, or departure of the analyst.

Some notable Risks within the Microcap Market

Stocks in the Microcap segment of the market have many risks that are not as prevalent in Large-cap, Blue Chips or even Small-cap stocks. Often it is these risks that cause Microcap stocks to trade at discounts to their peers. The most common of these risks is liquidity risk, which is typically caused by small trading floats and very low trading volume which can lead to large spreads and high volatility in stock price. In addition, Microcaps tend to have significant company-specific risks that contribute to lower valuations. Investors need to be aware of the higher probability of financial default and higher degree of financial distress inherent in the microcap segment of the market.

From time to time our analysts may choose to withhold or suspend a rating on a company. We continue to publish informational reports on such companies; however, they have no ratings or price targets. In general, we will not rate any company that has too much business or financial uncertainty for our analysts to form an investment conclusion, or that is currently in the process of being acquired.