

Zoom2u Technologies poised for growth off the back of high demand for faster delivery

Zoom2u Technologies Limited (ASX: Z2U, “Zoom2u” or the “Company”), a global provider of innovative and real time tracking delivery solutions, today releases its report for the quarter ending 31 December 2021.

- Zoom2u H1 FY22 GMV¹ of \$10.9 million, up 54% on the prior corresponding period and nearly equivalent to GMV for the full year FY21
- Zoom2u Q2 FY22 GMV of \$5.2 million and Group Revenue of \$1.3 million, up 32% and 33% respectively on the prior corresponding period²
- New Zoom2u enterprise customers onboarded in the quarter included Australia Post, Best & Less, Couriers Please and Jaycar
- Zoom2u marketplace announced winner of the Product Review³ award in 2022 - fourth consecutive year as award winner in the Courier category
- SaaS product Locate2u continues to win new enterprise customers including Bing Lee, Gate Gourmet, Super Pharmacy, Cleanaway and Middy’s
- Acquisition of Local Delivery Shopify App completed, expanding the Company’s customer base in the North American and United Kingdom markets
- Sales team established in India to market Locate2u product as a trial
- Cash balance at the end of the quarter of \$6.5 million, providing a strong base for continued investment to grow the Zoom2u and Locate2u businesses

Zoom2u’s Founder and CEO Steve Orenstein said:

“We have continued to achieve fantastic momentum through the first half of FY22, with new customer wins for both Zoom2u and Locate2u underpinning growth in GMV and revenue. We completed our first acquisition (Local Delivery Shopify App) since listing on the ASX, funded by existing cash reserves. This acquisition is in-line with our growth strategy as outlined in our IPO prospectus.

¹ GMV - Gross Marketplace Value, representing the total price of all Deliveries completed through the Platform after cancellations, inclusive of fees paid by Customers to Zoom2u, but excludes any applicable GST

² GMV shown is Zoom2u’s GMV, whilst revenue is Group revenue

³ <https://www.productreview.com.au/listings/zoom2u>

“The businesses have demonstrated strong organic growth to date, and our strong cash position provides us with the opportunity to continue to invest in sales and marketing to assist in accelerating our growth. We are also making additional investment into product development for both Zoom2u and Locate2u to make the experience for our customers even better.

“It is pleasing to see the progress and performance of the business since listing on the ASX. The Board and management team continue to focus on driving growth in the second half of 2022 through advancing the numerous opportunities we have identified .”

Zoom2u update

- Added approximately 3200 new customers to the Zoom2u marketplace, including Australia Post, Best & Less, Couriers Please and Jaycar.
- Historically, the business experiences a stronger Q2 with the holiday season tail winds. The COVID-19 lockdowns in Sydney and Melbourne resulted in demand that positively impacted Q1 FY22. Despite the lifting of lockdowns in October 2021, the Zoom2u business continued to produce strong growth in Q2 FY22 versus the pcq.
- The Zoom2u marketplace won the Product Review award for 2022. This is the fourth consecutive year that the Company has been an award winner in the Courier category.

Locate2u update

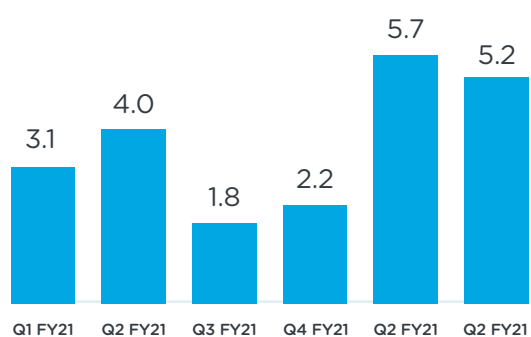
- Added approximately 80 new customers to the Locate2u SaaS product, including enterprise customers Bing Lee, Gate Gourmet, Super Pharmacy, Cleanaway and Middy's.
- Completed the acquisition of the Local Delivery Shopify App for cash consideration of \$880,000 (including GST). Local Delivery has approximately 570 customers, predominantly e-commerce businesses, in over 45 countries. These customers are expected to provide additional sales leads for the Locate2u sales team.
- The acquisition of Local Delivery expands the customer base in the North American and United Kingdom markets.
- Established a Locate2u sales team as a trial in India. The early signs from this team are encouraging with a number of new customer wins.

Key financial metrics

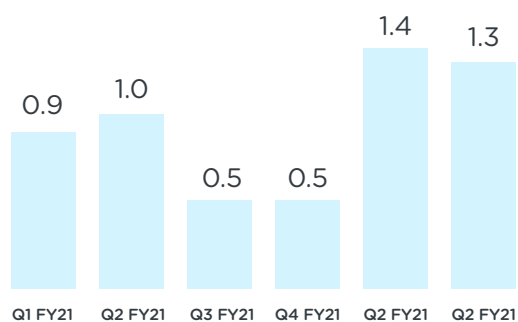
GMV transacted through the Zoom2u platform grew strongly through Q2 FY22 to reach \$5.2 million compared to \$4.0 million on the pcp, an increase of 32%. Group Revenue increased by 33% to \$1.3 million compared to \$1.0 million in Q2 FY21.

| Key metric (\$ million) | Q2 FY21 | Q2 FY22 | Change (%) |
|-------------------------|---------|---------|------------|
| GMV | \$4.0 | \$5.2 | 32% |
| Group Revenue | \$1.0 | \$1.3 | 33% |

■ GMV (in \$million)



■ Group revenue (in \$million)



Seasonality

Historically, Zoom2u's revenue in the first half (July to December) has tended to be stronger than the second half, with deliveries increasing over the period through to the holiday season, driven by large e-commerce volumes.

Use of funds

In Section 7.3 of the Prospectus for the Company's recent IPO, the Company provided a proposed use of funds statement for the funds raised. The table below shows the use of funds from the date of listing on the ASX, being 10 September 2021, to 31 December 2021.

| Use of funds (\$ million) | Total per Prospectus | Spend to date 10/09/21 to 31/12/21 ² |
|---|----------------------|--|
| Investment in sales & product development resources | \$4.0 | \$0.6 |
| Investment in marketing | \$1.3 | \$0.2 |
| Working capital | \$1.2 | \$0.5 |
| Costs of the Offer ¹ | \$1.5 | \$0.8 |
| Total | \$8.0 | \$2.0 |

¹Total cash costs of the Offer through to 31 December 2021 were \$1.4m, including amounts spent in Q4 FY21.

² Numbers in this column have been rounded.

All costs spent to date are aligned with Zoom2u's expected use of funds as outlined in the Prospectus dated 2 August 2021.

Item 6.1 of the Appendix 4C refers to payments to related parties of \$153k during the quarter, comprising the base remuneration paid to the CEO and CFO and Directors' fees. See section 6.3.2.1 and 6.4.2 of the Prospectus dated 2 August 2021 for additional detail.

Total cash balance as at 31 December 2021 was \$6.5 million, enabling the Company to progress its expansion plans for the Zoom2u and Locate2u businesses. The cash balance is after funding the Local Delivery acquisition cost of \$880,000 (including GST) with cash on hand. This item does not appear in the use of funds statement above as it was not included in the use of funds in section 7.3 of the Prospectus.

Quarterly results webinar

Zoom2u will host a webinar on 1 February 2022 at 11am (AEST) to discuss the Q2 FY22 quarterly. Click the below link to register your attendance:

https://us02web.zoom.us/webinar/register/WN_wVZf1TheTKCJye1e_pEinA

If you wish to submit your questions ahead of the webinar, please send an email to maude@nwrcommunications.com.au or use the Zoom Q&A function during the webinar.

END

This statement was authorised by the Board of Zoom2u Technologies Limited.

For enquiries, please contact



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About Zoom2u Technologies

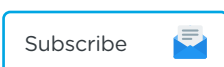
Zoom2u Technologies is a global provider of innovative delivery solutions and is the parent company for Zoom2u and Locate2u. The Company's Zoom2u Platform provides an Australia wide Marketplace connecting customers to a network of local drivers for fast deliveries, and Locate2u provides real time tracking solutions to customers around the globe running their own fleet of vehicles. Since launching in 2014, Zoom2u has processed over 2.5 million deliveries to ~77,000 customers and has over 11,600 drivers onboarded.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ZOOM2U TECHNOLOGIES LIMITED

ABN

23 636 364 246

Quarter ended ("current quarter")

31 December 2021

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|------------------------------------|--|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 1,558 | 2,399 |
| 1.2 Payments for | | |
| (a) research and development | - | - |
| (b) product manufacturing and operating costs | (336) | (729) |
| (c) advertising and marketing | (308) | (756) |
| (d) leased assets | (20) | (39) |
| (e) staff costs | (978) | (1,667) |
| (f) administration and corporate costs | (155) | (438) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | (9) | (17) |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (247) | (1,249) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | (10) | (42) |
| (d) investments | - | - |
| (e) intellectual property | (1,090) | (1,295) |

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| (f) other non-current assets | - | - |
| 2.2 Proceeds from disposal of: | | |
| (a) entities | - | - |
| (b) businesses | - | - |
| (c) property, plant and equipment | - | - |
| (d) investments | - | - |
| (e) intellectual property | - | - |
| (f) other non-current assets | - | - |
| 2.3 Cash flows from loans to other entities | - | - |
| 2.4 Dividends received (see note 3) | - | - |
| 2.5 Other (provide details if material) | - | - |
| 2.6 Net cash from / (used in) investing activities | (1,099) | (1,337) |

| | | |
|---|-------------|--------------|
| 3. Cash flows from financing activities | | |
| 3.1 Proceeds from issues of equity securities (excluding convertible debt securities) | - | 8,000 |
| 3.2 Proceeds from issue of convertible debt securities | - | - |
| 3.3 Proceeds from exercise of options | - | - |
| 3.4 Transaction costs related to issues of equity securities or convertible debt securities | (24) | (1,382) |
| 3.5 Proceeds from borrowings | - | - |
| 3.6 Repayment of borrowings | - | - |
| 3.7 Transaction costs related to loans and borrowings | - | - |
| 3.8 Dividends paid | - | - |
| 3.9 Other (provide details if material) | - | - |
| 3.10 Net cash from / (used in) financing activities | (24) | 6,618 |

| | | |
|---|---------|---------|
| 4. Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 Cash and cash equivalents at beginning of period | 7,848 | 2,446 |
| 4.2 Net cash from / (used in) operating activities (item 1.9 above) | (247) | (1,249) |
| 4.3 Net cash from / (used in) investing activities (item 2.6 above) | (1,099) | (1,337) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|--|------------------------------------|--|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | (24) | 6,618 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| 4.6 | Cash and cash equivalents at end of period | 6,478 | 6,478 |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|------------|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 6,478 | 7,848 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 6,478 | 7,848 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 153 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

| 7. Financing facilities | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | | |
| 7.1 Loan facilities | 500 | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | 500 | - |
| 7.5 Unused financing facilities available at quarter end | | 500 |
| 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| The group has entered into a short term working capital funding arrangement with Tradeplus24 Australia Pty Limited. The facility is a secured revolving loan facility with a limit of \$500,000. The interest rate on the loan is equivalent to a margin of 8.3% plus the current 30 day BBSW bid rate. The facility is available until 31 December 2021. | | |

| 8. Estimated cash available for future operating activities | \$A'000 |
|--|----------------|
| 8.1 Net cash from / (used in) operating activities (item 1.9) | (247) |
| 8.2 Cash and cash equivalents at quarter end (item 4.6) | 6,478 |
| 8.3 Unused finance facilities available at quarter end (item 7.5) | 500 |
| 8.4 Total available funding (item 8.2 + item 8.3) | 6,978 |
| 8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1) | 28 |
| <i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i> | |
| 8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions: | |
| 8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| Answer: n.a. | |
| 8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| Answer: n.a. | |
| 8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| Answer: n.a. | |
| <i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i> | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 January 2022

Authorised by: By the Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.