

Acquisition of Local Delivery Shopify App

- **Acquisition of Local Delivery Shopify App for cash consideration of A\$880,000 (including GST)**
- **Expands Locate2u footprint in North America and the United Kingdom**
- **Adds incremental ARR of approximately A\$145,000 p.a.**
- **Accelerates the offering of Locate2u subscription-based software to existing and new Local Delivery customers**

Zoom2u Technologies Limited (ASX: Z2U, **Zoom2u** or the **Company**) is pleased to announce the acquisition of the Local Delivery Shopify App (**Local Delivery**) from Enum Pty Ltd as trustee for Enum Unit Trust ACN 614 185 938. Zoom2u will buy the assets associated with Local Delivery for a cash consideration of A\$880,000 (including GST), which will be paid on completion of the transaction. Completion of the transaction is expected to occur in the coming days.

About Local Delivery

Local Delivery allows e-commerce businesses, utilising the Shopify platform, to embed functionality to enable their customers to select a desired delivery date and time into their check out process.

The assets associated with the transaction include all intellectual property associated with Local Delivery, and existing customer relationships of approximately 570 e-commerce businesses in over 45 countries.

Benefits of the acquisition include:

- **Expands footprint into North America and the United Kingdom:**
Local Delivery has ~ 270 existing customers in North America, ~ 50 existing customers in the United Kingdom and ~60 in Australia / New Zealand. Customers acquired via the transaction will aid in increasing penetration into the North American and United Kingdom markets for Locate2u and provide additional sales leads for the Australian based Locate2u sales team.
- **Accelerates the offering of Locate2u subscription-based software to existing and new Local Delivery customers:**
The acquisition will enable Zoom2u to up-sell and cross-sell its Locate2u and Zoom2u products. Currently businesses use Local Delivery to schedule deliveries of their products to their customers. Zoom2u's Locate2u product is a complementary fit in extending the services currently provided by Local Delivery. The schedule produced by Local Delivery can be automatically fed into Locate2u, allowing e-commerce businesses to optimise routes, track and communicate with drivers and provide recipients of deliveries with estimated times of arrival.
- **Adds incremental ARR of approximately A\$145,000 p.a.:**
The Local Delivery App currently generates Annual Recurring Revenue (ARR) of approximately A\$145,000. Local Delivery has a low touch onboarding process which has led to low conversion of trials into paid subscribers. We will improve the onboarding process to make it easier for customers to integrate Local Delivery into their Shopify store. We expect this will significantly improve conversion rates and hence revenues. Once converted, an opportunity will exist to upsell the customer to Locate2u, providing further opportunity for revenue growth.

Zoom2u's Founder and CEO Steve Orenstein said:

"The acquisition of Local Delivery is consistent with the growth strategy we outlined in the Prospectus for our recent IPO, of acquiring complementary SaaS businesses that will provide us with access to new customer bases.

"We will use the existing customer base of Local Delivery as a catalyst to expand in global markets including North America and the United Kingdom. We will initially deploy limited sales resources to these regions to exploit the data base and prove up our ability to sell into these markets.

"The combination of the Local Delivery App and Locate2u will enable Shopify Merchants to provide an end-to-end local delivery solution to their customers. The acquisition opens up significant opportunity to grow the Locate2u product globally."

Funding

Zoom2u will utilise existing cash on hand to fund the acquisition. As set out in the Prospectus, the Company intended to invest in its international growth with the Locate2u SaaS product. This acquisition accelerates this capability and as such we are redeploying some of the planned investment into sales and marketing to support this transaction.

Investor webinar

Zoom2u intends to hold an investor webinar at 11am on Tuesday 14 December 2021 to further explain the functionality of the Local Delivery App and the strategic benefits of the acquisition to Zoom2u.

Registration Link

https://us02web.zoom.us/webinar/register/WN_v2mF3mzHOvSHbw0NjUkRmA

Investors will be able to use the Q&A function on Zoom during the webinar, or can submit their questions ahead of the webinar to maude@nwrcommunications.com.au

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

END**For further information, please contact**

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About Zoom2u Technologies

Zoom2u Technologies is a global provider of innovative and real time tracking 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 million deliveries to ~70,000 customers and has over 8,600 drivers.

For more information

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