



Steve Orenstein  
Director  
20 August 2021

## Zoom2u Technologies Ltd

ACN 636 364 246

### SUPPLEMENTARY PROSPECTUS

#### 1. IMPORTANT NOTICE

This supplementary prospectus (**Supplementary Prospectus**) contains particulars of changes to, and supplements, the prospectus dated 2 August 2021 (**Prospectus**) issued by Zoom2u Technologies Ltd ACN 636 364 246 (**Company**) in respect of the offer of 40,000,000 fully paid ordinary shares of the Company (**Shares**) at \$0.20 per Share to raise \$8,000,000 (before costs).

The Supplementary Prospectus is dated 20 August 2021 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. Neither ASIC nor the Australian Securities Exchange (**ASX**) take any responsibility as to the contents of the Supplementary Prospectus.

The Supplementary Prospectus must be read together with the Prospectus. To the extent of any inconsistency between the Supplementary Prospectus and the Prospectus, the provisions of the Supplementary Prospectus will prevail. Unless otherwise indicated, terms defined and used in the Prospectus have the same meaning in the Supplementary Prospectus.

The Company has issued both a printed and electronic version of the Supplementary Prospectus and the Prospectus. Electronic versions of both may be accessed at <https://www.zoom2u.com.au/investors/ipo/>.

The Supplementary Prospectus and the Prospectus are important documents that should be read together, in their entirety. If you have any questions about the Shares being offered under the Prospectus or any other matter, you should consult your professional advisors.

#### 2. NO INVESTOR ACTION REQUIRED

As the content of this Supplementary Prospectus is not considered by the Company to be materially adverse to investors, no action needs to be taken by investors who have already applied for Shares under the Prospectus to the date of this Supplementary Prospectus.

#### 3. AMENDMENT TO THE PROSPECTUS

##### 3.1 Amendments to Financial Information

Certain financial information contained in section 4 of the Prospectus has been amended to correct the accounting treatment of the Convertible Notes. The changes relate solely to the technical accounting treatment of the Convertible Notes at the date of issue and their subsequent conversion on Completion on a pro-forma basis.

Accordingly, section 4 of the Prospectus is amended as follows:

- (a) **Page 99** - The table set out under the heading "**Table 4.5 – Pro forma adjustments to the Statutory Historical Results and Statutory Forecast Results**" is replaced with the following table (with no amendments to the notes to Table 4.5 which is set out in the Prospectus):

\$ millions	Notes	Pro forma Historical		Pro forma Forecast
		FY19	FY20	FY21F
<b>Statutory EBITDA</b>		<b>(3.3)</b>	<b>(0.8)</b>	<b>(1.2)</b>
Insurance claims - income	1	(0.5)	(0.0)	-
Insurance claims - expense	1	0.5	0.0	-
Offer costs	2	-	-	0.4
Incremental listed company costs	3	(1.4)	(1.4)	(1.4)
Application of AASB 16	4	0.1	0.0	-
Capital raising and restructuring costs	5	0.1	0.1	0.1
Government stimulus	6	-	(0.1)	(0.1)
<b>Pro forma EBITDA</b>		<b>(4.5)</b>	<b>(2.2)</b>	<b>(2.2)</b>

\$ millions	Notes	Pro forma Historical		Pro forma Forecast
		FY19	FY20	FY21F
<b>Statutory Net profit after tax</b>		<b>(3.8)</b>	<b>(0.9)</b>	<b>(1.1)</b>
Insurance claims - income	1	(0.5)	(0.0)	-
Insurance claims - expense	1	0.5	0.0	-
Offer costs	2	-	-	0.4
Incremental listed company costs	3	(1.4)	(1.4)	(1.4)
Capital raising and restructuring costs	5	0.1	0.1	0.1
Government stimulus	6	-	(0.1)	(0.1)
Finance costs	7	0.4	0.1	0.0
Fair Value Adjustment to Convertible Note	8	-	-	(0.1)
<b>Pro forma Net profit after tax</b>		<b>(4.7)</b>	<b>(2.2)</b>	<b>(2.3)</b>

- (b) **Page 101** - The table set out under the heading "**Table 4.7 – Consolidated Statutory Historical Results and Statutory Forecast Results**" is replaced with the following table (with no amendments to the notes to Table 4.7 which is set out in the Prospectus):

\$ millions	Notes	Statutory Historical		Statutory Forecast
		FY19	FY20	FY21F
<b>Revenue</b>	1	<b>1.8</b>	<b>2.2</b>	<b>2.7</b>
Cost of sales		(0.1)	(0.1)	(0.1)
<b>Gross profit</b>		<b>1.8</b>	<b>2.2</b>	<b>2.6</b>
Advertising and marketing expense	2	(0.3)	(0.3)	(0.7)
Employee benefits expense	3	(2.8)	(1.7)	(1.9)
General & administration expense	4,5	(2.4)	(1.1)	(1.3)
<b>Operating expenses</b>		<b>(5.5)</b>	<b>(3.1)</b>	<b>(3.9)</b>
Other income	6	0.5	0.1	0.1
<b>EBITDA</b>		<b>(3.3)</b>	<b>(0.8)</b>	<b>(1.2)</b>
Depreciation and amortisation		(0.1)	(0.0)	(0.0)
<b>EBIT</b>		<b>(3.4)</b>	<b>(0.8)</b>	<b>(1.2)</b>
Net finance costs	7	(0.4)	(0.1)	0.1
<b>Net profit before income tax</b>		<b>(3.8)</b>	<b>(0.9)</b>	<b>(1.1)</b>
Income tax benefit / (expense)	-	-	-	-
<b>Net profit after tax</b>		<b>(3.8)</b>	<b>(0.9)</b>	<b>(1.1)</b>

- (c) **Page 108** - The table set out under the heading "**Table 4.16 – Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position**" is replaced with the following table (with no amendments to the notes to Table 4.16 which is set out in the Prospectus):

<b>\$ Millions</b>	<b>Statutory 31-Dec-20</b>	<b>Repayment of Borrowings</b>	<b>Pre IPO capital raising</b>	<b>Conversion of Convertible Notes</b>	<b>Impact of the Offer</b>	<b>Pro Forma 31-Dec-20</b>
Notes		1	2	3	4	
<b>Current assets</b>						
Cash and cash equivalents	0.9	(0.4)	2.3	-	6.5	9.3
Trade and other receivables	1.1	-	-	-	0.0	1.2
<b>Total current assets</b>	<b>2.0</b>	<b>(0.4)</b>	<b>2.3</b>		<b>6.6</b>	<b>10.5</b>
<b>Non-current assets</b>						
Property, plant and equipment	0.2	-	-	-	-	0.2
Intangibles	0.3	-	-	-	-	0.3
<b>Total non-current assets</b>	<b>0.4</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>0.4</b>
<b>Total assets</b>	<b>2.4</b>	<b>(0.4)</b>	<b>2.3</b>	<b>-</b>	<b>6.6</b>	<b>10.9</b>
<b>Current liabilities</b>						
Trade and other payables	0.6	-	-	-	-	0.6
Borrowings	0.4	(0.4)	2.2	(2.2)	-	(0.0)
Lease liabilities	0.1	-	-	-	-	0.1
Provisions	0.1	-	-	-	-	0.1
Embedded derivative liability	-	-	0.2	(0.2)	-	0.0
<b>Total current liabilities</b>	<b>1.1</b>	<b>(0.4)</b>	<b>2.3</b>	<b>(2.3)</b>	<b>-</b>	<b>0.7</b>
<b>Non-current liabilities</b>						
Other liabilities	0.1	-	-	-	-	0.1
<b>Total non-current liabilities</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>
<b>Total liabilities</b>	<b>1.3</b>	<b>(0.4)</b>	<b>2.3</b>	<b>(2.3)</b>	<b>-</b>	<b>0.9</b>
<b>Net assets</b>	<b>1.2</b>	<b>-</b>	<b>(0.0)</b>	<b>2.3</b>	<b>6.6</b>	<b>10.1</b>
<b>Equity</b>						
Issued equity	9.1	-	-	2.2	7.2	18.5
Share based payment reserve	-	-	-	-	0.2	0.2
Accumulated losses	(8.0)	-	(0.0)	0.1	(0.8)	(8.6)
<b>Total equity</b>	<b>1.2</b>	<b>-</b>	<b>(0.0)</b>	<b>2.3</b>	<b>6.6</b>	<b>10.1</b>

### 3.2 Amendment to the Independent Limited Assurance Report

As a result of the amendments to the financial information which are described in section 3.1 of this Supplementary Prospectus, the Investigating Accountant has re-issued its Independent Limited Assurance Report which is included in the Annexure to this Supplementary Prospectus.

## 4. CONSENTS

The Investigating Accountant has given, and has not withdrawn prior to the lodgement of this Supplementary Prospectus with ASIC, its written consent to be named in this Supplementary Prospectus and to the inclusion of the Independent Limited Assurance Report which is included in the Annexure to this Supplementary Prospectus.

## 5. DIRECTORS' AUTHORISATIONS

The Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of its Directors.

The Directors believe that the Prospectus when read together with this Supplementary Prospectus contains all the information that would be required by sections 710 and 711 of the Corporations Act and does not contain any material statement that is misleading or deceptive.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with ASIC and has not withdrawn that consent prior to lodgement.

Dated: 20 August 2021

Signed for and on behalf of Zoom2u Technologies Ltd

**Steve Orenstein**  
Director and CEO  
Zoom2u Technologies Ltd

**Annexure – Re-issued Independent Limited Assurance Report**

See over page.

The Directors  
Zoom2u Technologies Limited  
Level 4, 55 Miller Street  
Pyrmont NSW 2009  
Australia

20 August 2021

Dear Directors

## INDEPENDENT LIMITED ASSURANCE REPORT

### INTRODUCTION

BDO Corporate Finance (East Coast) Pty Ltd (**BDO**) has been engaged by Zoom2u Technologies Limited (**Zoom2u** or the **Company**) to prepare this Independent Limited Assurance Report (**Report**) for inclusion in:

- a prospectus proposed to be issued, in relation to the initial public offering of shares in Zoom2u, in or about September 2021 (**Prospectus**) and listing on the Australian Securities Exchange (**ASX**) (the **Offer**), and
- a supplementary prospectus proposed to be issued, in relation to the Offer on or about 20 August 2021 (**Supplementary Prospectus**).

Unless stated otherwise in this Report, expressions defined in the Prospectus have the same meaning in this Report.

This Report has been prepared for inclusion in the Prospectus and Supplementary Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the financial information to which it relates for any purpose other than that for which it was prepared.

### SCOPE

You have requested BDO to perform a limited assurance engagement in relation to the financial information described below and disclosed in the Prospectus and Supplementary Prospectus.

The financial information is presented in the Prospectus and Supplementary Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards (**AAS**) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (the **Act**).

### STATUTORY HISTORICAL FINANCIAL INFORMATION

You have requested BDO to review the following statutory historical financial information included in the Prospectus and amended by the Supplementary Prospectus:

- The statutory historical consolidated statement of profit or loss for the years ended 30 June 2019 (**FY19**) and 30 June 2020 (**FY20**) and half years ended 31 December 2019 (**1H20**) and 31 December 2020 (**1H21**);
- The statutory historical consolidated statement of cash flows for FY19, FY20, 1H20 and 1H21; and
- The statutory historical consolidated statement of financial position as at 31 December 2020,



together the **Statutory Historical Financial Information**.

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS and the company's adopted accounting policies.

The Statutory Historical Financial Information has been extracted from the financial statements of Zoom2u for the financial periods ended FY19 and FY20 (audited by PKF(NS) Audit & Assurance Limited Partnership (**PKF**)) and half years ended 1H20 and 1H21 (reviewed by BDO Audit Pty Ltd (**BDO Audit**)). The audit and review were performed in accordance with Australian Auditing Standards.

PKF and BDO Audit issued unqualified opinions with respect to the abovementioned financial reports.

### **PRO FORMA HISTORICAL FINANCIAL INFORMATION**

You have requested BDO review the following pro forma historical financial information included in the Prospectus and amended by the Supplementary Prospectus:

- The pro forma historical consolidated statements of profit or loss for FY19, FY20, 1H20 and 1H21;
- The pro forma historical consolidated statements of cash flow for FY19, FY20, 1H20 and 1H21;
- The pro forma historical consolidated statement of financial position as at 31 December 2020; and
- Associated details of the pro forma adjustments,

together the **Pro Forma Historical Financial Information**.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of Zoom2u, after adjusting for the effects of pro forma adjustments described in Section 4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in AAS applied to the Statutory Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 4 of the Prospectus, as if those event(s) or transaction(s) had occurred as at 1 July 2018 (in relation to the pro forma historical consolidated statements of profit or loss and pro forma historical consolidated statements of cash flow) and as at 31 December 2020 (in relation to the pro forma historical consolidated statement of financial position). Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

### **STATUTORY FORECAST FINANCIAL INFORMATION**

You have requested BDO review the following statutory forecast financial information of Zoom2u included in Section 4 of the Prospectus and amended by the Supplementary Prospectus:

- The statutory forecast consolidated statement of profit or loss, for the year ending 30 June 2021 (which comprises the actual 1H21 period and the forecast six month period ending 30 June 2021 (**2H21F**)) (**FY21F**); and
- The statutory forecast consolidated statement of cash flows for FY21F,

together the **Statutory Forecast Financial Information**.

The Statutory Forecast Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS and the company's adopted accounting policies set out in Section 4 of the Prospectus.

The directors' best-estimate assumptions underlying the statutory forecast financial information are described in Section 4 of the Prospectus. Due to its nature, the Statutory Forecast Financial Information does not represent the company's actual prospective comprehensive income and cash flows for the year ending 30 June 2021.

## **PRO FORMA FORECAST FINANCIAL INFORMATION**

You have requested BDO review the following pro forma forecast financial information of Zoom2u included in Section 4 of the Prospectus and amended by the Supplementary Prospectus:

- The pro forma forecast consolidated statement of profit or loss for FY21F; and
- The pro forma forecast consolidated statement of cash flows for FY21F,

together the **Pro Forma Forecast Financial Information**.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information of Zoom2u, after adjusting for the effects of pro forma adjustments described in Section 4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in AAS applied to the Statutory Forecast Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 4 of the Prospectus, as if those event(s) or transaction(s) had occurred as at 1 July 2018.

The Pro Forma Forecast Financial Information is pro forma information only and does not represent Zoom2u's prospective financial performance for the year ending 30 June 2021. Care should be taken when considering and interpreting the Pro Forma Forecast Financial Information as this information does not forecast financial results which are actually expected to occur in the form presented.

## **DIRECTORS' RESPONSIBILITY**

The directors of Zoom2u are responsible for:

- the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information;
- the preparation of the Statutory Forecast Financial Information including the best-estimate assumptions underlying the Statutory Forecast Financial Information.
- the preparation of the Pro Forma Forecast Financial Information, including the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information; and
- Such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Forecast Financial Information (as defined in Section 4 of the Prospectus) that are free from material misstatement, whether due to fraud or error.

## **OUR RESPONSIBILITY**

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that the Historical Financial Information and Forecast Financial Information (as defined in Section 4 of the Prospectus and amended by the Supplementary Prospectus), including the best-estimate assumptions underlying the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information (and the reasonableness of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information themselves), based on the



procedures performed, and the evidence we have obtained, has not been properly compiled in all material respects by Zoom2u, in accordance with the stated basis of preparation.

We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The limited assurance procedures we performed were based on our professional judgement and included consideration of work papers, accounting records and other documents, including those dealing with the derivation of the Historical Financial Information of Zoom2u from its audited financial statements for the years ended FY19 and FY20 and half years ended 1H20 and 1H21 respectively, as well as those dealing with the derivation of the Forecast Financial Information of Zoom2u from management forecasts prepared for the year ending FY21F.

Our limited assurance procedures consist of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with AAS and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

## **CONCLUSION**

### **STATUTORY HISTORICAL FINANCIAL INFORMATION**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information, as described in Section 4 of the Prospectus and amended by the Supplementary Prospectus and comprising:

- The statutory historical consolidated statement of profit or loss FY19, FY20, 1H20 and 1H21;
- The statutory historical consolidated statement of cash flows for FY19, FY20, 1H20 and 1H21; and
- The statutory historical consolidated statement of financial position as at 31 December 2020

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus.

### **PRO FORMA HISTORICAL FINANCIAL INFORMATION**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in Section 4 of the Prospectus and amended by the Supplementary Prospectus, and comprising:

- The pro forma historical consolidated statements of profit or loss for FY19, FY20, 1H20 and 1H21;
- The pro forma historical consolidated statements of cash flow for FY19, FY20, 1H20 and 1H21; and
- The pro forma historical consolidated statement of financial position as at 31 December 2020,

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 4 of the Prospectus.

### **STATUTORY FORECAST FINANCIAL INFORMATION**

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the director's best-estimate assumptions, used in the preparation of the statutory forecast consolidated statement of profit or loss and statutory forecast consolidated statement of cash flow of Zoom2u for the year ending 30 June 2021, do not provide reasonable grounds for the Statutory Forecast Financial Information; and
- in all material respects, the statutory forecast:
  - is not prepared on the basis of the director's best-estimate assumptions as described in Section 4 of the Prospectus;
  - is not presented fairly in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus; and
- the Statutory Forecast Financial Information itself is unreasonable.

#### **PRO FORMA FORECAST FINANCIAL INFORMATION**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the director's best-estimate assumptions, used in the preparation of the pro forma forecast consolidated statement of profit or loss and pro forma forecast consolidated statement of cash flow of Zoom2u for the year ending 30 June 2021, do not provide reasonable grounds for the Pro Forma Forecast Financial Information; and
- in all material respects, the Pro Forma Forecast Financial Information:
  - is not prepared on the basis of the directors' best-estimate assumptions, as described in Section 4 of the Prospectus;
  - is not presented fairly in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus; and
- the Pro Forma Forecast Financial Information itself is unreasonable.

#### **FORECAST FINANCIAL INFORMATION**

The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information have been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of Zoom2u for the year ending 30 June 2021. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the statutory forecast and pro forma forecast since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material.

The directors' best-estimate assumptions for the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Zoom2u. Evidence may be available to support the directors' best-estimate assumptions on which the statutory forecast and pro forma forecast are based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors' best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in Zoom2u, which are detailed in the Prospectus, and the inherent uncertainty relating to the forecast. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Section 4 of the Prospectus. The sensitivity analysis described in Section 4 of the Prospectus demonstrates the impact on the pro forma forecast of changes in key best-estimate assumptions. We express no opinion as to whether the forecast will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of Zoom2u, that all material information concerning the prospects and proposed operations of Zoom2u has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

### **SUBSEQUENT EVENTS**

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no material transaction(s) or event(s) outside of the ordinary business of Zoom2u not described in the Prospectus and the Supplementary Prospectus, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

### **INDEPENDENCE**

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Prospectus other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. From time to time, BDO provides Zoom2u with certain other professional services for which normal professional fees are received.

### **GENERAL ADVICE WARNING**

This Report has been prepared, and included in the Prospectus and the Supplementary Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 4 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus and the Supplementary Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus or the Supplementary Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus or the Supplementary Prospectus.

## FINANCIAL SERVICES GUIDE

Our Financial Services Guide follows this Report. This guide is designed to assist retail clients in their use of any general financial product advice in our Report.

As set out in the financial services guide, this Report provides general information only. It does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

If you require any additional information and/or clarification on any matter please contact us.

Yours faithfully

**BDO Corporate Finance (East Coast) Pty Ltd**

A handwritten signature in black ink, appearing to read 'Daniel Coote', written in a cursive style.

**Daniel Coote**  
Director

## FINANCIAL SERVICES GUIDE

Dated: 20 August 2021

This Financial Services Guide (FSG) helps you decide whether to use any of the financial services offered by BDO Corporate Finance (East Coast) Pty Ltd (BDO Corporate Finance, we, us, our).

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

### FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

### GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

### FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us A\$100,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

### REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

### ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

### COMPLAINTS RESOLUTION

#### Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance, Level 11, 1 Margaret St, Sydney NSW 2001 or by telephone or email, using the contact details at the top of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

#### Referral to External Dispute Resolution Scheme

If a complaint relating to general advice to a retail client is not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of AFCA (Member Number 11843).

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au) or by contacting them directly via the details set out below.

Australian Financial Complaints Authority  
GPO Box 3  
MELBOURNE VIC 3001  
Toll free: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

### COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

### CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - [cf.ecp@bdo.com.au](mailto:cf.ecp@bdo.com.au)

## Prospectus

### Zoom2u Technologies Limited

ACN 636 364 246

For the offer of 40,000,000 Shares at an Offer Price of \$0.20 per Share to raise \$8,000,000 (before costs) (Offer).

### Issuer

Zoom2u Technologies Limited  
(ACN 636 364 246) (**Zoom2u Technologies** or **Company**)

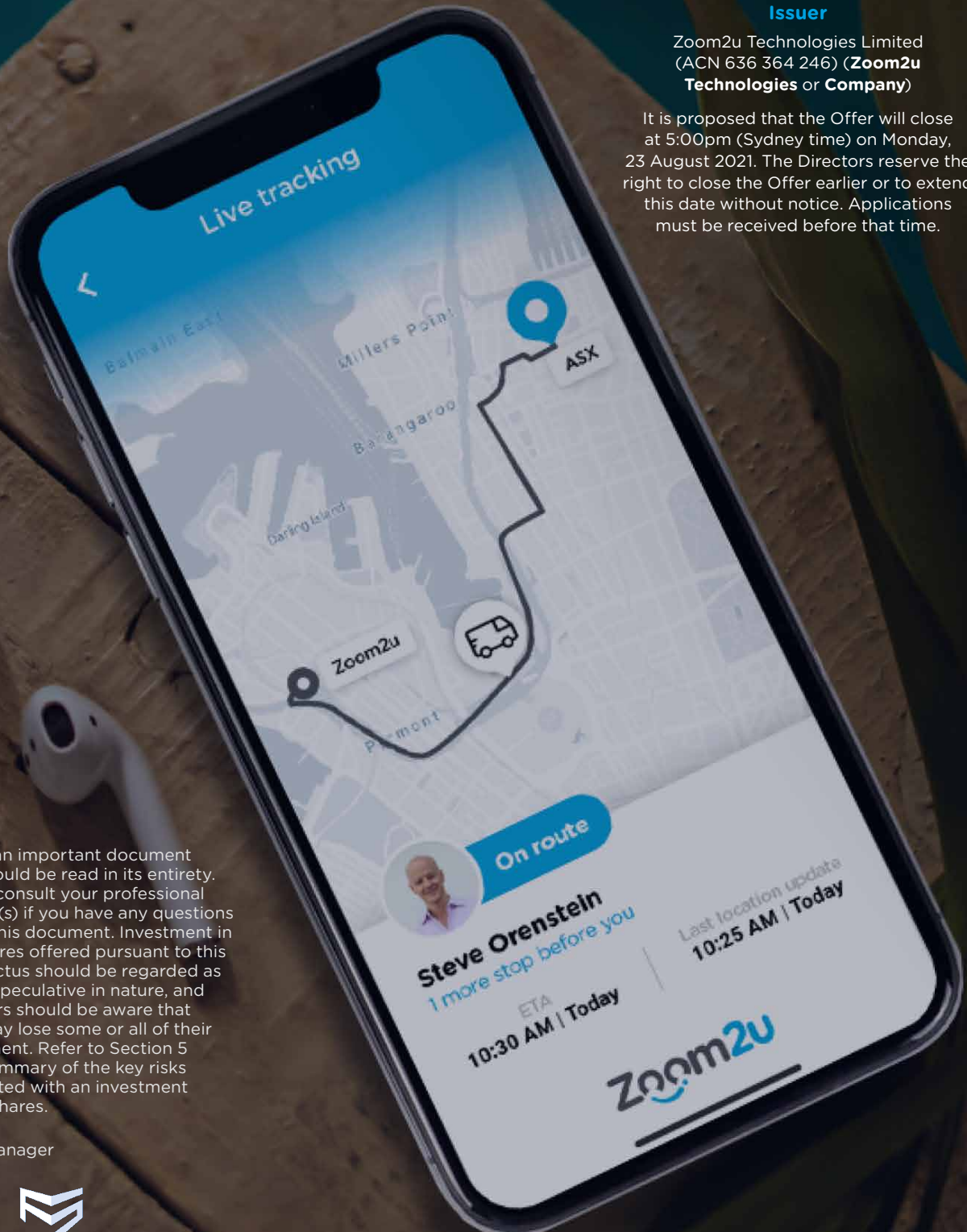
It is proposed that the Offer will close at 5:00pm (Sydney time) on Monday, 23 August 2021. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

This is an important document that should be read in its entirety. Please consult your professional advisor(s) if you have any questions about this document. Investment in the Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 5 for a summary of the key risks associated with an investment in the Shares.

Lead Manager



FOSTER STOCKBROKING



# Important Notices

## Offer

This Prospectus is issued by Zoom2u Technologies Limited (ACN 636 364 246) (**Zoom2u Technologies or Company**) for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Offer contained in this Prospectus is an invitation for you to participate in the initial public offering and apply for fully paid ordinary shares in the Company (**Shares**).

See Section 7 for further information on the Offer, including details of the securities that will be issued under this Prospectus.

## Lodgement and Listing

This Prospectus is dated 2 August 2021 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date (**Prospectus Date**).

An application will be made to the Australian Securities Exchange (**ASX**) within seven (7) days of the date of this Prospectus for admission of the Company to the official list of the ASX and for quotation of its Shares on the ASX. Neither ASIC nor the ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment which this Prospectus relates.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

## Expiry date

This Prospectus expires on the date that is 13 months after the Prospectus Date (**Prospectus Expiry Date**). No Shares will be issued or transferred on the basis of this Prospectus after the Prospectus Expiry Date.

## Note to Applicants

The information contained in this Prospectus is not investment or financial product advice and has been prepared as general information only. This Prospectus does not take into account your personal circumstances, investment objectives, financial situation or any other particular

needs (including financial and tax issues) of any prospective investor.

It is important that you read this Prospectus carefully and in its entirety before deciding whether to invest in the Company. In particular, in considering the prospects of the Company, you should consider the risk factors set out in Section 5 that could affect the financial or operational performance of the Company.

You should carefully consider these risks in light of your investment objectives, financial situation and particular needs (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial advisor or other independent professional advisor before deciding whether to invest in the Shares.

Some of the key risk factors that should be considered by prospective investors are set out in Section 5. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

You should also consider the assumptions underlying the Forecast Financial Information set out in Section 4 and the risk factors set out in Section 5 that could affect the Company's business, financial condition and results of operations.

Except as required by law, and only to the extent required, no person named in this Prospectus, nor any other person, guarantees or warrants the performance of the Company, the repayment of capital by the Company or the payment of a return on the Shares.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is detailed in this Prospectus. Any information or representation not detailed in this Prospectus should not be relied on as having been made or authorised by the Company, the Directors, the Lead Manager or any other person in connection with the Offer. You should rely only on the information in this Prospectus.

## Exposure Period

The Corporations Act prohibits the Company from processing applications to subscribe for, or acquire, Shares offered under this Prospectus (each an **Application**, together the **Applications**) in the seven day period after lodgement of this Prospectus with ASIC (**Exposure Period**). This Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

## Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale or accurately represent the technical aspects of the products. Unless otherwise stated, all data detailed in charts, graphs and tables is based on the information available at the Prospectus Date.

## Disclaimer and forward-looking statements

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company's directors or any other person in connection

with the Offer. You should rely only on information in this Prospectus.

This Prospectus contains forward looking statements which are statements that may be identified by words such as 'may', 'will', 'would', 'should', 'could', 'believes', 'estimates', 'expects', 'intends', 'plans', 'anticipates', 'predicts', 'outlook', 'forecasts', 'guidance' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions and on a number of best estimate assumptions regarding future events and actions that, at the Prospectus Date, are expected to take place.

No person who has made any forward-looking statements in this Prospectus has any intention to update or revise forward looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, other than to the extent required by law.

Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management of the Company. Forward looking statements should therefore be read in conjunction with, and are qualified by reference to, Sections 4 and 5, and other information in this Prospectus. The Company has no intention to update or revise forward looking statements, or to publish prospective financial information in the future regardless of whether new information, future events or any other factors affect the information detailed in this Prospectus, except where required by law. The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Foster Stockbroking Limited (ACN 088 747 148) (**Foster**) has acted as Lead Manager to the Offer and has not authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by any Lead Manager or by any of its affiliates or related bodies corporate (as defined in the Corporations Act) (**Related Bodies Corporate** or **Related Body Corporate**), or any of their respective officers, directors, employees, partners, advisors or agents. To the maximum extent permitted by law, the Lead Manager, its affiliates and Related Bodies Corporate, and any of their respective officers, directors, employees, partners, advisors or agents expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Prospectus other than references to their name and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

#### Statements of past performance

This Prospectus includes information regarding the past performance of the Company. Investors should be aware that past performance should not be relied upon as being indicative of future performance.

#### Financial information presentation

All references to FY19, FY20 and FY21F appearing in this Prospectus are to the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021 respectively, unless otherwise indicated. All references to 1HFY20 and 1HFY21 appearing in this Prospectus are to the half financial years ended 31 December 2020 and 31 December 2021 respectively, unless otherwise indicated.

Financial information presented in relation to FY21F is referred to as forecast financial information on the basis that this information has not been audited and has been prepared solely for inclusion in this Prospectus.

All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. Any discrepancies between totals and sums and components in tables, figures and diagrams contained in this Prospectus are due to rounding.

The Historical Financial Information has been prepared and presented in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) (as adopted by the Australian Accounting Standards Board (**AASB**)), which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

This Prospectus includes forecast financial information based on the best estimate assumptions of the Directors. The basis of preparation and presentation of the forecast financial information to the extent relevant is consistent with the basis of preparation and presentation for the historical financial information. The forecast financial information presented in this Prospectus is unaudited.

Section 4 sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of the Financial Information is set out in Section 4.2. The Financial Information in this Prospectus should be read in conjunction with, and it is qualified by reference to, the information contained in Sections 4 and 5.

#### Third Party Reports

Any statements, data or other contents referenced or attributed to reports by a third party (each a **Third Party Report**) in this Prospectus represent research opinions or viewpoints only of that third party, and are in no way to be construed as statements of fact. While the views, opinions, forecasts and information contained in a Third Party Report are based on information believed by the third party author in good faith to be reliable, that third party author is not able to make any representation or guarantee as to the accuracy or completeness of any information upon



# Important Notices Continued

which a view, opinion or forecast or information contained in any Third Party Report is based. Any views, opinions or predictions contained in a Third Party Report are subject to inherent risks and uncertainties, and third parties do not accept responsibility for actual results or future events.

Any statement made in a Third Party Report is made as at the date of that Third Party Report and any forecasts or expressions of opinion are subject to future change without notice by any respective third party author of such reports. As such, investors are cautioned not to place undue reliance on such information. A third party is not obliged to, and will not, update or revise any content of a Third Party Report, other than where required by law, irrespective of any changes, events, conditions, availability of new information or other factors which may occur subsequent to the date of that Third Party Report. The Third Party Reports do not represent investment advice nor do they provide an opinion regarding the merits of the Offer.

## Obtaining a copy of this Prospectus

This Prospectus is available in electronic form to Australian residents on the offer website, [www.zoom2u.com.au/investors/ipo](http://www.zoom2u.com.au/investors/ipo). The Offer constituted by this Prospectus in electronic form is available only to Australian residents accessing the website within Australia. Copies of this Prospectus are not available to persons in any other jurisdictions, except to Institutional Investors.

A hard copy of the Prospectus is available free of charge during the Offer Period to any person in Australia by calling the Offer Information Line on 1300 288 664 (toll free within Australia) or +61 2 9698 5414 (outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday.

Applications for Shares may only be made on the Application Form attached to, or accompanying, this Prospectus in its hard copy form, or in its soft copy form available online at [www.zoom2u.com.au/investors/ipo](http://www.zoom2u.com.au/investors/ipo),

together with an electronic copy of this Prospectus. By making an Application, you declare that you were given access to the Prospectus, together with an Application Form.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to, or accompanied by, this Prospectus in its paper copy form or the complete and unaltered electronic version of this Prospectus.

## Speculative investment

The Shares offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Shares offered pursuant to the Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 5 for details relating to the key risks applicable to an investment in the Shares.

## Using the Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for the Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker solicitor, accountant or other professional advisor for advice.

## No cooling-off rights

Cooling off rights do not apply to an investment in Shares pursuant to the Offer. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

## No offering where illegal

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, this Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States of America. The Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any state of the United States, and may not be offered or sold in the United States except in transactions exempt from or not subject to the registration requirements of the US Securities Act and any other applicable US securities laws. The Offer is not being extended to any investor outside Australia, other than to certain Institutional Investors as part of the Institutional Offer.

See Section 9.15 for more detail on selling restrictions that apply to the Offer and sale of Shares in jurisdictions outside of Australia.

## Privacy

By completing an Application Form, you are providing personal information to the Company through the Share Registry, which is contracted by the Company to manage Applications.

The Company and the Share Registry on their behalf, may collect, hold and use that personal information to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the Shares you hold) to be included on the Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included on the Share register if you cease to be a Shareholder.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers including those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- the Share Registry for ongoing administration of the Share register;
- the Lead Manager in order to assess your Application;
- printers and other companies for the purposes of preparation and distribution of documents and for handling mail;
- market research companies for the purpose of analysing the Company's shareholder base; and
- legal and accounting firms, auditors, management consultants and other advisors for the purpose of administering, and advising on, the Shares and for associated actions.

The Company's agents and service providers may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

You may request access to your personal information held by or on behalf of the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information.

You can request access to your personal information or obtain further information about the Company's privacy practices by contacting the Share Registry as follows:

Telephone: (outside Australia)  
+61 9698 5414

(toll free within Australia)  
1300 288 664

Address: Level 5, 126 Phillip Street  
Sydney NSW 2000

Postal address: GPO BOX 5193  
SYDNEY NSW 2001

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

#### Contract summaries

Summaries of contracts detailed in this Prospectus are included for the information of prospective investors but do not purport to be complete and are qualified by the text of the contracts themselves.

#### Financial Services Guide

The provider of the Investigating Accountant's Report on the Financial Information is required to provide Australian retail clients with a Financial Services Guide in relation to that review under the Corporations Act. The Investigating Accountant's Report and accompanying Financial Services Guide is provided in Section 8.

#### Intellectual Property

This Prospectus may contain trademarks of third parties, which are the property of their respective owners. Third-party trademarks used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with the Company.

#### Website

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the Company's website, or any other website referred in this Prospectus, is incorporated in this Prospectus by reference.

#### Defined terms and abbreviations

Defined terms and abbreviations used in this Prospectus, unless specified otherwise, have the meaning given in the glossary in Annexure B. Unless otherwise stated or implied, references to times in this Prospectus are to Sydney time.

Unless otherwise stated or implied, references to dates or years are calendar year references.

This document is important and should be read in its entirety.

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# Zoom2u Technologies is 7 years into its journey of building a better customer experience for last mile delivery

**\$5.6B**

Australian Delivery Services Market

**\$6.9B**

Global Last Mile Delivery Software Market

**2019,  
2020, 2021**

Product Review Award Winner

PRODUCT REVIEW  
COM.AU

2019 2020 2021 AWARDS WINNER

**70,000**  
Customers

**8,600**

Drivers

**2M+**

Total Deliveries

**\$11.1M**

FY21F GMV

**69%**

Revenue CAGR  
(FY15 to FY21F)

# Chairman's Letter

## Dear Investor,

On behalf of the Directors, it is my pleasure to offer you the opportunity to become a Shareholder in Zoom2u Technologies Limited (**Company** or **Zoom2u Technologies**), the holding company of the Group.

The Company, through its subsidiaries, has developed intellectual property (**IP**) in a number of technology products, primarily related to delivery services. The IP in these products has the potential to be expanded to other industries and geographies.

The two key operating businesses of the Group are Zoom2u, which has developed the Platform which provides an Australia wide Marketplace that connects customers with local drivers in their area for fast deliveries; and Locate2u, a business that offers customers a Software as a Service (**SaaS**) product for delivery and services businesses to manage bookings, optimise routes, track their team (GPS Tracking) and share their live locations with customers, globally.

The Group is well placed to participate in the strong growth being witnessed in the Australian delivery services market, driven by the increase in e-commerce and the increased outsourcing of delivery services. The global delivery management software market is also growing strongly, driven by the increased automation of delivery management processes route optimisation and vehicle scheduling in order to achieve greater efficiency in delivery operations.

The largest business in the Group, Zoom2u, commenced operations in 2014, and has grown GMV from \$0.4 million in FY15 to \$11.1 million forecast for FY21F, representing a compound annual growth rate of approximately 76% per annum. Locate2u was launched in late 2020 and is still in its early stage of market development. Part of the funds raised from the IPO will be used to scale up sales and marketing efforts for both Zoom2u and Locate2u.

The CEO and Founder, Steve Orenstein, is a technology entrepreneur who has previously built and sold a technology business in the field service industry. He has a passion to improve the efficiency of delivery services through the adoption of technology solutions.

The Offer is seeking to raise \$8 million via the issue of 40,000,000 Shares at an Offer Price of \$0.20 per Share. The net proceeds raised will be primarily deployed towards additional sales & development resources to drive growth for both Zoom2u and Locate2u and to make further investment in marketing Zoom2u and optimising Locate2u's client acquisition model. Please see the detailed use of funds outlined in Section 7.3.

Unless the Board determines otherwise, the Offer will close at 5:00pm (Sydney time) on Monday, 23 August 2021. The Company expects to issue and allot all Shares on Tuesday, 7 September 2021 and if the Company's application for listing is accepted by the ASX, it is anticipated that the Company will be listed on the ASX on Wednesday, 15 September 2021.

This Prospectus contains detailed information about the Offer, the industries in which the Company operates, the Company's businesses and its financial and operating performance.

Key risks associated with an investment in the Company are set out in Section 5. It is important that you read this Prospectus in its entirety before deciding whether to invest in the Company.

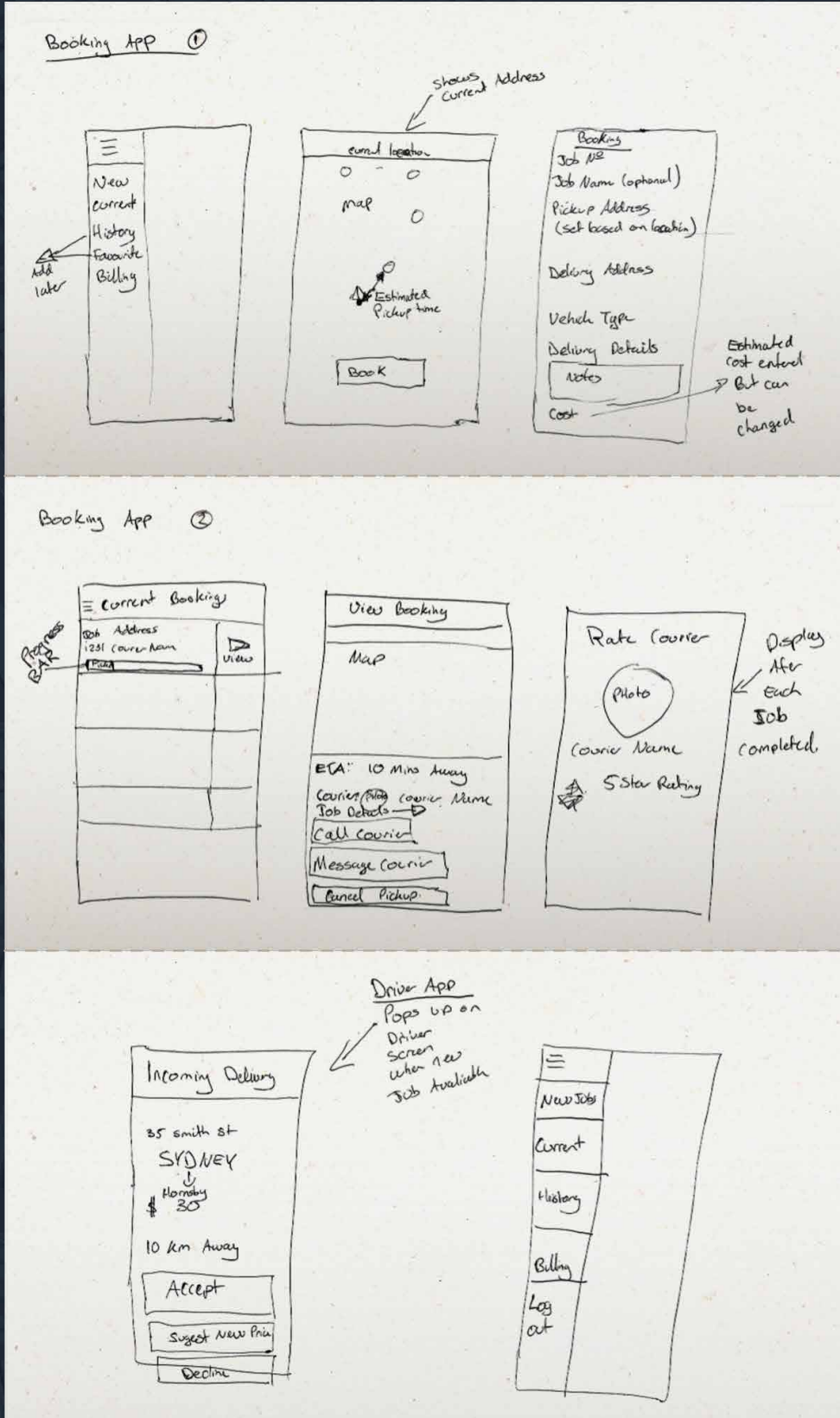
The Directors and management team believe that significant growth opportunities exist for Zoom2u Technologies (as outlined in Section 3.8). We look forward to welcoming you as a Shareholder.

Yours sincerely



**Drew Kelton**  
Chairman

# A solution designed to permanently change customers' delivery expectations



This is an original design drawn by Steve Orenstein, founder and CEO.

# Founder and CEO's Letter

## Dear Investor,

Thank you for considering an investment in Zoom2u Technologies. We are 7 years into our journey of building a better customer experience for last mile delivery. To date we have processed more than 2 million deliveries via the Platform, achieving GMV CAGR of 76% and Revenue CAGR of 69% from FY15 to FY21F. We have also recently launched our global SaaS product, Locate2u.

The idea for Zoom2u came to me while having coffee with a friend. As we sat having coffee, my phone would not stop ringing. I wondered why someone wanted to get hold of me so urgently. When I later listened to my voicemail messages, I worked out that it was from a courier driver. He was frustrated because he had been trying to deliver a parcel to my home, but I wasn't there. It was the 3rd attempt the driver had made to deliver the parcel. I had been waiting on this delivery but had no idea when it was going to arrive and the delivery company could not give me an ETA.

It got me thinking that there must be a better way. I knew there must be a way to use technology to improve the experience for the customer and the driver. With that I got out a piece of paper and drew the design for what would ultimately become what Zoom2u is today.

This journey started with one goal in mind, to improve each customer's delivery experience. We believe the future of delivery will be about speed and transparency. Customers will demand faster and faster deliveries as more customers continue to shop online and Delivery speeds will move from days to hours and then from hours to minutes.

Our technology products help to provide customers with faster deliveries and complete transparency. They remove the frustration of having no transparency or control of your delivery. Whilst deliveries today are made by bikes, cars and vans, in the future they will be made via other technologies like drones and autonomous vehicles. We intend to position ourselves to take advantage of any emerging technologies available to improve the speed and customer experience of deliveries.

As our journey evolves, we will continue to invest in the future of our Marketplace and SaaS product to focus on long term shareholder returns.

Our investment methodology for the future growth of our company is to:

- focus 100% on the customer experience. Consistently questioning what we are doing and making sure it's focused on the best outcome for the customer;
- move at speed, make careful but quick decisions. We will value speed over perfection;
- explore and take advantage of new technologies as they become available;
- spend every dollar like it was our own. We'll continue to run a lean operation; we keep things simple and stay away from becoming too bureaucratic;
- ruthlessly measure our performance by focusing on key business metrics and take actions where necessary to improve these numbers to drive investor returns;
- remain committed to producing shareholder returns over the long term, rather than quick profitability for short term share price gains; and
- share our strategic thinking and plans for the future in a clear and transparent way.

We are building this business to be the future leader of last mile delivery both in Australia and across the globe. We would be delighted to have you join us on this journey.

I look forward to welcoming you as a shareholder of Zoom2u Technologies.



**Steve Orenstein**  
Founder and CEO



# Important Dates

## Important dates

Prospectus lodgement date	Monday, 2 August 2021
Broker Firm and Priority Offer opens	Tuesday, 10 August 2021
Broker Firm and Priority Offer closes	Monday, 23 August 2021
Offer Settlement Date	Monday, 6 September 2021
Issue and allotment of Shares	Tuesday, 7 September 2021
Expected dispatch of holding statements	Wednesday, 8 September 2021
Expected commencement of trading of Shares on ASX on a normal settlement basis	Wednesday, 15 September 2021

## Dates may change

The dates above are indicative only and may change without notice.

The Company, in consultation with the Lead Manager, reserves the right to vary the times and dates of the Offer without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, extend the Offer or to accept late applications, either generally or in particular cases) or to cancel the Offer before Shares are issued by the Company. If the Offer is cancelled before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens. Applications received under the Offer are irrevocable and may not be varied or withdrawn except as required by law.

## How to invest

Applications for Shares under the Offer can only be made by completing and lodging the Application Form. Instructions on how to apply for Shares are set out in Section 7 and on the back of the Application Form.

## Questions

If you have any questions in relation to the Offer, contact the Offer Information Line on 1300 288 664 (toll free within Australia) or +61 9698 5414 (outside Australia) between 8:30am and 5:30pm (Sydney time), Monday to Friday. If you are unclear in relation to any matter, or you are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional advisor before deciding whether to invest.

# Key Offer Statistics

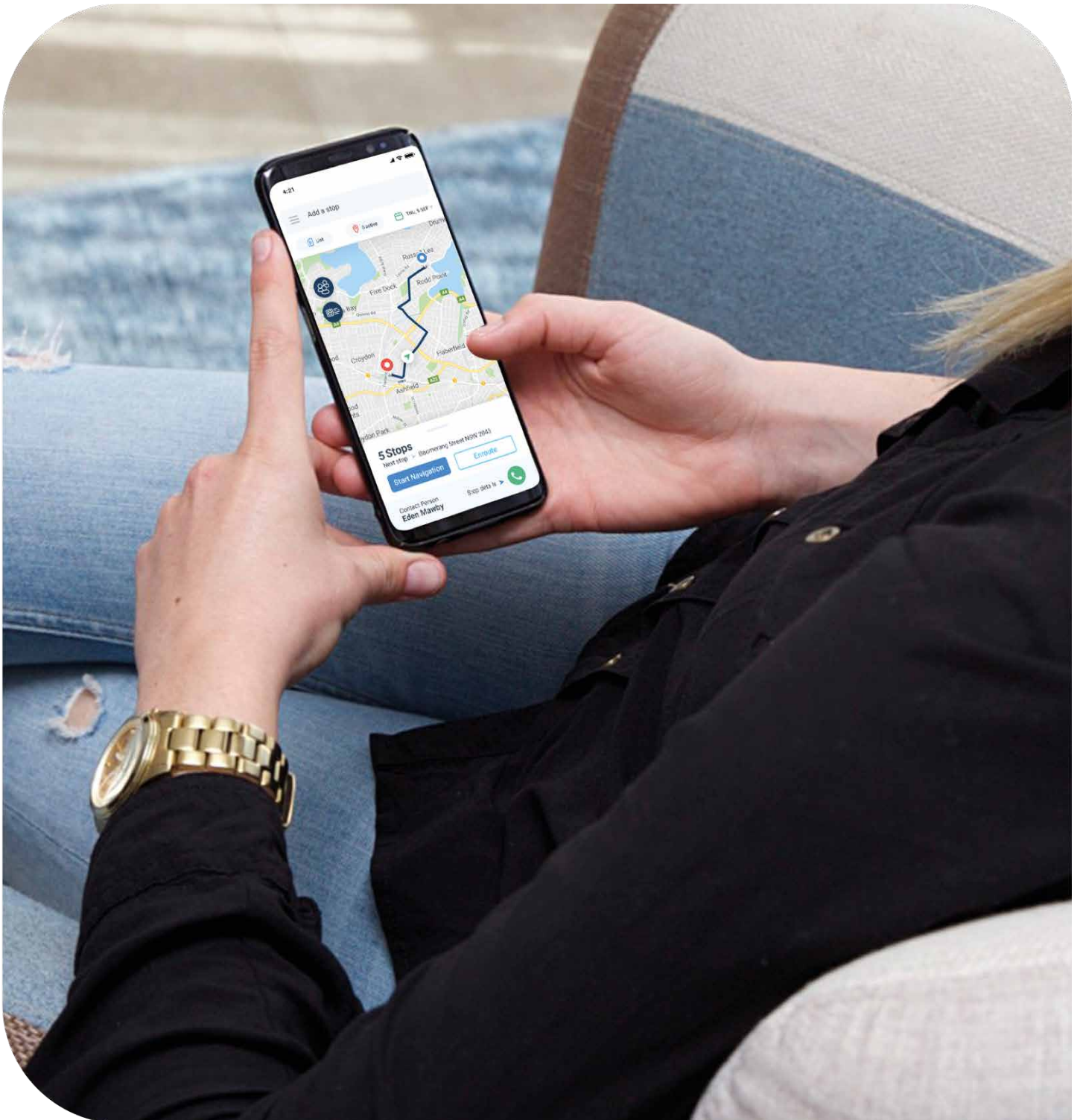
## Key Offer statistics<sup>1</sup>

Offer Price	\$0.20
Gross proceeds from the Offer	\$8.0 million
Total number of Shares available under the Offer	40.0 million
Total number of Shares on issue prior to Listing	133,332,932 <sup>2</sup>
Total number of Shares on issue on Listing	173,332,932
Market capitalisation at the Offer Price	\$34.7 million
Total number of Options to be granted following Listing <sup>3</sup>	23,237,510
Fully diluted issued share capital <sup>4</sup>	196,570,442
Pro forma net cash <sup>5</sup>	\$9.3 million
Enterprise Value <sup>6</sup>	\$25.4 million
Enterprise Value/FY21F GMV <sup>7,8</sup>	2.3x
Enterprise Value/FY21F Revenue <sup>7,9</sup>	9.3x

### Notes:

1. Some figures in this table have been rounded.
2. As at the Prospectus Date, the Company has 116,666,278 Shares on issue and on receipt of conditional approval from ASX to admission to the Official List of the ASX, a further 16,666,654 Shares will be issued upon conversion of the Convertible Notes as described in Section 9.8.
3. As at the date of this Prospectus, there are no options on issue. Immediately following Completion, the Company will grant 21,237,510 ESOP Options to Directors and senior executives pursuant to the ESOP, and 2,000,000 Lead Manager Options to the Lead Manager.
4. Assumes all Options including the Lead Manager Options and ESOP Options are exercised and no other securities are issued.
5. Pro forma net cash as at 31 December 2020 of \$9.3 million is calculated as cash and cash equivalents as at 31 December 2020 of \$0.9 million, the net proceeds from the Pre-IPO raise (\$2.3 million), the proceeds from the Offer (\$8 million) less repayment of borrowings (\$0.4 million), and the cash costs of the Offer (\$1.5 million) which all occurred post 31 December 2020. See Section 4.8 for additional details.
6. Enterprise value is defined as market capitalisation at the Offer Price, less pro forma net cash of \$9.3 million as at 31 December 2020.
7. This table contains Forecast Financial Information and information derived from the Forecast Financial Information. The Forecast Financial Information is based on assumptions and accounting policies set out in Section 4 and Annexure A and is subject to the key risks set out in Section 5. There is no guarantee that the forecasts will be achieved. Certain financial information in this Prospectus is described as pro forma for the reasons described in Section 4. Forecasts have been included in this Prospectus for FY21F.
8. GMV or Gross Marketplace Value represents 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.
9. Revenue is the net revenue for Zoom2u Technologies, being Zoom2u's GMV less payments made to Drivers and carriers other than Drivers plus the revenue generated by Locate2u and 2u Enterprises.

# 1 Investment Overview



# 1 Investment Overview

## 1.1 Company and business overview

Topic	For more information
<p><b>Who is the Company and what does it do?</b></p> <p>The Company is an unlisted Australian public company incorporated in 2019. It is the holding company of the Group and has four wholly-owned subsidiaries:</p> <ul style="list-style-type: none"><li>• Zoom2u, which operates the Platform and the Marketplace;</li><li>• Locate2u, which offers clients a Software as a Service product for delivery and services businesses to manage bookings, optimise routes, track their team (GPS Tracking) and share their live locations with their customers;</li><li>• Locate IP, which employs software developers; and</li><li>• 2u Enterprises, which operates Shred2u and markets ad hoc e-commerce web development services and bespoke distribution operations.</li></ul>	Section 3.1
<p><b>What is the Company's history?</b></p> <p>Zoom2u was founded in 2014 by the CEO, Steve Orenstein. Since launch, Zoom2u has processed more than 2 million Deliveries.</p> <p>In 2019, to complement the Marketplace, the Group commenced development of a SaaS technology product, Locate2u.</p> <p>In 2020, the operations of 2u Enterprises generated its first revenue.</p>	Section 3.1
<p><b>What industry does the Company operate in?</b></p> <p>The Group operates in the delivery services market in Australia, as well as the global market for delivery management software.</p>	Sections 2.3 and 2.4
<p><b>How big is the market size of the industries?</b></p> <p>The delivery services market in Australia was valued at approximately \$5.6 billion in FY20.</p> <p>The global market for delivery management software was valued at \$6.9 billion in 2018.</p>	Sections 2.3 and 2.4
<p><b>Who are the key competitors?</b></p> <p>Competitors to the Marketplace are Amazon Flex, Go People, Sherpa, Uber Connect and Drive Yello.</p> <p>Competitors to Locate2u include Bringg, Circuit, FarEye, GetSwift, Onfleet, OnnaWay, OptimoRoute, ORTEC, Routific, Trimble Maps, Wise Systems.</p>	Sections 2.3.3 and 2.4.3
<p><b>What are the growth strategies of the Company?</b></p> <p>Key growth strategies of the Group are:</p> <ul style="list-style-type: none"><li>• increase its investment in sales and marketing;</li><li>• further product development for the Platform including key integrations with third party applications like Shopify, Square and WooCommerce and to expand Locate2u to other service industries and additional markets with multi language support; and</li><li>• M&amp;A opportunities that may be considered by the Company due to disruption of the business models of many industry participants.</li></ul>	Section 3.8

# 1 Investment Overview Continued

Topic	For more information
<p><b>What are the key strengths of the Company?</b></p> <p>Zoom2u's key strengths are:</p> <ul style="list-style-type: none"> <li>• Zoom2u operates in market with attractive fundamentals;</li> <li>• the Marketplace has a large and diverse set of Customers;</li> <li>• the Marketplace has a large database of Drivers;</li> <li>• Zoom2u has created a network effect;</li> <li>• Zoom2u is scalable;</li> <li>• Zoom2u has won awards;</li> <li>• Zoom2u has continuously developed the Platform; and</li> <li>• Zoom2u has a strong organic search strategy.</li> </ul> <p>Locate2u's key strengths are:</p> <ul style="list-style-type: none"> <li>• Locate2u is targeting a rapidly expanding global market;</li> <li>• Locate2u is a differentiated product;</li> <li>• Locate2u has an experienced team;</li> <li>• Locate2u helps clients meet increased consumers' expectations; and</li> <li>• Product development has always focused on providing a great user experience.</li> </ul>	Section 3.5
<p><b>Impacts of COVID-19</b></p> <p>The initial lockdown restrictions within Australia reduced the Company's revenue in April 2020. This impact was for a short period with Delivery volumes returning to, and exceeding, pre-COVID-19 levels within a number of months.</p> <p>In July 2021 New South Wales and Victoria were impacted by further lockdowns due to the spread of COVID-19. The Company has not experienced a downturn in trade in this period and has experienced increased delivery volumes from a number of key customers.</p>	Section 5.2.15
<p><b>Why is the Offer being conducted?</b></p> <p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> <li>• provide the Company with the financial flexibility and access to capital markets to assist in funding future growth via: <ul style="list-style-type: none"> <li>- investment in sales and marketing resources, including hiring marketing professionals, engaging with marketing agencies, and expanding the Locate2u enterprise sales team; and</li> <li>- investing in resources to enable further product development of the Platform and Locate2u;</li> </ul> </li> <li>• provide a market for the Company's Shares;</li> <li>• meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules to enable the Company to list on the ASX; and</li> <li>• provide the Company with the benefits of increased public profile and brand awareness that arises from being a publicly listed entity.</li> </ul>	Section 7.3

**Topic****For more information****What are the proceeds of the Offer being applied towards?**

Section 7.3

The proceeds of the Offer will be received by the Company and are proposed to be applied as set out in the table below:

<b>Use of funds</b>	<b>Amount</b>	<b>%</b>
Investment in sales & product development resources and providing incentives (including the Phantom Equity Plan) to the team to drive growth for both Zoom2u and Locate2u	\$4,000,000	50%
Investment in marketing to accelerate growth in Zoom2u and optimise Locate2u's customer acquisition model	\$1,300,000	16%
Working capital including additional costs incurred as a listed company	\$1,200,000	15%
Costs of the Offer	\$1,500,000	19%
<b>Total</b>	<b>\$8,000,000</b>	<b>100%</b>

The above table is a statement of current intentions as at the Prospectus Date. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of sales performance, operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

The Company has enough working capital at the time of its admission to carry out its stated objectives.

**What is the Company's business model**

Sections 3.3.3 and 3.4.2

Zoom2u earns revenue on every Delivery in the Marketplace. The amount that will be earned by Zoom2u on each Delivery is comprised of a Booking Fee (if applicable) and a Platform Fee. Zoom2u's revenue is the sum of the Booking Fee and the Platform Fee.

Locate2u generates revenue from clients committing to a monthly subscription with pricing plans based on the features required by the client.

Pricing for Shred2u services is primarily based on the quantity of shredding bags, boxes or bins requested by the customer that require shredding. 2u Enterprises e-commerce web development and management services, can derive revenue from website development, reimbursement of actual storage charges and marketing services provided.

**What is the dividend policy of the Company?**

Section 4.13

The Company intends to reinvest all cash flow into the business in order to maximise its growth. Accordingly, no dividends are expected to be paid in the near-term following the Company's listing on the ASX.

# 1 Investment Overview Continued

## 1.2 Key financial metrics

Topic	For more information			
<b>What is the Company's pro forma historical and forecast financial performance?</b>	Section 4.3.1			
\$ millions	Notes	Pro forma Historical FY19	Pro forma Historical FY20	Pro forma Forecast FY21F
<b>Revenue</b>	1	<b>1.8</b>	<b>2.2</b>	<b>2.7</b>
Cost of sales		(0.1)	(0.1)	(0.1)
<b>Gross profit</b>		<b>1.8</b>	<b>2.2</b>	<b>2.6</b>
Advertising and marketing expense	2	(0.3)	(0.3)	(0.7)
Employee benefits expense	3	(3.7)	(2.5)	(2.8)
General & administration expense	4	(2.3)	(1.5)	(1.4)
<b>Operating expenses</b>		<b>(6.3)</b>	<b>(4.4)</b>	<b>(4.9)</b>
Other income		-	0.0	-
<b>EBITDA</b>		<b>(4.5)</b>	<b>(2.2)</b>	<b>(2.2)</b>
Depreciation and amortisation		(0.2)	(0.0)	(0.0)
<b>EBIT</b>		<b>(4.7)</b>	<b>(2.2)</b>	<b>(2.3)</b>
Net finance costs		-	-	-
<b>Net profit before income tax</b>		<b>(4.7)</b>	<b>(2.2)</b>	<b>(2.3)</b>
Income tax benefit/(expense)	5	-	-	-
<b>Net profit after tax</b>		<b>(4.7)</b>	<b>(2.2)</b>	<b>(2.3)</b>

**Notes:**

- Revenue is the net revenue for Zoom2u Technologies (being the Zoom2u GMV less payments made to Drivers) plus the revenue generated by Locate2u and 2u Enterprises. Locate2u is forecast to generate its first revenue in FY21F (less than \$0.1m), whilst 2u Enterprises generated its first revenue in FY20 (\$0.1m) and is forecast to contribute \$0.3m in FY21F. In Zoom2u Technologies' statutory accounts, revenue is accounted for net of direct costs in relation to merchant fees and customer credit checks.
- Advertising and marketing expense is comprised primarily of online digital advertising, offline advertising, marketing consultants and public relations.
- Employment benefits expenses predominantly comprise salaries and wages for staff and fees paid to Directors, together with associated on-costs including superannuation and annual and long service leave expenses.
- General & administration expense includes office rental, software costs (including 3rd party delivery software), legal and advisory fees, insurances and other office related expenses.
- As at 30 June 2020, entities in the Group had accumulated tax losses in excess of \$8 million. No income tax was paid in FY19 or FY20 and no income tax is expected to be paid in respect of FY21F.



Topic					For more information
<b>What are the Company's pro forma historical and forecast key metrics?</b>					Section 4.3.2
		Pro forma Historical		Pro forma Forecast	
	Notes	FY19	FY20	FY21F	
<b>Key operating metrics</b>					
GMV (\$m)		8.6	9.3	11.1	
GMV growth (% increase YoY)			8%	19%	
Number of Deliveries ('000)	1	403	408	551	
Deliveries growth (% increase YoY)			1%	35%	
Average GMV per Delivery (\$)	2	21.48	22.80	20.16	
Average GMV per Delivery - growth (% increase YoY)			6%	-12%	
Total Headcount (period end)	3	50	38	55	
<b>Key financial metrics</b>					
Revenue (\$m)		1.8	2.2	2.7	
Revenue growth (% increase YoY)			22%	21%	
Gross Profit (\$m)		1.8	2.2	2.6	
Gross Profit growth (% increase YoY)			22%	21%	
Gross Profit Margin		96.6%	96.8%	97.0%	
Take Rate %		21.3%	23.3%	21.6%	
<b>Notes:</b>					
1. Number of Deliveries completed in the financial period.					
2. GMV for the financial period divided by number of Deliveries for the financial period.					
3. Includes employees and contractors as at the end of the financial period.					





# 1 Investment Overview Continued

## 1.3 Investment highlights

Topic	For more information
<p><b>Large addressable markets with favourable trends</b></p> <p>Zoom2u operates in the Australian delivery service market, which was valued at approximately \$5.6 billion in FY20 and which is projected to witness strong growth, particularly driven by the increase in e-commerce and the increased outsourcing of delivery services.</p> <p>Locate2u's SaaS product offering is targeting a market, being the global last mile delivery software market, valued at \$6.9 billion in 2018. As described in Section 2.4.2, this market is expected to grow to \$13.8 billion in 2026 being a CAGR of 9.3% per annum.</p>	<p>Sections 2.3.1 and 2.4.2</p>
<p><b>Zoom2u has created a network effect</b></p> <p>Zoom2u has created a Marketplace which connects Customers to local Drivers in their area for fast delivery. Building a marketplace is challenging, as supply and demand needs to be built simultaneously. As more Customers use the Marketplace it creates a network effect with Deliveries becoming faster and more bookings becoming available for Drivers.</p> <p>The Marketplace has had nearly 70,000 Customers use the Marketplace at least once and a large database of Drivers who have been on-boarded (around 8,600).</p>	<p>Section 3.2.4</p>
<p><b>Zoom2u's GMV mix is moving towards Customers that are spending more</b></p> <p>When launched in 2014, Zoom2u's Customer base was predominantly consumers and SMEs. Over time, the mix of Customers has changed, with enterprise Customers contributing an increasing share of GMV.</p> <p>GMV from Customers providing greater than \$10,000 in annual Customer GMV contributed 57% of FY21F GMV, compared to only 9% in FY15.</p>	<p>Section 3.2.5.3</p>
<p><b>Zoom2u is scalable</b></p> <p>Whilst throughout calendar year 2020 the average daily Deliveries were around 1,800 per day, the Platform successfully processed over 12,000 Deliveries on a particular busy day in December 2020, demonstrating the Platform's capacity to handle high volumes.</p>	<p>Section 3.5.1</p>



Topic	For more information
<p data-bbox="193 483 571 510"><b>Attractive growth opportunity</b></p> <p data-bbox="193 528 1136 555">The Company has grown revenue by 69% per annum between FY15 and FY21F.</p> <p data-bbox="193 573 1099 600">The Company is forecasting strong growth in the following metrics in FY21F:</p> <ul data-bbox="193 618 539 734" style="list-style-type: none"><li data-bbox="193 618 539 645">• Deliveries growing by 35%;</li><li data-bbox="193 663 539 689">• GMV growing by 19%; and</li><li data-bbox="193 707 539 734">• revenue growth of 21%.</li></ul> <p data-bbox="193 752 703 779">The Group's key growth strategies include:</p> <ul data-bbox="193 797 627 913" style="list-style-type: none"><li data-bbox="193 797 627 824">• expanding Sales &amp; Marketing;</li><li data-bbox="193 842 627 869">• further product development; and</li><li data-bbox="193 887 627 913">• undertaking M&amp;A activities.</li></ul> <p data-bbox="193 931 951 958">Details of these key growth strategies are set out in Section 3.8.</p>	<p data-bbox="1259 483 1414 573">Sections 3.2.6.3, 4.3.2 and 3.8</p>
<p data-bbox="193 987 1062 1048"><b>Founder-led business with a strong Board and management team that has deep industry and listed company experience</b></p> <p data-bbox="193 1066 1117 1126">The Company's founder, Steve Orenstein, has a significant shareholding in the Company and is highly focused on the Company's ongoing growth.</p> <p data-bbox="193 1137 1121 1164">The senior management team is highly experienced in their areas of expertise.</p> <p data-bbox="193 1182 1185 1267">The Directors bring to the Board relevant experience and skills, including deep knowledge of the logistics industry and online marketplaces, financial management skills and corporate governance.</p>	<p data-bbox="1259 987 1406 1048">Sections 6.1, 6.2 and 6.3</p>



# 1 Investment Overview Continued

## 1.4 Key risks

Topic	For more information
<p data-bbox="134 539 496 562"><b>Performance of technologies</b></p> <p data-bbox="134 589 1166 1111">The Company is a technology company and operates technology platforms, products and services which underpin its Zoom2u, Locate2u and Shred2u businesses. The Group is therefore heavily reliant on information technology to make its platforms, products and services available to users. The businesses operated by the Group use software created by the Group and software licensed from third parties. The Group's businesses also depend on the performance and reliability of internet, mobile and other infrastructure, which is outside of the Group's control. There is a risk that the Group or third party suppliers may fail to adequately maintain their information technology systems, which may cause disruptions to the Group's platforms, products and services. There is also a risk that systems failures or delays, corruption of databases or other electronic information, power failures, issues with upgrades, technical malfunctions and other disruptions to information technology systems used by the Group, its third party suppliers or its users may cause disruptions to the Group's platforms, products and services or adversely affect user experience with its platforms, products and services and in the Marketplace. This may adversely affect the Group's ability to attract and retain users. This may have a material adverse impact on the Group's reputation, financial performance and growth prospects, particularly if the interruptions continue for a prolonged period of time.</p>	Section 5.2.1
<p data-bbox="134 1144 727 1167"><b>Data breaches and other data security incidents</b></p> <p data-bbox="134 1193 1166 1917">The Group collects a wide range of personal, financial and service usage data and other confidential information from users in the ordinary course of its business, such as contact details and addresses, and stores that data electronically. The Group is also reliant on third party suppliers who may collect information on the users of the Group's platforms, products and services, such as payment details. As an online business, the Group is subject to cyber attacks. The Group and, as far as the Group is aware, those third party suppliers have systems in place to maintain the confidentiality and security of that data and detect and prevent unauthorised access to, or disclosure of, that data. There can be no guarantee that the systems will completely protect against data breaches and other data security incidents. This may be due to the Group or its suppliers not adequately maintaining or securing their systems, or their systems being subject to cyberattacks, viruses, data theft, ransomware attacks, phishing attacks or hacking. As the techniques used to hack or otherwise obtain unauthorised access to data and information frequently change, even if the Group and its suppliers have systems in place to detect such access attempts, their systems may be unable to anticipate and prevent any new hacking techniques. If any data breaches or data security incidents occur, and the Group's data security infrastructure is unable to reduce the impact of such attacks, this could result in a loss of information and system integrity, misappropriation of accessed data including for fraudulent purposes or significant disruptions to the Group's platforms, products and services and the Marketplace, all of which may reduce demand for the Group's services by users. It may also cause the Group to breach privacy and other laws, which may expose the Group to regulatory prosecution or substantial financial penalties. The Group may also incur significant costs to remedy any loss of data. This may have a material adverse impact on the Group's reputation and financial position.</p>	Section 5.2.2



Topic	For more information
<p><b>Material Contracts</b></p> <p>Section 9.4 discloses contracts which the Company considers to be material to the Group's business and operations and therefore financial performance. It is noted that the counterparties to the material contracts referred to in Sections 9.4.1.1, 9.4.1.2 and 9.4.4 are under no obligation to provide a minimum level of business to the Group and therefore any future revenue attributed to those contracts are not guaranteed. The business received from those customers may fluctuate which may have a material adverse impact on the Group's financial position.</p>	Section 5.2.3
<p><b>New technologies</b></p> <p>The Group's success in the future may depend on its ability to continue to identify and deploy the most appropriate new technologies and features in its platforms, products and services. There is a risk that the Group may fail to update its platforms, products and services to adopt new technologies, or that other businesses may develop or adopt new technologies which give them a competitive advantage over the Group's platforms, products and services. This may render the Group's platforms, products and services less competitive. There is a risk that the Group's competitors may be able to replicate existing and new technologies used by the Group in its platforms, products and services at a cheaper cost to users, which may also render the Group's Marketplace less competitive. The Group may need to invest significant time and costs into updating its technology to remain competitive, which may have a material adverse impact on its financial performance. Even if the Group does adopt new technologies or launch new features in its platforms, products and services, there is a risk that users may not perceive any value in those new technologies or features, which may reduce demand for the Group's services by users. This may have a material adverse impact on the Group's financial performance and prospects.</p>	Section 5.2.4



# 1 Investment Overview Continued

Topic	For more information
<b>Changes to laws and regulations</b> <p>The Group operates in a sector where the laws and regulations around its operations are evolving. There is a risk that new laws or regulations may be enacted, or existing laws and regulations may be amended in such a way that impose obligations on the Group. For example, the Group currently treats Drivers that use the Platform as licensees. There is increased scrutiny of the classification of parties who use platform based businesses (which facilitate the provision of services) in the context of providing those services to other parties (<b>Service Provider Users</b>), and the application of labour hire licensing laws to such Service Provider Users. There is a risk that laws or regulations governing the definition or classification of Service Provider Users, or legal decisions regarding classification of the relationship between the Service Provider Users and platform based businesses, could require the Group to classify Drivers as employees or within a new classification of contractors specific to flexible labour platforms, products and services. While, to date, the focus has primarily been on rideshare and food delivery platforms, products and services, there is a risk that changes to laws and regulations, and their interpretation, in response to particular issues in those rideshare or food delivery platforms may be applied unilaterally to all flexible labour platforms, including the Platform. There is a risk that in the future regulators may consider the Group's marketplace to require the same regulation as other rideshare or food delivery platforms. If this were to occur, the Group may have additional responsibilities to Drivers under workplace health and safety laws, workers compensation laws and in respect of other matters such as the application of payroll tax and superannuation laws. The Group is also subject to privacy, data and taxation laws and regulations, which are also evolving. If any laws or regulations are adopted which are more stringent than the laws and regulations currently applying to the Group's platform, products and services, the Group may need to invest significant time and costs into complying with those laws and updating the platforms, products and services. If the Group is found to be non-compliant with any such laws, the Group may also be subject to prosecution by regulators or be required to pay penalties, the cost of which may be significant. Depending on the significance of the changes to the laws and regulations applying to the Group, the Group may even need to fundamentally change its business model. There is also a risk that laws and regulations may change in some jurisdictions in which the Group operates but not others. Depending on the significance of the changes, the Group may need to fundamentally change its business model in those jurisdictions affected by the changes or may determine to cease operations in those jurisdictions. This may have a material adverse impact on the Group's ongoing operations, financial performance and growth prospects.</p>	Section 5.2.5
<b>Tax risks</b> <p>Tax laws in Australia are complex and are subject to change periodically, as is their interpretation by the courts and the tax revenue authorities. Significant reforms and current proposals for further reforms to Australia's tax laws, as well as new and evolving interpretations of existing laws, give rise to uncertainty. The precise scope of many of the new and proposed tax laws is not yet known. Any change to the taxation of shares (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax and the Group's ability to claim research and development offsets) may adversely impact on Shareholder returns, as may a change to the tax payable by Shareholders in general. Any other changes to Australian tax law and practice that impact the Group, or the Group's industry generally, could also have an adverse effect on Shareholder returns. Any past or future interpretation of the taxation laws by the Group which is contrary to that of a revenue authority may give rise to additional tax payable.</p>	Section 5.2.6

Topic	For more information
<p><b>Locate2u growth prospects</b></p> <p>Locate2u is an early stage business and as such its future success and profitability depends on accelerated growth and an expansion plan to achieve the objective of obtaining a large client footprint (both domestic and globally) for its product offering. The growth and expansion prospects are dependent on a number of factors including client acquisition and retention, success of marketing and sales campaigns and execution of the rollout of its product offering. The Group has invested, and proposes to continue to invest, in the scale-up of Locate2u's operations and if any growth and expansion plans are not successful or the Group cannot attract additional clients, its financial performance may be negatively affected.</p>	Section 5.2.7
<p><b>Locate2u compliance with laws and regulations</b></p> <p>As noted in Section 3.3.2.1, Locate2u sells its products globally and has clients in Australia, United States of America, South Korea, the United Arab Emirates and New Zealand. Given the commercially immaterial stage of operations in those jurisdictions at this time, a comprehensive analysis of all legal factors which may be relevant to Locate2u's overseas sales has not yet been conducted. There is a risk that a breach of applicable regulatory rules may be discovered which could result in penalties being incurred for any breach of such requirements and additional requirements may also be imposed by such regulatory rules as to the manner of the conduct of business in these jurisdictions which may result in material additional costs to the Group or may make the sale of Locate2u's products in certain of these overseas markets not commercially viable.</p>	Section 5.2.8
<p><b>Growth and profitability of Zoom2u dependent on active community</b></p> <p>Zoom2u is not reliant on any one Customer or Driver, or a concentration of a few Customers or Drivers. However, the success of Zoom2u's business and its ability to grow relies on its ability to attract new users to, and retain existing users in, the Marketplace. Zoom2u's ability to attract and retain users may be affected by a number of factors, including, without limitation, the functionality of the Marketplace, Zoom2u's pricing model, user support provided by Zoom2u and Zoom2u's competitive position in the market. If users are not satisfied with any of these factors or the Marketplace generally, they may cease to use the Marketplace. If Zoom2u is unable to attract a sufficient supply of Drivers to perform Deliveries demanded by Customers, it may be unable to attract Customers to its Marketplace. Conversely, if Zoom2u is unable to attract sufficient demand from Customers, Drivers may use different avenues to source the level of work which they wish to undertake. There is also a risk that Customers and Drivers may, after connecting through the Marketplace, deal directly with one another to avoid paying Zoom2u any fees. There is no guarantee that Zoom2u will retain existing users or attract new users to the Marketplace. If Zoom2u is unable to retain existing users or attract new users, this may have a material adverse impact on Zoom2u's operations, financial performance and growth prospects.</p>	Section 5.2.9

# 1 Investment Overview Continued

Topic	For more information
<p><b>Liability and reputational damage of Zoom2u</b></p> <p>There is a risk that Drivers may not perform Deliveries to the standards expected by Customers. While Zoom2u requires Customers and Drivers to enter into contracts directly with one another, and disclaims all liability for all aspects of the Customer and Driver interaction, including the performance of services by the Driver, there is a risk that Customers may still take action against the Group or seek to hold the Group liable for the actions of Drivers. There is a risk that the Group's reputation may be adversely impacted by sub-standard performance by Drivers, negative user experiences in the Marketplace, user complaints or other adverse events which involve the Platform or Marketplace. Users may also feel aggrieved if they are unable to hold the Group liable for the actions of Drivers. Any negative impact on the Group's reputation may adversely influence user sentiment towards the Group and willingness to use the Marketplace. This may have a material adverse impact on the Group's future prospects.</p> <p>There is also a risk that the Zoom2u's users may use the Marketplace to engage in criminal or other dangerous activities which result in injuries, property damage or other liabilities. If users use the Marketplace to engage in criminal or other dangerous activities, Zoom2u may receive negative publicity which may have an adverse impact on its brand and reputation. Zoom2u may be subject to claims for liabilities based on such incidents, injuries and damages caused by users while using the Marketplace. Zoom2u may incur significant costs in investigating and defending any such liability claims. This may have a material adverse impact on the Group's reputation, financial position and prospects.</p>	Section 5.2.10
<p><b>Growth Strategies</b></p> <p>The Platform and the Marketplace has been operational since 2014. The Group's future success and growth prospects are dependent on continued, and increased, use of its Platform and Marketplace in the jurisdictions in which it operates from time to time and the rollout of additional ancillary product offerings which utilise the core technology underscoring the Platform such as Locate2u and Shred2u. The Group's historical growth rates may not be indicative of future growth. The success of the Group's expansion plans (including the growth of Locate2u) may be affected by a number of factors, including, without limitation, existing incumbent competitors, the timing for and rate of uptake of the Group's products and service offerings, differing consumer demands and sentiments, differing regulatory requirements, the ability to enforce intellectual property rights, exchange rate fluctuations and differing tax treatments in any jurisdictions where the Group has operations. The Group may have to expend significant resources, such as costs and time, to establish operations, and market itself and develop its presence in those jurisdictions. There is no guarantee that the Group will attract or retain sufficient users of the Group's platforms, products and services in those jurisdictions, or that the Group will generate profits in those jurisdictions. If any of these risks arise, this may have a material adverse impact on the Group's financial performance, reputation and growth prospects. Even if the Group does achieve its growth strategies, there is a risk that growth may place a significant strain on the Group's operations, systems, staff and/or financial resources. If the Group is unable to manage its growth effectively, or upgrade its systems to support growth, this could result in disruptions to the Group's platforms, products, services and marketplace and have a material adverse impact on its operations and reputation.</p>	Section 5.2.11

Topic	For more information
<p data-bbox="193 483 411 510"><b>Customer growth</b></p> <p data-bbox="193 528 1219 730">The Group’s revenue and the success of its growth initiatives depend upon attracting new customers and retaining customers (both businesses and consumers) to the Platform, products and services. Various factors can affect conversion. A decline in traffic using the Platform, or the rate of customer conversion in each of the businesses could adversely impact the Group’s ability to achieve its stated objectives and could have a materially adverse impact on the Business, financial performance and/or operations of the Group.</p>	Section 5.2.12
<p data-bbox="193 763 371 790"><b>Key personnel</b></p> <p data-bbox="193 808 1203 981">Given the competitive environment in which the Group operates, there is an ongoing requirement to continuously improve the Group’s platforms, products and services to ensure that it remains innovative and relevant to the market and is not superseded by the offerings of its competitors. The Group’s ability to ensure that the Group’s platforms, products and services are continually improving relies on the expertise of its skilled workforce, particularly its executive and technology team.</p> <p data-bbox="193 999 1211 1200">The departure of key personnel, or a shortage of skilled staff with adequate expertise, could adversely affect the Group’s business and/or its future ability to pursue its growth strategies, as under-resourcing can cause development delays and reduce the speed at which the Group is able to deliver new features or enhancements to the market. Further, there is a risk that the Group is unable to develop new products or initiatives to target identified market opportunities, as a result of a constrained resource pool.</p> <p data-bbox="193 1218 1227 1420">In addition, the Group’s ability to retain key personnel, including the management team, is affected by the Group’s capacity to maintain competitive remuneration packages. The loss of personnel may also impose significant costs to the Group in the form of loss of investment in employee training, possible loss of proprietary knowledge to competitors and recruitment and employee commencement costs, each of which may have an adverse impact on the Group’s operations, financial performance and/or growth.</p>	Section 5.2.13
<p data-bbox="193 1458 544 1485"><b>Forward looking statements</b></p> <p data-bbox="193 1503 1190 1671">The forward looking statements, opinions and estimates provided in this Prospectus rely on various contingencies and assumptions, some of which are described in Section 4. Various factors, both known and unknown, may impact upon the performance of the Group and cause its actual performance to vary significantly from expected results. There can be no guarantee that the Group will achieve its stated objectives or that any forward looking statement or forecast will eventuate.</p>	Section 5.2.14



# 1 Investment Overview Continued

Topic	For more information
<p data-bbox="129 479 256 510"><b>COVID-19</b></p> <p data-bbox="129 524 1166 730">The ongoing COVID-19 pandemic has had a significant impact on the Australian and global economy and the ability of individuals, businesses, and governments to operate. Across Australia and the world, travel, trade, business, working arrangements and consumption have been materially impacted by the pandemic. In addition, events relating to COVID-19 have resulted in significant volatility across financial, commodity and other markets, including in the prices of securities trading on the ASX and on other foreign securities exchanges.</p> <p data-bbox="129 743 1145 1099">There is a risk that government or industry measures taken in response to COVID-19, such as lockdowns and other restrictions on movements, may restrict the ability of users of the Marketplace to provide or receive services through the Marketplace and otherwise reduce demand for the Groups products and services. There is a risk that existing and further lockdowns and restrictions on movements may adversely impact the level of services sought and performed through the Marketplace, and existing and new customer usage of the Group's products and services which may impact the Group's revenue. There is also a risk that users may be unable to provide or receive services through the Marketplace for a period of time if they contract COVID-19 or are quarantined or there are significant delays at the Customer end due to COVID-19 related supply issues. These risks may have a material adverse impact on the Group's operations, financial performance and growth prospects.</p> <p data-bbox="129 1113 1126 1200">The initial lockdown restrictions within Australia reduced the Company's revenue in April 2020. This impact was for a short period with delivery volumes returning to, and exceeding, pre-COVID-19 levels within a number of months.</p> <p data-bbox="129 1214 1126 1330">In July 2021 New South Wales and Victoria were impacted by further lockdowns due to the spread of COVID-19. The Company has not experienced a downturn in trade in this period and has experienced increased delivery volumes from a number of key customers.</p>	Section 5.2.15
<p data-bbox="129 1359 746 1391"><b>Challenges in expanding cross-border operations</b></p> <p data-bbox="129 1404 1166 1760">As Locate2u plans to continue expanding its cross-border operations into existing and new markets, there is a risk that the Group may face challenges (including legal or regulatory) in which it has limited or no experience in dealing with. The Group may be unable to anticipate competitive conditions or could face other difficulties in attracting a sufficient number of clients in those new markets. The expansion of Locate2u will also expose it to risks relating to managing cross-border operations, including but not limited to, staffing, increased costs to protect intellectual property, differing and potentially adverse tax consequences, increased and conflicting regulatory compliance requirements, challenges caused due to distance, language and cultural differences, exchange rate risk and political instability. Accordingly, any efforts the Group makes to expand Locate2u's operations may not be successful, and in turn, this may materially affect the Group's operations and financial performance.</p>	Section 5.2.16

Topic	For more information
<p data-bbox="193 483 616 510"><b>Foreign exchange rate fluctuation</b></p> <p data-bbox="193 528 1214 645">As Locate2u operates in different jurisdictions, the revenues of Locate2u are collected in different currencies. While the revenues of Locate2u are not material as at the Prospectus Date, moving forward, the operations of Locate2u will expose the Group to fluctuations in exchange rates, which is beyond the Group's control.</p> <p data-bbox="193 663 1118 689">This could adversely impact the profitability of the Group's foreign operations.</p>	Section 5.2.17
<p data-bbox="193 723 549 750"><b>Litigation and investigations</b></p> <p data-bbox="193 768 1214 940">While the Group is not presently party to any material litigation, disputes or regulatory investigations, it is possible that it may become involved in material litigation, disputes or regulatory investigations from time to time. While the extent of any possible material litigation, disputes or regulatory investigations cannot be ascertained at this time, it is possible that such litigation, disputes or regulatory investigations may be costly and have a material adverse impact on the Group's financial position.</p>	Section 5.2.18
<p data-bbox="193 974 754 1001"><b>Fraud perpetrated and fictitious transactions</b></p> <p data-bbox="193 1019 1214 1283">Zoom2u may face risks with respect to fraudulent activities on the Platform. Historically, Zoom2u experienced credit card frauds where Customers used credit cards with insufficient credit or stolen cards to make bookings on the Platform resulting in failures to collect fees for Deliveries in respect of these bookings. Although Zoom2u has implemented a number of changes to its system, which has dramatically reduced the number of credit card frauds, there are still risks that fraudulent transactions are not picked up by automated fraud controls, or that controls are circumvented. Any such failure may result in damage to Zoom2u's reputation and have a material adverse impact on Zoom2u's business and financial performance.</p>	Section 5.2.19
<p data-bbox="193 1317 600 1344"><b>Reliance on third party suppliers</b></p> <p data-bbox="193 1361 1214 1709">The Group relies on the services provided by third party suppliers, such as software providers and payment providers. The Group has limited influence over these third parties and these services are largely provided on the supplier's standard terms and as such are generally more favourable to the supplier. Many of these services can be terminated on short or no notice and the terms of service contain minimal or no service warranties, service suspension rights and disclaimers and limitations on the supplier's liability. Any system or service failure could adversely affect the Group's business, impact revenue generated, affect the customer experience, reduce the attractiveness of the Group to customers and drivers and therefore limit future Deliveries completed via the Platform and usage of Locate2u's product. Third party software and payment providers may update or terminate their platforms and services which may disrupt or render useless existing integrations.</p>	Section 5.2.21

# 1 Investment Overview Continued

Topic	For more information
<p data-bbox="135 483 560 510"><b>Protection of intellectual property</b></p> <p data-bbox="135 528 1173 584">The successful operation and growth of the Group’s business depends partly on its ability to protect its intellectual property, as well as the Group’s confidential information.</p> <p data-bbox="135 602 1153 831">The Group has historically used a variety of legal measures (for example, intellectual property assignment and confidentiality agreements) and technological measures (for example, software development, data encryption, access controls, and staff training and awareness) to protect its intellectual property. However, there is a risk that these measures may not be adequate to prevent unauthorised use of, or access to, the Group’s technology, software, data and confidential information. There is also a risk that the validity, ownership or authorised use of the Group’s intellectual property may be successfully challenged by third parties.</p> <p data-bbox="135 848 1153 965">As at the Prospectus Date, the Group only owns one registered trade mark, being “ZOOM2U”. It has filed several new trade mark applications for “LOCATE2U”, logos of Zoom2u, Locate2u and the Group, but as at the Prospectus Date it has not received confirmation of these registrations.</p> <p data-bbox="135 983 1166 1099">A breach of the Group intellectual property may result in the need to commence legal action, including infringement proceedings, which could be costly and time consuming. A failure or inability by the Group to protect its intellectual property rights could have an adverse impact on its business, operations and financial performance.</p>	Section 5.2.22
<p data-bbox="135 1133 288 1160"><b>Competition</b></p> <p data-bbox="135 1178 1166 1406">Both Zoom2u and Locate2u face competition from other players in their respective markets. There is a risk that existing competitors or new entrants in these markets may increase the competitive landscape and in turn, erode the Group’s revenue and market share. Existing competitors and new entrants in these markets may engage in strategic partnerships or acquisitions, develop superior products and/or technology, increase marketing activity and/or offer more competitive pricing. If the Group is unable to compete successfully against existing or new competitors, its business and financial performance could be harmed.</p>	Section 5.2.23

## 1.5 Directors and senior management

Topic	For more information
<p data-bbox="193 539 639 568"><b>Who are Directors of the Company?</b></p> <p data-bbox="193 589 572 618">The Board currently consists of:</p> <ul data-bbox="193 633 786 792" style="list-style-type: none"><li data-bbox="193 633 679 663">• Drew Kelton, Non-Executive Chairman;</li><li data-bbox="193 678 756 707">• Steve Orenstein, CEO and Executive Director;</li><li data-bbox="193 723 786 752">• Michael Gayst, CFO and Executive Director; and</li><li data-bbox="193 768 716 797">• Mike Rosenbaum, Non-Executive Director.</li></ul> <p data-bbox="193 813 1241 954">The Board intends to appoint an additional Non-Executive Director after Listing to complement the existing skills of the Board. As of the Prospectus Date, no such Director has been identified by the Company. If and when an appointment is confirmed, such appointment will be put to Shareholders for ratification at the next annual general meeting following the appointment.</p>	Section 6.1
<p data-bbox="193 987 962 1016"><b>Who are the members of the Company’s senior management?</b></p> <p data-bbox="193 1037 842 1066">The Company is led by the following senior executives:</p> <ul data-bbox="193 1081 810 1283" style="list-style-type: none"><li data-bbox="193 1081 480 1111">• Steve Orenstein, CEO;</li><li data-bbox="193 1126 456 1155">• Michael Gayst, CFO;</li><li data-bbox="193 1171 719 1200">• Chris Anderson, Chief Technology Officer;</li><li data-bbox="193 1216 810 1245">• Peter Stephens, General Manager of Zoom2u; and</li><li data-bbox="193 1261 600 1290">• Jade Rose, Operations Manager.</li></ul>	Section 6.2
<p data-bbox="193 1317 1066 1346"><b>What corporate governance policies does the Company have in place?</b></p> <p data-bbox="193 1366 1121 1417">A summary of the corporate governance policies and charters adopted by the Company is set out in Sections 6.9 and 6.10.</p>	Sections 6.9 and 6.10

# 1 Investment Overview Continued

## 1.6 Significant interests of key people and related party transactions

Topic							For more information																																																																													
<p><b>Who are the Shareholders and what will their interest in the Company be at Completion?</b></p> <p>The details of the ownership of Shares as at the Prospectus Date and on Completion, are set out in the table below<sup>1</sup>.</p> <table border="1"> <thead> <tr> <th rowspan="2">Shareholders</th> <th colspan="2">As at the Prospectus Date</th> <th colspan="2">On Completion on an undiluted basis<sup>2</sup></th> <th colspan="2">On Completion on a fully diluted basis<sup>5</sup></th> </tr> <tr> <th>Number of Shares</th> <th>%</th> <th>Number of Shares</th> <th>%</th> <th>Number of Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Steve Orenstein via his controlled entities</td> <td>44,484,640<sup>4</sup></td> <td>38.13%</td> <td>44,917,973<sup>5</sup></td> <td>25.91%</td> <td>50,844,720<sup>6</sup></td> <td>25.87%</td> </tr> <tr> <td>Paul and Mary Orenstein ATF Orenstein Superannuation Fund</td> <td>11,549,280</td> <td>9.90%</td> <td>11,549,280</td> <td>6.66%</td> <td>11,549,280</td> <td>5.88%</td> </tr> <tr> <td>Funds managed by Perennial</td> <td>10,460,349<sup>7</sup></td> <td>8.97%</td> <td>13,127,015<sup>8</sup></td> <td>7.57%</td> <td>13,127,015</td> <td>6.68%</td> </tr> <tr> <td>Anthony Klok and Kerry Ryan ATF Klok Ryan Family Superannuation Fund<sup>9</sup></td> <td>7,818,653</td> <td>6.70%</td> <td>7,818,653</td> <td>4.51%</td> <td>7,818,653</td> <td>3.98%</td> </tr> <tr> <td>Aavasan Pty Ltd (ACN 078 023 846)</td> <td>6,188,153</td> <td>5.30%</td> <td>6,188,153</td> <td>3.57%</td> <td>6,188,153</td> <td>3.15%</td> </tr> <tr> <td>Other Existing Shareholders</td> <td>36,165,203</td> <td>31.00%</td> <td>36,165,203</td> <td>20.86%</td> <td>36,165,203</td> <td>18.40%</td> </tr> <tr> <td>Other Noteholders<sup>10</sup></td> <td>-</td> <td></td> <td>13,566,655</td> <td>7.83%</td> <td>13,566,655</td> <td>6.90%</td> </tr> <tr> <td>IPO Shareholders</td> <td>-</td> <td></td> <td>40,000,000</td> <td>23.08%</td> <td>40,000,000</td> <td>20.35%</td> </tr> <tr> <td>Holder of the ESOP Options and the Lead Manager Options other than Steve Orenstein and his controlled entities</td> <td>-</td> <td></td> <td>-</td> <td></td> <td>17,310,763</td> <td>8.81%</td> </tr> <tr> <td><b>Total</b></td> <td><b>116,666,278</b></td> <td><b>100.00%</b></td> <td><b>173,332,932</b></td> <td><b>100.00%</b></td> <td><b>196,570,442</b></td> <td><b>100.00%</b></td> </tr> </tbody> </table>	Shareholders	As at the Prospectus Date		On Completion on an undiluted basis <sup>2</sup>		On Completion on a fully diluted basis <sup>5</sup>		Number of Shares	%	Number of Shares	%	Number of Shares	%	Steve Orenstein via his controlled entities	44,484,640 <sup>4</sup>	38.13%	44,917,973 <sup>5</sup>	25.91%	50,844,720 <sup>6</sup>	25.87%	Paul and Mary Orenstein ATF Orenstein Superannuation Fund	11,549,280	9.90%	11,549,280	6.66%	11,549,280	5.88%	Funds managed by Perennial	10,460,349 <sup>7</sup>	8.97%	13,127,015 <sup>8</sup>	7.57%	13,127,015	6.68%	Anthony Klok and Kerry Ryan ATF Klok Ryan Family Superannuation Fund <sup>9</sup>	7,818,653	6.70%	7,818,653	4.51%	7,818,653	3.98%	Aavasan Pty Ltd (ACN 078 023 846)	6,188,153	5.30%	6,188,153	3.57%	6,188,153	3.15%	Other Existing Shareholders	36,165,203	31.00%	36,165,203	20.86%	36,165,203	18.40%	Other Noteholders <sup>10</sup>	-		13,566,655	7.83%	13,566,655	6.90%	IPO Shareholders	-		40,000,000	23.08%	40,000,000	20.35%	Holder of the ESOP Options and the Lead Manager Options other than Steve Orenstein and his controlled entities	-		-		17,310,763	8.81%	<b>Total</b>	<b>116,666,278</b>	<b>100.00%</b>	<b>173,332,932</b>	<b>100.00%</b>	<b>196,570,442</b>	<b>100.00%</b>	<p>Section 7.4</p>
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<p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>All Existing Shareholders and Noteholders are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the Existing Shareholders or Noteholders may acquire under the Offer.</li> <li>As at the Prospectus Date, the Company has 116,666,278 Shares on issue and on receipt of conditional approval from ASX to admission to the Official List of the ASX, a further 16,666,654 Shares will be issued upon conversion of the Convertible Notes as described in Section 9.8.</li> <li>The fully diluted calculation assumes that all ESOP Options and Lead Manager Options are exercised.</li> <li>These Shares include: <ul style="list-style-type: none"> <li>44,471,770 Shares currently held indirectly by Steve via his controlled entity, S.M.O. Funds Pty Limited (ACN 142 982 198) ATF the SMO Funds Trust;</li> <li>12,870 Shares currently held by Gemlode Pty Limited (ACN 159 238 267) ATF Gemlode Trust, which is an entity indirectly controlled by Steve.</li> </ul> </li> <li>This includes 433,333 Shares to be issued to SMO SMSF Pty Ltd ATF SMO Superannuation Fund, which is an entity controlled by Steve, upon conversion of its Convertible Notes.</li> </ol>																																																																																				

**Topic****For more information****Who are the Shareholders and what will their interest in the Company be at Completion?** *continued*

Section 7.4

6. These Shares include 5,926,747 Shares to be issued to Steve Orenstein upon exercising the ESOP Options held by him.
7. These are Shares held by BNP Paribas Nominees Pty Limited (ABN 54 084 150 023) as nominee for BNP Paribas Securities Services (ARBN 149 440 291) as custodian for SCS Super Pty Limited as trustee for Australian Catholic Super and Retirement Fund, which is a fund managed by Perennial.
8. These Shares include 2,666,666 Shares to be issued to Mainstream Fund Services Pty Limited as custodian for Perennial Private to Public Opportunities Fund No. 3 Foundation Class upon conversion of the Convertible Notes held by Perennial Private to Public Opportunities Fund No. 3 Foundation Class, which is also a fund managed by Perennial.
9. Anthony Klok and Kerry Ryan ATF Klok Ryan Family Superannuation Fund is an entity controlled by, Anthony Klok, who was the Non-Executive Chairman in the last six months prior to the Prospectus Date and hence a related party of the Company.
10. This means Noteholders other than SMO SMSF Pty Ltd ATF SMO Superannuation Fund and Perennial Private to Public Opportunities Fund No. 3 Foundation Class.

**What interests do the Director have in Securities of the Company?**

Section 6.3.2.2

On Completion of the Offer, the Directors' relevant interests in Shares and Options are expected to be as follows:

Name	Shares held on Completion	Shareholding on an undiluted basis	ESOP Options
Steve Orenstein	44,917,973 <sup>1</sup>	25.91%	5,926,747
Michael Gayst	663,320 <sup>2</sup>	0.38%	4,938,956
Drew Kelton	Nil	N/A	1,975,582
Mike Rosenbaum	473,229 <sup>3</sup>	0.31%	987,791

**Notes:**

1. These Shares include:
  - 44,471,770 Shares currently held indirectly by Steve via his controlled entity, S.M.O. Funds Pty Limited (ACN 142 982 198) ATF the SMO Funds Trust;
  - 12,870 Shares currently held by Gemlode Pty Limited (ACN 159 238 267) ATF Gemlode Trust, which is an entity indirectly controlled by Steve; and
  - 433,333 Shares to be issued upon conversion of the Convertible Notes indirectly held by Steve through his controlled entity, SMO SMSF Pty Ltd ATF SMO Superannuation Fund.

These Shares do not include the 11,549,280 Shares currently held by Paul and Mary Orenstein ATF Orenstein Superannuation Fund, which is a related party of Steve but is not controlled by, or an associate of, Steve.
2. These Shares include 463,320 Shares indirectly held by Michael via his controlled entity, Gayst Super Pty Ltd ACN 160 907 880 ATF the Gayst Superannuation Fund, and 200,000 Shares to be issued upon conversion of the Convertible Notes indirectly held by Michael through Gayst Super Pty Ltd ACN 160 907 880 ATF the Gayst Superannuation Fund.
3. These Shares are currently indirectly held by Mike via his controlled entity Super Monkeys Pty Ltd (ACN 607 921 844) ATF Super Monkeys Super Fund.

The Directors are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the Directors may acquire under the Offer.

# 1 Investment Overview Continued

Topic	For more information
<p><b>What significant benefits and interests are payable to Directors and other persons connected with the Company or the Offer?</b></p> <p>Steve Orenstein is entitled to an annual remuneration of \$220,000 (plus superannuation) per annum as CEO. Michael Gayst, via his controlled entity under a contractual arrangement, is entitled to receive an annual remuneration of \$220,000 (plus GST) for his CFO role. For more information see Section 6.4. Neither of Steve Orenstein or Michael Gayst will receive any additional remuneration for their appointment as Directors.</p> <p>The annual Directors' fees (including fees for any additional services performed on the Company's sub-committees) currently agreed to be paid by the Company are \$80,000 (inclusive of superannuation) to Drew Kelton, the Non-Executive Chairman, and \$60,000 (inclusive of superannuation) to Mike Rosenbaum, the Non-Executive Director.</p> <p>The Directors and the senior management of the Group will be granted the ESOP Options as described Section 6.6.2.</p> <p>Advisers and other service providers are entitled to fees for their services and other interests detailed in section 6.3.1.</p>	<p>Sections 6.3, 6.4 and 6.6</p>
<p><b>Will there be a controlling interest in the Company?</b></p> <p>The Directors do not expect any Shareholder to control (as defined in section 50AA of the Corporations Act) the Company on Completion.</p>	<p>Section 7</p>
<p><b>Will any Shares be subject to restrictions on disposal following Completion?</b></p> <p>Yes.</p> <p>Subject to the Company being admitted to the Official List, the Company anticipates that certain Shares and Options on issue prior to the Listing will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the Listing Date.</p> <p>At Completion, it is expected that at least approximately 56,992,078 Shares, representing 32.88% of the total issued capital of the Company on an undiluted basis, will be subject to ASX escrow arrangements.</p> <p>The Company anticipates its free float on admission to be no less than 20%.</p>	<p>Section 9.9</p>
<p><b>Is there any other related party transactions?</b></p> <p>Other than as disclosed in this Prospectus, the Company is not party to any material related party arrangements.</p> <p>The only material contracts with related parties that the Company is a party to are the arrangements with each of the Directors in respect to their engagement and deeds of indemnity and insurance with each of the Directors.</p> <p>The Company has agreed to, following Completion, make a one-off payment of \$90,000 to Anthony Klok, who was the Non-Executive Chairman in the last six months and hence a related party of the Company. This payment is proposed to be made to remunerate Anthony for his role as Chair of the Company for the period from July 2018 and February 2021 during which he did not receive any director fees.</p>	<p>Section 6.8</p>

## 1.7 Overview of the Offer

Topic	For more information
<b>Who is the issuer of this Prospectus?</b> Zoom2u Technologies Limited (ACN 636 364 246).	Important notices
<b>What is the Offer?</b> The Offer is an initial public offering of 40,000,000 Shares at an Offer Price of \$0.20 per Share to raise \$8,000,000 (before costs).	Section 7.1
<b>What are the main conditions to the Offer?</b> The Offer is conditional on: <ul style="list-style-type: none"><li>• the Company raising a minimum of \$8,000,000 under the Offer (being a total of 40,000,000 Shares subscribed for under the Offer); and</li><li>• ASX approving the Company's application for admission to the Official List. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable, in accordance with the requirements of the Corporations Act.</li></ul>	Section 7.1
<b>What is the consideration payable for the Shares?</b> Successful Applicants under the Offer will pay the Offer Price, being \$0.20 per Share.	Section 7.1
<b>How is the Offer structured?</b> The Offer comprises: <ul style="list-style-type: none"><li>• <b>Institutional Offer</b>, which consists of an invitation to bid for Shares made to Institutional Investors in Australia, New Zealand and a number of other eligible jurisdictions;</li><li>• <b>Broker Firm Offer</b>, which is open only to Australian resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate; and</li><li>• <b>Priority Offer</b>, which is open to selected investors in Australia and certain other jurisdictions who have received a Priority Offer Invitation.</li></ul>	Section 7.2
<b>Is the Offer underwritten?</b> No.	Section 7.2



# 1 Investment Overview Continued

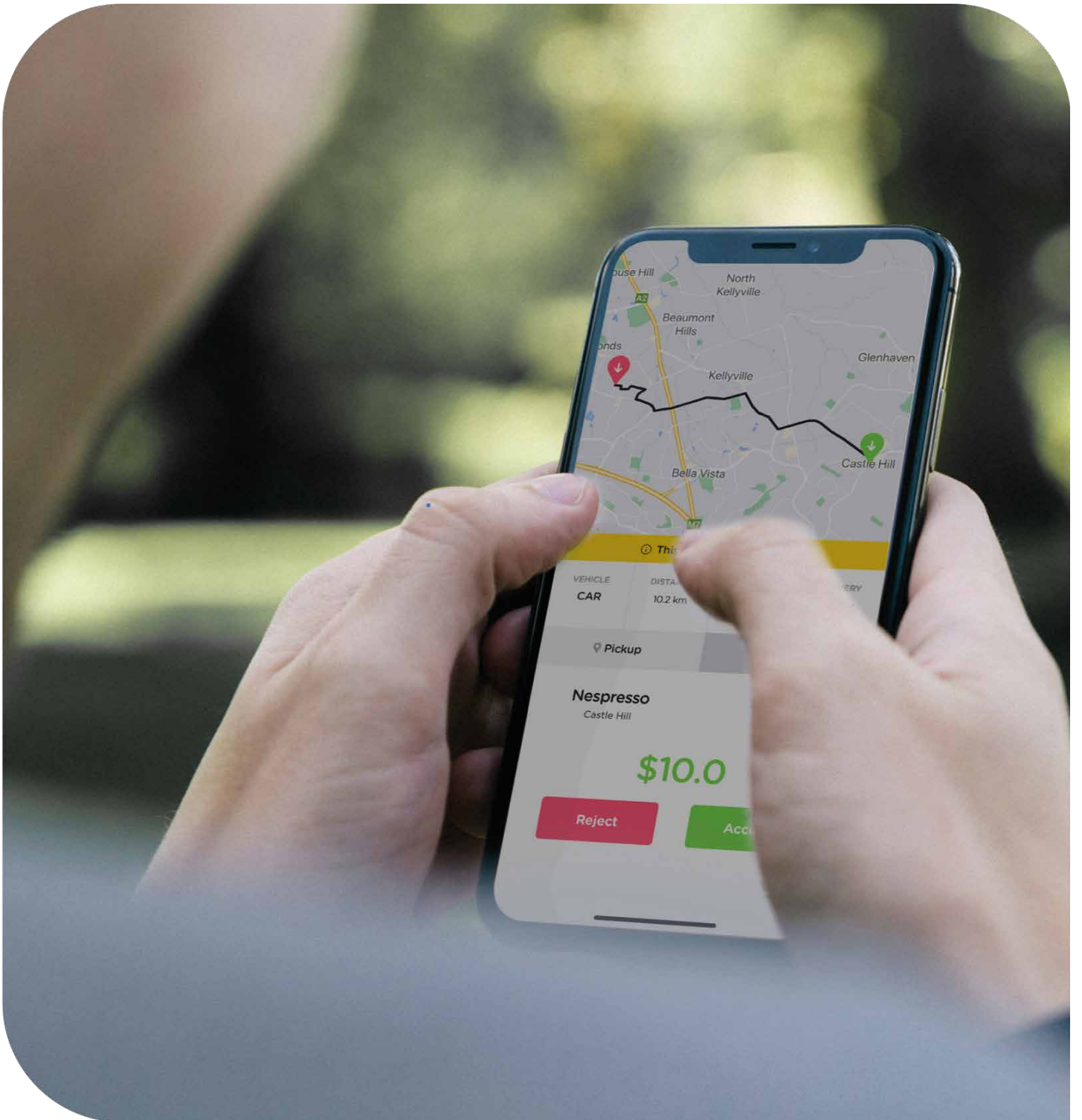
Topic	For more information																		
<p><b>What is the allocation policy?</b></p> <p>The allocation of Shares among the Broker Firm Offer, the Priority Offer and the Institutional Offer will be determined by the Company and the Lead Manager.</p> <p>For Broker Firm Offer participants, the relevant Broker will decide as to how they allocate Shares among their retail clients.</p> <p>The allocation policy relating to the Broker Firm Offer and Priority Offer are outlined in Sections 7.7.4 and 7.8.4, respectively.</p> <p>The allocation of Shares among Applicants in the Institutional Offer will be determined by the Company and the Lead Manager.</p> <p>The Company and Lead Manager have absolute discretion regarding the allocation of Shares to applicants under the Offer and may reject an Application, or allocate a lesser number of Shares than applied for. The Company and Lead Manager also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.</p>	<p>Sections 7.7.4, 7.8.4 and 7.10.2</p>																		
<p><b>Who is the Lead Manager?</b></p> <p>The Lead Manager is Foster Stockbroking Pty Ltd (ACN 088 747 148).</p>	<p>Section 9.6</p>																		
<p><b>Will the Shares be quoted on the ASX?</b></p> <p>The Company will apply to ASX within seven days of the Prospectus Date for admission to the official list of, and quotation of its Shares by, ASX under the code 'Z2U'.</p> <p>Completion is conditional on ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable, in accordance with the requirements of the Corporations Act.</p>	<p>Section 7.6</p>																		
<p><b>What will be the capital structure of the Company on admission to the Official List of the ASX?</b></p> <p>The Company's capital structure on Completion will be as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">Shares</th> <th style="text-align: right;">Options</th> </tr> </thead> <tbody> <tr> <td>Number of Securities on issue prior to Completion</td> <td style="text-align: right;">133,332,932<sup>1</sup></td> <td style="text-align: right;">-</td> </tr> <tr> <td>Lead Manager Options to be issued on Completion</td> <td></td> <td style="text-align: right;">2,000,000<sup>2</sup></td> </tr> <tr> <td>ESOP Options to be issued</td> <td></td> <td style="text-align: right;">21,237,510</td> </tr> <tr> <td>Shares to be issued under the Offer</td> <td style="text-align: right;">40,000,000</td> <td></td> </tr> <tr> <td><b>TOTAL</b></td> <td style="text-align: right;"><b>173,332,932</b></td> <td style="text-align: right;"><b>23,237,510</b></td> </tr> </tbody> </table>		Shares	Options	Number of Securities on issue prior to Completion	133,332,932 <sup>1</sup>	-	Lead Manager Options to be issued on Completion		2,000,000 <sup>2</sup>	ESOP Options to be issued		21,237,510	Shares to be issued under the Offer	40,000,000		<b>TOTAL</b>	<b>173,332,932</b>	<b>23,237,510</b>	<p>Section 9.7</p>
	Shares	Options																	
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Shares to be issued under the Offer	40,000,000																		
<b>TOTAL</b>	<b>173,332,932</b>	<b>23,237,510</b>																	
<p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>As at the Prospectus Date, the Company has 116,666,278 Shares on issue and on receipt of conditional approval from ASX to admission to the Official List of the ASX, a further 16,666,654 Shares will be issued upon conversion of the Convertible Notes as described in Section 9.8.</li> <li>The Lead Manager Options will be issued on Completion pursuant to the terms of the Offer Management Agreement as described in Section 9.6.</li> </ol> <p>Following Completion, the Company's free float will not be less than 20%.</p>																			

Topic	For more information
<p><b>What rights and liabilities attach to the Shares being offered?</b></p> <p>All new Shares issued under the Offer will rank equally in all respects with existing Shares on issue.</p>	Section 7.15
<p><b>Is there any brokerage, commission or stamp duty payable by Applicants?</b></p> <p>No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.</p>	Section 7.6
<p><b>What are the tax implications of investing in the Shares?</b></p> <p>Summaries of certain Australian income tax, GST and stamp duty consequences of participating in the Offer and investing in Shares are set out in Section 9.14.</p> <p>The tax and duty consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.</p>	Section 9.14
<p><b>How can I apply?</b></p> <p><b>Broker Firm offer Applicants</b></p> <p>Broker Firm Offer Applicants may apply for Shares by completing the Application Form included in or accompanying this Prospectus and lodging it with the Broker who invited them to participate in the Offer.</p> <p><b>Priority Offer Applicants</b></p> <p>Applicants under the Priority Offer may apply for Shares by following the instructions on how to apply in the Priority Offer Invitation.</p> <p><b>Institutional offer Applicants</b></p> <p>The Lead Manager will separately advise Institutional Investors of the Application procedure under the Institutional Offer.</p> <p>To the extent permitted by law, an Application received under the Offer is irrevocable.</p>	Sections 7.7, 7.8 and 7.10
<p><b>What is the minimum Application size?</b></p> <p>The minimum Application under the Offer is \$2,000 for 10,000 Shares. There is no maximum value of Shares that may be applied for under the Offer. The Company, in consultation with the Lead Manager, reserves the right to reject any Application or to allocate a lesser number of Shares than applied for.</p>	Section 7.6
<p><b>When will I receive confirmation that my Application has been successful?</b></p> <p>It is expected that initial holding statements will be mailed to successful Applicants by post on or about Wednesday, 8 September 2021.</p>	Section 7.6
<p><b>When can I sell my Shares on the ASX?</b></p> <p>Normal settlement trading is expected to commence on or about Wednesday, 15 September 2021.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.</p>	Section 7.6

# 1 Investment Overview Continued

Topic	For more information
<p><b>Can the Offer be withdrawn?</b></p> <p>The Company may withdraw the Offer at any time before the issue of Shares to successful Applicants or bidders under the Offer.</p> <p>If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).</p>	Section 7.13
<p><b>Where can I find out more information about this Prospectus or the Offer?</b></p> <p>If you have any questions in relation to the Offer, contact the Offer Information Line on:</p> <ul style="list-style-type: none"><li>• 1300 288 664 (toll free within Australia); or</li><li>• +61 9698 5414 (outside Australia);</li></ul> <p>between 8:30am and 5:30pm (Sydney time), Monday to Friday.</p> <p>If you are unclear in relation to any matter, or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional advisor before deciding whether to invest.</p>	Section 7.6

# 2 Industry Overview



## 2 Industry Overview

The market report contained in this Section was commissioned by the Company and prepared by Frost & Sullivan for the purposes of including in this prospectus. Frost & Sullivan is a business consulting firm involved in market research and analysis, growth strategy consulting, and corporate training across multiple industries. It is headquartered in Mountain View, California, and has 45 offices on six continents.

### Market Report

This report has been commissioned by Zoom2u Technologies. Zoom2u Technologies has two main operating businesses, Zoom2u and Locate2u.

Zoom2u is a technology business that has developed a digital marketplace for delivery services. Locate2u provides delivery management software to organisations that manage their own delivery fleets, although Locate2u is also likely to have additional applications, for example in the management of service fleets. This report covers the delivery services market in Australia which Zoom2u addresses through its digital platform, as well as the global market for delivery management software which Locate2u addresses through the Locate2u product.

### Executive Summary

The market opportunity for delivery services marketplaces and delivery management software is being driven by a number of factors, including:

- Strong growth in demand for last mile delivery services as a result of the increase in e-commerce;
- The increased tendency for organisations with delivery requirements to outsource delivery;
- The requirement for more efficiency in last mile delivery, including reducing the environmental impacts and costs of delivery, which can be enabled by technology;
- Increased automation of delivery functions such as route planning and vehicle scheduling;
- Increasing customer expectations on delivery services providers, in areas such as delivery speed and real-time tracking;
- The increased use of technologies such as data analytics and artificial intelligence (AI) in managing delivery services;
- Increased use of digital platforms by organisations and consumers to source services; and
- Growing numbers of independent workers sourcing work through digital platforms.

In Australia, the delivery services market was valued at \$5,574 million in FY20 and is forecast to reach \$6,085 million in FY20.<sup>1</sup> However, this excludes revenue from Australia Post's domestic parcels business (including StarTrack Road) which is not reported separately, but which achieved revenue growth of 17.8% in FY20,<sup>2</sup> with growth of over 33% in domestic parcels deliveries in FY20.<sup>3</sup> The delivery services market is therefore witnessing strong growth, particularly driven by the increase in e-commerce and the increased outsourcing of delivery services.

The global delivery management software market was estimated at \$6.9 billion in 2018 and is forecast to grow to \$13.8 billion in 2026 at a CAGR of 9.3%.<sup>4</sup> This growth is driven by the increased automation of delivery management processes such as vehicle scheduling and route planning as well as the drive to greater efficiency in delivery operations.

### 2.1 Background, Definitions and Methodology

#### 2.1.1 Background

Zoom2u provides a digital platform that links delivery services customers, such as retailers and manufacturers, with logistics services providers (LSPs) for local delivery of items ranging from letter-size up to full truck loads. This is often known as last mile delivery. Increasing customer expectations

<sup>1</sup> IBISWorld, Courier Pick-up and Delivery Services in Australia, 2020

<sup>2</sup> Australia Post annual report, 2020

<sup>3</sup> Deloitte Access Economics for Australia Post, Economic assessment of Australia Post's activities during COVID-19

<sup>4</sup> Verified Market Research, Last Mile Delivery Software Market Size And Forecast, accessed from <https://www.verifiedmarketresearch.com/product/last-mile-delivery-software-market/>. Market sizes converted from US\$ at exchange rate as at 11 June

of delivery services are driving an increased use of digital platforms to source and manage these services.

Zoom2u provides a marketplace platform, with Zoom2u not providing delivery services directly, but facilitating transactions between delivery services customers and independent LSPs, which include individuals and organisations providing delivery services on a full-time basis, as well as those who operate occasionally/part-time to supplement earnings from other work or from social security, either by desire or financial necessity. This type of work is sometimes referred to as 'flexible work', 'freelance work', 'independent work' or 'gig work', and involves a high degree of autonomy, payment by task, and a temporary relationship between worker and customer. Workers who source work through a digital platform such as the platform provided by Zoom2u are often referred to as 'platform workers'.

## 2.1.2 Definitions

### 2.1.2.1 Digital Marketplace

A digital marketplace (accessed through the internet or an app) facilitates transactions of products or services between suppliers and customers, underpinned by a digital platform (the terms 'digital marketplace' and 'digital platform' are used synonymously in this report).

The platform operator does not hold product inventory or provide services directly, but may provide services to connect and manage buyers and sellers. Payment is often undertaken through the platform. Digital labour marketplaces specifically facilitate transactions in labour services, such as household, transport and delivery services.

Digital marketplaces are increasingly used to facilitate transactions in services between customers and independent service providers and include 'vertical' marketplaces (such as Zoom2u) which specialise in a specific industry sector or type of task, and 'horizontal' marketplaces (such as Airtasker) which provide access to a broad range of independent workers and types of task.

The use of digital marketplaces for delivery services is an increasingly prevalent model globally (these are sometimes known as 'crowdsourced networks'). For example, Amazon Flex was started in 2015 in the US and provides a platform for independent LSPs to source work delivering Amazon Prime packages. The service was launched in Australia in 2020.<sup>5</sup> In Belgium, postal company bpost launched Bringr, a digital platform for sourcing delivery services, in 2016.<sup>6</sup> Uber Freight was launched in the US in 2017 and provides a marketplace matching delivery services customers with truck operators. Also in the US, Dispatch was established in 2017 and provides a marketplace connecting delivery services customers in the industrial products sector with independent contractor drivers.

Online marketplaces can create opportunity and reduce dysfunctions in the market by making it easier for service providers to find suitable work opportunities based on their skills and services offered. One estimate is that by 2025 online marketplaces that provide labour or services can add US\$2.7 trillion to global GDP through factors such as increased labour market participation and increased productivity.<sup>7</sup> These marketplaces offer a range of advantages for both service providers and customers, including scale (the ability to access large networks of service providers and customers); faster and better matching of tasks and service providers based on real-time information and efficient algorithms; providing richer information that enhances transparency and trust (e.g. through ratings and reviews); and the fact that new participants can be added at almost zero marginal cost, making it easy and low-cost for new users to join the marketplace.<sup>8</sup>

<sup>5</sup> Smart Company, Amazon launches Uber-esque delivery service in Australia, amid safety and pay criticism in the US, January 22 2020

<sup>6</sup> Hub spot, accessed from [https://cdn2.hubspot.net/hubfs/2015084/FB%20Landing%20page%20photos/FactSheet-Bringr-HiRes-Screen%20\(1\).pdf?t=1532736361520](https://cdn2.hubspot.net/hubfs/2015084/FB%20Landing%20page%20photos/FactSheet-Bringr-HiRes-Screen%20(1).pdf?t=1532736361520)

<sup>7</sup> McKinsey Global Institute, Connecting talent with opportunity in the digital age, accessed from <https://www.mckinsey.com/featured-insights/employment-and-growth/connecting-talent-with-opportunity-in-the-digital-age>

<sup>8</sup> McKinsey Global Institute, Independent Work: Choice, necessity, and the gig economy, October 2016

### 2.1.2.2 Last Mile Delivery

Last mile delivery is the final stage in the supply chain for a product and involves transportation by or on behalf of an organisation from a hub such as a warehouse or distribution centre to the final point of consumption, most commonly a domestic residence, but also including commercial and industrial premises, as well as other facilities such as parcel lockers.

Unlike primary movement, last mile delivery typically involves loads delivered by small trucks, vans, cars and bicycles in urban locations. Last mile delivery can broadly be categorised into parcel (items up to 32kg) and freight (items greater than 32kg, typically palletised). Within the parcel category, various delivery segments exist based on time from order to delivery, including deferred delivery, time definite, same day and instant. Freight segments are typically described based on the type of truck load and recipient, including full truck loads (where the entire load is delivered to a single customer), less than truck loads and mixed loads.

Typical use cases for each last mile delivery segment are listed below.

**Table 1: Last Mile Delivery, Typical Use Cases, 2021**

Type	Segment	Use Cases		
Parcel	Deferred delivery – arrives some day	Normal e-commerce delivery and returns	Small scale B2B shipping	C2C e-commerce shipments
	Time definite delivery – arrival next/specific day	Express e-commerce delivery	Standard letters/parcels	
	Same day delivery – arrival on same day	eGrocery deliveries		
	Instant delivery – rapid arrival (<2 hours)	Urgent letters	Prepared hot food delivery	Urgent alcohol delivery
Freight	Full truck load (FTL)	Retail store delivery and replenishment		
	Less than truck load (LTL)	Food service deliveries (cafes, restaurants, etc.)		
	Mixed truck load	Industrial/building supplies delivery	Furniture delivery	

Sources: World Economic Forum, The Future of the Last-Mile Ecosystem, 2021; Frost & Sullivan

Last mile delivery volumes are growing strongly, and globally are forecast to increase by 78% between 2020 and 2030. This is a result of a number of factors, including the strong growth in e-commerce which transfers the responsibility for delivery of the item from the consumer to the organisation, and the increased requirement for fast (instant or same day) delivery. Although deferred delivery is and will continue to be the largest delivery segment, same day and instant delivery are the fastest growing, with annual growth of 36% and 17% respectively.<sup>9</sup> These factors are driving an increased requirement for efficiency in delivery, and are causing enhanced use of technology to manage delivery services, including through digital marketplaces.

### 2.1.2.3 Delivery Management Software

Delivery management software is used by organisations that manage vehicle fleets, including both organisations with in-house fleets and LSPs. Delivery management software is used to maximise the efficiency of fleet operations, particularly through use of intelligent routing applications that aim to minimise delivery costs and enhance delivery times, within the feasibility constraints imposed by factors such as traffic, vehicle type, etc. It can also include tracking applications that enhance customer satisfaction by allowing real-time tracking of the vehicle location, as well as other applications such as proof-of-delivery capture and analytics.

<sup>9</sup> World Economic Forum, The Future of the Last-Mile Ecosystem, 2021

This category of software is sometimes referred to as vehicle routing and scheduling solutions, and is used to automate business processes (such as scheduling and route planning) that were previously done manually. As with other categories of business software, delivery management software is typically delivered through a Software-as-a-Service model.

### 2.1.3 Methodology

Data provided in this report is based on publicly available data sources, including governmental statistics and reports, company reports and presentations, press articles and reports, and analyst reports. Market size estimates are based on data reported by industry participants, industry analysts and Frost & Sullivan's own estimations.

All financial data in the report is given in Australian dollars (\$).

## 2.2 Market Drivers for Delivery Services Marketplaces

A number of factors are driving demand for use of last mile delivery services marketplaces, including factors that are stimulating demand for delivery services in general and those that are causing increased use of digital marketplaces to source and manage these services.

### 2.2.1 Growth in e-commerce

A major factor underpinning growing demand for last mile delivery services is the significant growth in e-commerce, both business-to-consumer (**B2C**) and consumer-to-consumer (**C2C**), which is driving strong growth in the requirement for deliveries. Additionally, there is increasing use of direct to consumer (**DTC**) business models for products such as food & beverage whereby manufacturers sell directly to consumers through their own e-commerce site, bypassing retailers. An individual e-commerce transaction can drive multiple deliveries (original delivery, return, re-delivery etc.).

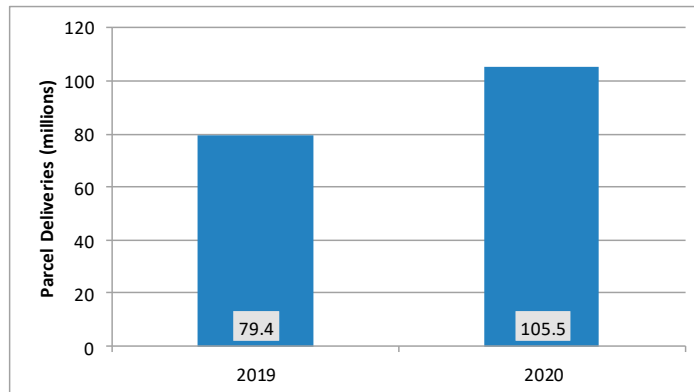
The COVID-19 pandemic was a significant factor behind this growth, as closure of retail stores and unwillingness by many consumers to leave home contributed to a major switch to e-commerce. Additionally, many Australians started to participate in C2C e-commerce through selling pre-owned items online.

As an indicator of the growth in last mile delivery services driven by the COVID-19 pandemic, Australia Post's domestic parcel deliveries increased by 33% in 2020 when compared to 2019 (Australia Post is estimated to account for 82% of e-commerce deliveries by value).<sup>10</sup>

<sup>10</sup> Deloitte Access Economics for Australia Post, Australia's e-commerce revolution: how it saved businesses in COVID-19 and future strategies to thrive, October 2020



**Figure 1: Australia Post, Domestic Parcel Deliveries, 2019 and 2020**



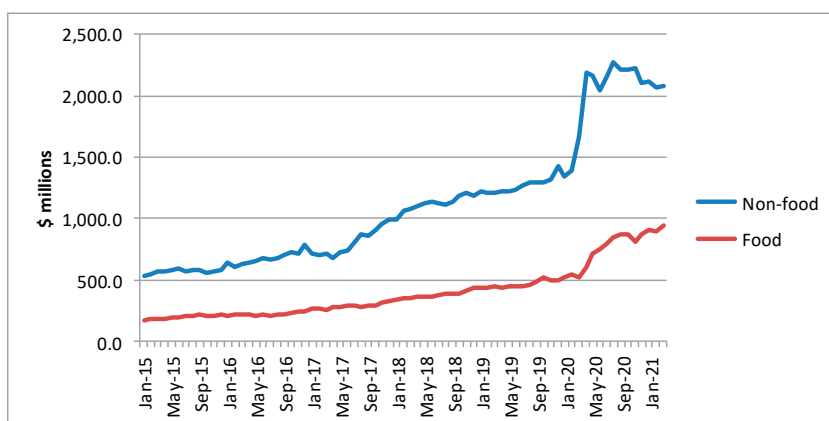
**Source:** Deloitte Access Economics for Australia Post, Economic assessment of Australia Post's activities during COVID-19. Data is for financial years ended 30 June

### 2.2.1.1 B2C e-commerce

In 2020, total B2C e-commerce sales in Australia increased by 58% in value terms from 2019, with a strong increase from March 2020 onwards, with equivalent levels of growth for both food and non-food items. In 2020, 82% of Australian households shopped online, with 1.3 million households shopping online for the first time, and approximately 1 million additional households shopping online each month in 2020 when compared to 2019.<sup>11</sup>

B2C e-commerce sales have remained at elevated levels in the first quarter of 2021 despite a lifting of most COVID-19 related restrictions. In March 2021, online sales represented 9.4% of total retail sales, a significant increase from 7.1% in March 2020.<sup>12</sup>

**Figure 2: Online Retail Sales by Month, Australia, January 2015 to March 2021**



**Source:** Australian Bureau of Statistics (ABS), Online sales, March 2021 - Supplementary COVID-19 analysis

<sup>11</sup> Australia Post, Inside Australian Online Shopping, 2021

<sup>12</sup> Australian Bureau of Statistics, Online sales, March 2021 - Supplementary COVID-19 analysis. Online share reflects percentage of all Retail sales, including Cafes, Restaurants and Takeaway Food

Prior to the COVID-19 pandemic, approximately 19% of goods ordered were delivered to the buyer's home, with 60% collected in-store at time of purchase (the balance were ordered online but collected in-store (click-and-collect), collected from a post office or collected from a parcel locker). During COVID-19, the share of goods ordered delivered to the buyer's home increased to 30%, and this is expected to be 24% post-COVID-19, a significant increase on the pre-COVID-19 share.<sup>13</sup>

#### 2.2.1.2 C2C e-commerce

Approximately 22% of Australians sell pre-owned items online, and incidence of C2C e-commerce increased significantly in 2020 with year-on-year increases in C2C selling on eBay of 32% in Victoria and 33% in NSW.<sup>14</sup>

#### 2.2.2 Increased Sourcing of Work through Digital Platforms

Use of digital marketplaces to source work is growing amongst LSPs, particularly as more individuals seek to undertake independent work such as deliveries. The increased network of service providers using digital platforms drives their use by providing platform customers with a wider range of providers.

Approximately 13% of Australian adults have at some time undertaken work sourced through a digital platform, with 7.1% currently offering services through digital platforms or having done so in the past 12 months. Participation in work sourced through digital platforms is highest for millennials (aged 18-34), with 11% currently offering services through digital platforms or having done so in the past 12 months. Transport and food delivery is the most common service offered through digital platforms (19% of platform workers rate this as the principal service they offer).<sup>15</sup>

#### 2.2.3 Increased use of the Internet to Search for Service Providers

For customers searching for products and services, the internet is increasingly used as the main platform. In 2019, 90% of Australian adults accessed the internet (around 17.7 million individuals), with near universal access (99%) amongst those aged 18-34. The use of smartphones to access the internet has increased significantly, with 80% of Australians using a mobile phone to access, up from 73% in 2015. 94% of internet users research information on the internet, and 78% buy goods or services online (an increase from 60% in 2015).<sup>16</sup>

#### 2.2.4 Convenience and Transparency of Digital Marketplaces

Digital marketplaces offer a convenient solution for both delivery services customers and LSPs. Delivery services customers are able to identify and compare providers, easily upload reviews, ratings and feedback, have certainty over pricing, greater confidence in the capability of the supplier, and may be able to pay for the service through the platform. LSPs are able to access a wide customer base, understand the nature of tasks and apply only for those where they have the capability, and may have the security of payment through the platform.

Use of digital marketplaces such as Zoom2u also provides transparency to the customer in terms of delivery tracking, with the ability to track deliveries ranking as the most important feature of e-commerce for consumers (62% of consumers rank 'delivery tracking notifications' as the most valuable feature on an e-commerce site). However, only 42% of e-commerce businesses currently report that they are able to offer delivery tracking.<sup>17</sup>

<sup>13</sup> Deloitte Access Economics for Australia Post, Australia's e-commerce revolution: how it saved businesses in COVID-19 and future strategies to thrive, October 2020

<sup>14</sup> eBay, Lockdown, One year on, March 2021

<sup>15</sup> Victorian Department of Premier and Cabinet, Digital Platform Work in Australia: Prevalence, Nature and Impact, November 2019

<sup>16</sup> Australian Communications and Media Authority (ACMA), Communications Report, 2018-19 and 2014-15

<sup>17</sup> Ibid

### 2.2.5 Increased Propensity to Outsource Delivery

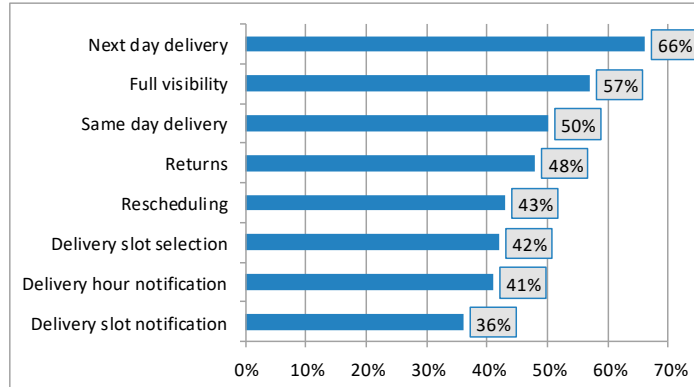
Growth in outsourcing of last mile delivery services by organisations with delivery requirements drives demand for external LSPs. A global study of organisations undertaken in 2020 indicated that the average percentage of logistics expenditure outsourced had increased to 52% in 2020 (up from 36% in 2015) and that 57% of organisations are increasing their use of outsourced services. Propensity to outsource transportation services is increasing in particular, with 55% of transportation spend managed by third-parties (up from 49% in 2019).

Overall, the logistics activity most commonly outsourced is domestic transportation, with 73% of organisations outsourcing this function.<sup>18</sup> The COVID-19 pandemic acted to further stimulate outsourcing of delivery, particularly as businesses adapted to the sharp increase in e-commerce volumes. Businesses in Australia that outsourced logistics functions as a result of the COVID-19 pandemic achieved an average 15% increase in annual revenue, the highest increase amongst all business actions.<sup>19</sup>

### 2.2.6 Growing Customer Demands on LSPs

The demands of delivery services customers on LSPs are increasing, largely driven by growing end-customer expectations for last mile delivery services. A 2018 global survey of organisations identified that two-thirds require next-day delivery, half also require same day delivery and almost 60% require full visibility on shipments.<sup>20</sup> These enhanced customer demands drive LSPs to seek more efficiency in their last mile delivery operations.

**Figure 3: Main Requirements of Delivery Services Customers, Global, 2018**



**Source:** Localz, The Last Mile Logistics Whitepaper, 2018. Data based on survey of 129 supply chain executives from retailers, manufacturers and brands. Multiple selections allowed

### 2.2.7 Requirement for More Efficiency in Delivery

The requirement to offer more efficient last mile delivery in terms of speed and cost also drives increased use of digital marketplaces to source service providers. As the requirements of delivery services customers increase, LSPs are facing enhanced costs which result in margin pressures, with a 2018 survey of LSPs indicating that over the previous 18 months 42% had seen a decline in profit

<sup>18</sup> John Langley, Jr., Ph.D., and Infosys, 24th Annual Third-party Logistics Study, 2020

<sup>19</sup> Deloitte Access Economics for Australia Post, Australia's e-commerce revolution: how it saved businesses in COVID-19 and future strategies to thrive, October 2020

<sup>20</sup> Localz, The Last Mile Logistics Whitepaper, 2018. Data based on survey of 129 supply chain executives from retailers, manufacturers and brands

margins for last mile delivery, with 41% seeing margins remain flat and only 17% seeing an increase.<sup>21</sup>

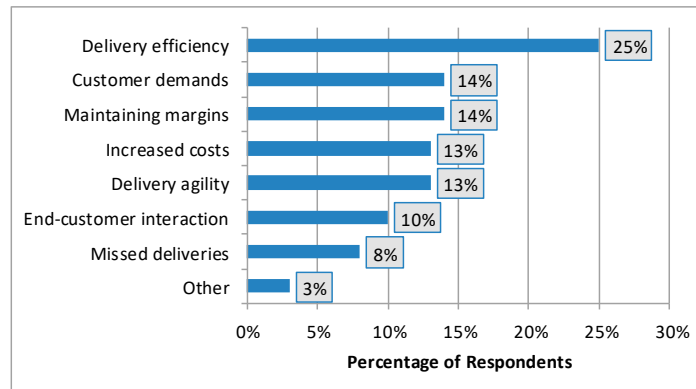
Organisations are facing a number of challenges in last mile delivery, including the relatively high order fulfilment cost in the face of highly price sensitive customers, strong competitive pressures towards free delivery services, increasing customer expectations with regards to short delivery lead times, the requirement for individually scheduled delivery time windows, demand for shipment traceability and customisation, and options to choose alternative delivery locations, as well as the costs of failed delivery attempts and product returns.<sup>22</sup>

For consumers, the COVID-19 pandemic created an enhanced importance for delivery efficiency, with 45% of consumers believing that online retailers should reduce the cost of delivery.<sup>23</sup> With the ability to offer same-day as well as free delivery an increasingly important aspect of competitive advantage for organisations, this drives a need to offer more efficient last mile delivery services underpinned by technology. For example, 41% of Australian online shoppers want same-day delivery, and 50% want a specified timeslot for delivery.<sup>24</sup>

Whilst last mile delivery is often the geographically shortest leg of a supply chain, it is the most complex and costly, generally accounting for around 40% of logistics costs.<sup>25</sup> The costs of last mile delivery and increasing customer expectations are therefore driving a growing requirement for enhanced efficiency in delivery services. This is driving a requirement for enhanced use of technology solutions to improve the efficiency of delivery services.

A 2018 survey of LSPs identified that the main challenges in last mile delivery are delivery efficiency, customer demands and maintaining margins.<sup>26</sup>

Figure 4: Main Challenge in Last Mile Delivery for LSPs, Global, 2018



Source: Localz, The Last Mile Logistics Whitepaper, 2018. Data based on survey of 194 LSPs

<sup>21</sup> Localz, The Last Mile Logistics Whitepaper, 2018. Data based on survey of 194 LSPs

<sup>22</sup> Milena Janjevic, Matthias Winkenbach, Characterizing urban last-mile distribution strategies in mature and emerging e-commerce markets, Transportation Research Part A, 133 (2020), 164-196

<sup>23</sup> Milena Janjevic, Matthias Winkenbach, Characterizing urban last-mile distribution strategies in mature and emerging e-commerce markets, Transportation Research Part A, 133 (2020), 164-196

<sup>24</sup> AT Kearney, The Future of E-Commerce: Creating a Competitive Advantage with Supply Chain, accessed from <https://www.au.kearney.com/article/?a/the-future-of-e-commerce-creating-a-competitive-advantage-with-supply-chain>

<sup>25</sup> Goodman, Scaling up your e-commerce

<sup>26</sup> Localz, The Last Mile Logistics Whitepaper, 2018. Data based on survey of 194 LSPs

## 2.2.8 Use of Technology in Managing Delivery Services

Technology solutions are increasingly deployed to enhance last mile delivery efficiencies. Key areas of focus include smart routing applications, often driven by AI and digital analytics. A global survey of organisations identified that 95% believe that analytics is a necessary element of the services provided by their LSP, but only 26% are satisfied with the current analytics capability of their provider.<sup>27</sup> However, this is a significant area of focus for LSPs, with a 2019 survey identifying that 74% are using or have invested in AI technologies for the supply chain.<sup>28</sup> However, many smaller LSPs, including independent workers, lack the technology capabilities required to meet customer demands. For these types of service providers, digital marketplaces such as Zoom2u can provide the technological capabilities required to offer an efficient service.

## 2.2.9 Reducing Environmental Impacts of Last Mile Delivery

The strong growth in last mile delivery volumes is causing increased environmental impacts in areas such as traffic congestion and carbon emissions. The use of technologies such as digital marketplaces can support the minimisation of these impacts through applications such as intelligent route planning, as well as giving delivery services customers greater choice in areas such as type of vehicle used (for example, choosing a bicycle courier instead of a car for short parcel deliveries). Analysis commissioned by the World Economic Forum estimated that between 2019 and 2030 in the top-100 cities globally the number of delivery vehicles in operation will increase from 5.3 million to 7.2 million (36% increase) and associated CO2 emissions will increase from 19 million to 25 million tons (32% increase).<sup>29</sup>

## 2.3 The Delivery Services Market

This Section 2.3 describes the size and growth and structure of the delivery services market in Australia, as well as the competitive environment in digital marketplaces for delivery services.

### 2.3.1 Size & Growth of Delivery Services

The delivery services industry in Australia achieved revenue of \$5,574 million in FY2020, and this is forecast to reach \$6,085 million in FY2021.<sup>30</sup> Industry revenue is anticipated to increase by 5.7% in FY2021. However, this excludes revenue from Australia Post's domestic parcels business (including StarTrack Road) which is not reported separately, but which achieved revenue growth of 17.8% in FY2020.<sup>31</sup> Overall growth in the delivery services market including Australia Post is therefore likely to exceed 10% in FY2021.

Australia Post is the largest provider of delivery services in Australia, but unlike private sector industry participants, it operates from fixed collection points (post offices and mail boxes).

<sup>27</sup> John Langley, Jr., Ph.D., and Infosys, 24th Annual Third-party Logistics Study, 2020

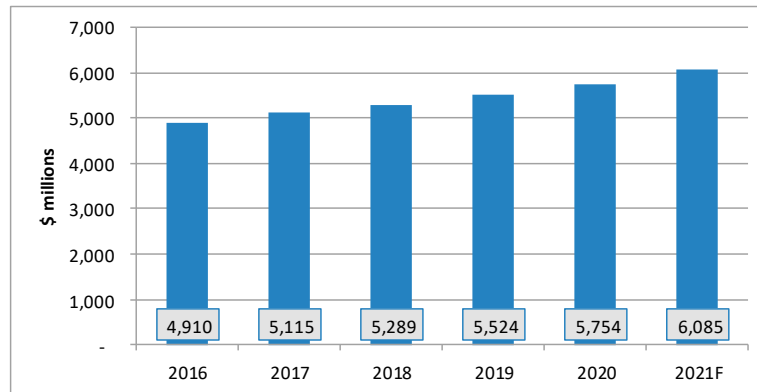
<sup>28</sup> Gartner, Key Trends and Considerations for Vehicle Routing and Scheduling and Last-Mile Delivery Solutions, August 2020

<sup>29</sup> World Economic Forum, The Future of the Last-Mile Ecosystem, 2021

<sup>30</sup> IBISWorld, Courier Pick-up and Delivery Services in Australia, 2020

<sup>31</sup> Australia Post annual report 2020

Figure 5: Delivery Services Industry Revenue, 2016 to 2021F



Source: IBISWorld, Courier Pick-up and Delivery Services in Australia, 2020. Data is for financial years ended June 30 and excludes Australia Post

2.3.2 Structure of the Delivery Services Industry

The delivery services industry in Australia is highly fragmented. As at June 2020, there were over 24,000 operating courier pick-up and delivery services businesses, of which almost 19,400 had no employees (i.e. they are single-person businesses) and only 183 had over 20 employees.<sup>32</sup> The vast majority of delivery services businesses are therefore small, and largely unable to invest in their own sales & marketing, driving the use of digital platforms to source work.

Outside Australia Post, the largest industry participants include DHL Express, Global Express (formerly Toll Global Express), Fedex Express Australia and UPS. Cumulatively, these companies are estimated to have less than 30% market share by revenue.<sup>33</sup> Other leading participants include Fastway, Couriers Please, Aramex and Allied Express.

2.3.3 Competitive Environment

Along with Zoom2u there are a number of other digital marketplaces for delivery services in Australia. These are listed below. These include marketplaces connecting delivery services providers with multiple customers (e.g. Go People, Sherpa and Drive Yello), Amazon Flex (which connects providers only with Amazon) and Uber Connect which offers a marketplace for C2C deliveries.

Table 2: Digital Marketplaces for Delivery Services, 2021

Marketplace	Founded	Comments
Amazon Flex	2020 (in Australia)	Available only for pick-ups from Amazon delivery locations and delivery to customers. Currently operating in Sydney, Melbourne, Brisbane, Perth
Go People	2014	Currently operating in Sydney, Melbourne, Brisbane, Adelaide and Perth. Has worked for 10,000 customers
Sherpa	2014	Currently operates in 15 cities, 3,500 customers
Uber Connect	2020 (in Australia)	Offers C2C package delivery initially in 11 cities
Drive Yello	2014	Current network of 7,500 active drivers across Sydney, Melbourne and Brisbane, 3,500 customers. Serves the business market only

<sup>32</sup> ABS, Counts of Australian Businesses, including Entries and Exits, February 2021

<sup>33</sup> IBISWorld, Courier Pick-up and Delivery Services in Australia, 2020

Sources: company websites and news reports

## 2.4 The Delivery Management Software Market

This Section 2.4 describes the delivery management software market, which is addressed by the Locate2u product.

### 2.4.1 Market Drivers for Delivery Management Software

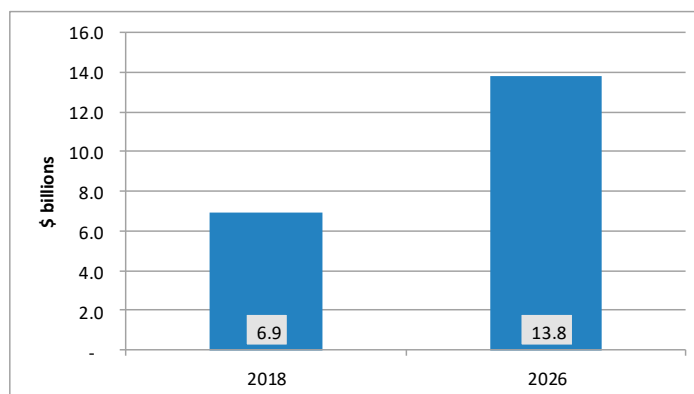
Factors that are driving the market for delivery management software are summarised below:

- Increased focus by fleet operators on maximising the efficiency of operations, for example through automated/intelligent route planning;
- Increased desire to automate delivery functions such as vehicle scheduling and route planning;
- Achieving greater environmental efficiency through more efficient route planning (e.g. lower CO2 emissions);
- Increasing customer expectations in areas like delivery times and ability to track deliveries in real-time;
- The requirement to access delivery management applications through mobile devices, driving a need for SaaS solutions; and
- The enhanced capability offered by technologies such as AI.

### 2.4.2 Market Size & Growth for Delivery Management Software

Based on estimates by industry analysts, the global delivery management software market was estimated at \$6.9 billion (US\$5.38 billion) in 2018 and is forecast to grow to \$13.8 billion (US\$10.78 billion) in 2026 at a CAGR of 9.3%.<sup>34</sup>

**Figure 6: Delivery Management Software Market Size, Global, 2018 to 2026**



Source: Verified Market Research, Last Mile Delivery Software Market Size And Forecast, accessed from <https://www.verifiedmarketresearch.com/product/last-mile-delivery-software-market/>. Market sizes converted from US\$ at exchange rate as at 11 June

### 2.4.3 Competitive Environment

Major global vendors of delivery management software are listed below.

<sup>34</sup> Verified Market Research, Last Mile Delivery Software Market Size And Forecast, accessed from <https://www.verifiedmarketresearch.com/product/last-mile-delivery-software-market/>. Market sizes converted from US\$ at exchange rate as at 11 June 2021

Table 3: Principal Delivery Management Software Vendors, Global, 2021

Company (headquarters)	Status	Comments
<b>Bringg (Israel)</b>	Private	Founded in 2013. Currently operates in over 50 countries
<b>Circuit (UK)</b>	Private	Founded 2018. Used to manage 100 million deliveries annually
<b>FarEye (India)</b>	Private	Founded in 2013. Currently operates in over 30 countries
<b>GetSwift (US)</b>	Publicly-listed (NEO Canada)	Provides SaaS solution to automate delivery management. Implementations in 70+ countries
<b>Onfleet (US)</b>	Private	Founded in 2012. Installations in over 90 countries for 1,000+ customers
<b>OnnaWay (US)</b>	Private	Founded in 2015, provides vehicle routing and dispatch software
<b>OptimoRoute (US)</b>	Private	Founded in 2012. Provides route optimisation software. Used in 30 countries
<b>ORTEC (Netherlands)</b>	Private	Supplier of mathematical optimisation software, with applications including vehicle routing. Operates in 13 countries
<b>Routific (US)</b>	Private	Founded in 2012. Used to manage 4 million deliveries per month
<b>Trimble Maps (US)</b>	Subsidiary of Trimble Inc. (publicly-listed (NASDAQ))	Provides delivery management software for courier and parcel LSPs
<b>Wise Systems (US)</b>	Private	Provides AI-driven dispatch and routing software

Sources: company reports and reports

## 2.5 Conclusion

Demand for last mile delivery services is growing strongly, primarily driven by the growth in e-commerce which has been fuelled by the COVID-19 pandemic, as well as increasing customer expectations around delivery. Organisations with delivery requirements have increasingly outsourced delivery services to specialist LSPs, however, there are a number of challenges in last mile delivery, including the relatively high order fulfilment cost, strong competitive pressures towards free delivery services, increasing customer expectations with regards to short delivery lead times, the requirement for individually scheduled delivery time windows, demand for shipment traceability and customisation, and options to choose alternative delivery locations, as well as the costs of failed delivery attempts and product returns.<sup>35</sup> These factors are driving a requirement for greater efficiencies in delivery operations.

The use of digital platforms to source and manage last mile delivery services offers a number of advantages for delivery services customers, including enhanced cost-effectiveness and cost transparency, greater choice of LSP and increased customer satisfaction through applications such as vehicle tracking. At the same time, the network of LSPs sourcing work through digital platforms is increasing, providing greater capacity through these platforms. For the many relatively small LSPs, digital platforms offer an effective means to win business. The volume of last mile delivery services sourced through digital marketplaces is therefore anticipated to continue to grow.

<sup>35</sup> Milena Janjevic, Matthias Winkenbach, Characterizing urban last-mile distribution strategies in mature and emerging e-commerce markets, Transportation Research Part A, 133 (2020), 164-196



Demand for delivery management software amongst LSPs and shippers who manage their own vehicle fleets is also growing driven by the requirement to automate functions that were previously done manually to improve the efficiency of delivery operations. Consequently, global demand for delivery management software is expected to increase significantly in the coming years.

### 2.6 Disclosure

This is an independent report prepared by Frost & Sullivan. Save for the preparation of this report and services rendered in connection with this report for which normal professional fees will be received, Frost & Sullivan has no interest in Zoom2u Technologies. Ltd. and no interest in the outcome of the IPO. Payment of these fees to Frost & Sullivan is not contingent on the outcome of the IPO. Frost & Sullivan has not and will not receive any other benefits (including any commissions) and there are no factors which may reasonably be assumed to have influenced the contents of this report nor which may be assumed to have provided bias or influence. Frost & Sullivan consents to the inclusion of this report in the Prospectus in the form and context in which it is included. As at the date of this report, this consent has not been withdrawn. Frost & Sullivan does not hold a dealer's licence or Financial Services License. This report does not constitute advice in respect of the IPO.

# 3 Company Overview



# 3 Company Overview

## 3.1 Introduction

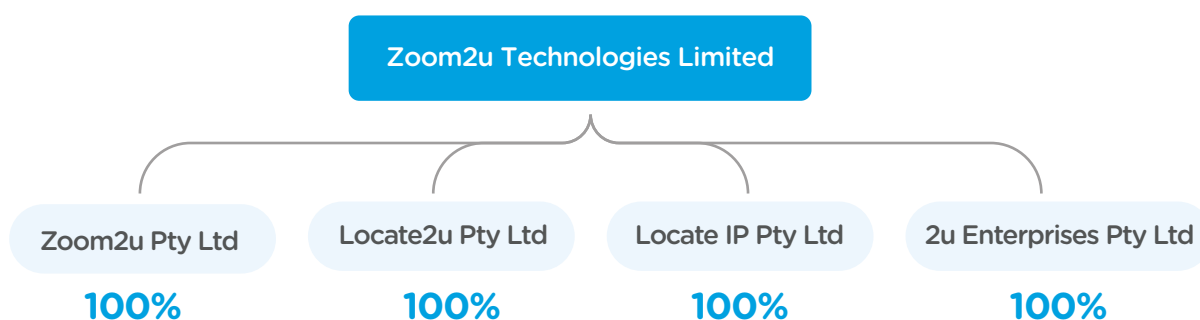
### 3.1.1 Company Structure

Zoom2u Technologies is an unlisted Australian public company incorporated in 2019. The Company is the holding company of the Group. The Company has four wholly-owned subsidiaries:

- **Zoom2u**, which operates the Platform and the Marketplace;
- **Locate2u**, which offers clients a Software as a service (**SaaS**) product for delivery and services businesses to manage bookings, optimise routes, track their team (GPS Tracking) and share their live locations with their customers;
- **Locate IP**, which employs software developers, and;
- **2u Enterprises**, which operates the Shred2u business and markets ad hoc e-commerce web development services and bespoke distribution operations.

At the Prospectus Date, the corporate structure of the Group was:

Figure 3.1 - Corporate Structure



### 3.1.2 Overview of Zoom2u Technologies

Zoom2u Technologies operates in the delivery services market in Australia, which Zoom2u addresses through its Platform, as well as the global market for delivery management software through its SaaS product, Locate2u. These are both large and fast-growing markets, with the delivery services market in Australia valued at \$5.6 billion in FY20 and the global delivery management software market valued at \$6.9 billion in FY18.

Launched in 2014, Zoom2u is an Australian delivery marketplace for Same Day, Next Day and Australia wide deliveries. Zoom2u connects Customers with Drivers to complete deliveries of documents, personal items, boxes, heavy items, pallets, containers and everything in between. The Marketplace is well established and has processed over 2 million Deliveries since inception. Customers include consumers, SMEs, large corporates, retailers and e-commerce businesses.

The Platform leverages GPS and mobile phone technology to dramatically improve the Customer and Driver experience during the delivery process by providing real-time tracking for Customers together with the ability to communicate directly with the Driver.

This customer centric focus is key to the success of Zoom2u receiving Product Review awards for 2019 to 2021<sup>1</sup>. The Platform is one of three main product offerings of Zoom2u Technologies.

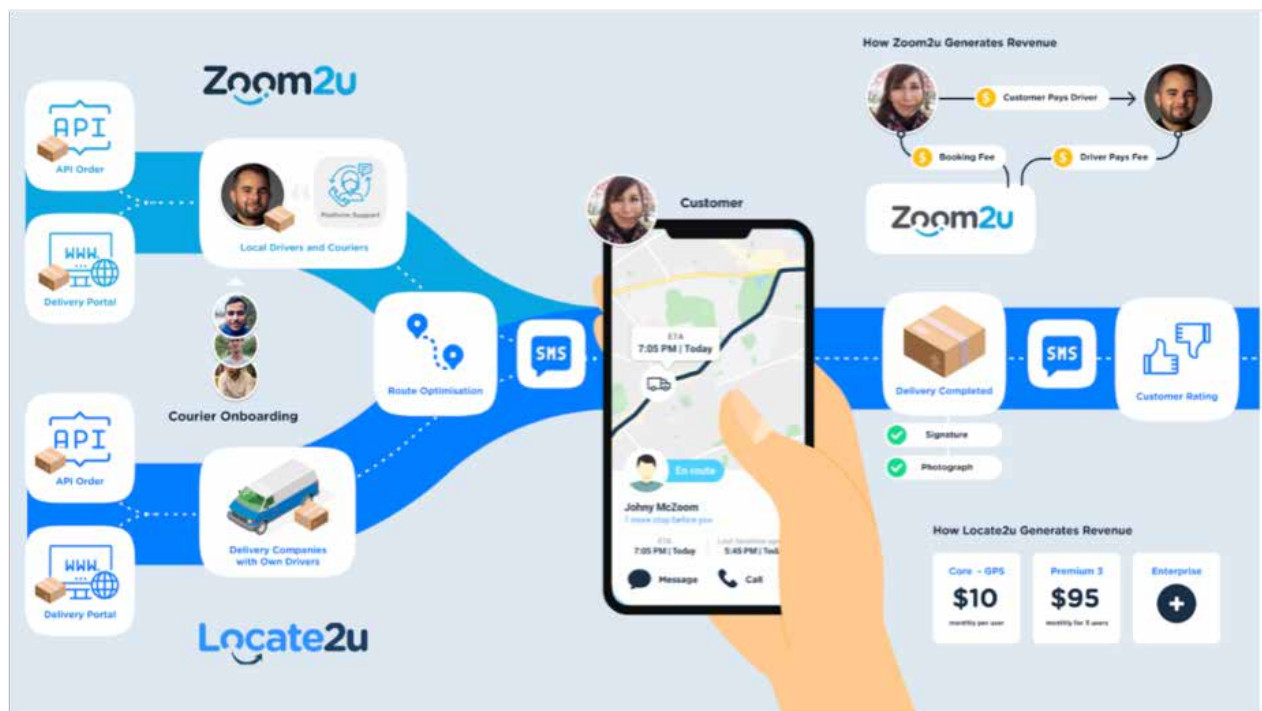
1. <https://www.productreview.com.au/listings/zoom2u>.

The second offering, Locate2u was launched in late 2020 and is specifically designed for delivery and service businesses. Locate2u provides a delivery technology product for businesses to manage their own vehicle fleets.

The aim of the Locate2u technology is to transition delivery businesses from using paper job sheets and other manual processes to a technology enabled service to manage their deliveries. Locate2u optimises routes into the most efficient order in addition to provide a live tracking link to see when the driver will be arriving. Still in its infancy, Locate2u represents an exciting growth opportunity for Zoom2u Technologies.

Figure 3.2 below is a graphical illustration of how both Zoom2u and Locate2u have the customer as the key focus for every delivery. The solution offered by Zoom2u is based on the Marketplace fulfilling the Delivery whilst Locate2u is for deliveries using a client's own fleet. Zoom2u generates revenue from the fees charged to Customers and Drivers, whilst Locate2u generates revenue from a subscription model.

**Figure 3.2 - The customer is the key for Zoom2u and Locate2u**



2u Enterprises, the third operating entity in the Group, carries out research and development, market research and commercial experiments and markets ad hoc e-commerce web development and management services. Shred2u, a business operated by 2u Enterprises, facilitates secure document shredding services. Shred2u uses third parties and Drivers that provide the delivery services and a third party for document destruction services with the drivers' routes being optimised by Locate2u or Zoom2u.

Locate IP employs software developers. The Group owns the registered trade mark "ZOOM2U" and has filed several new trade mark applications for "LOCATE2U", logos of Zoom2u, Locate2u and the Group.

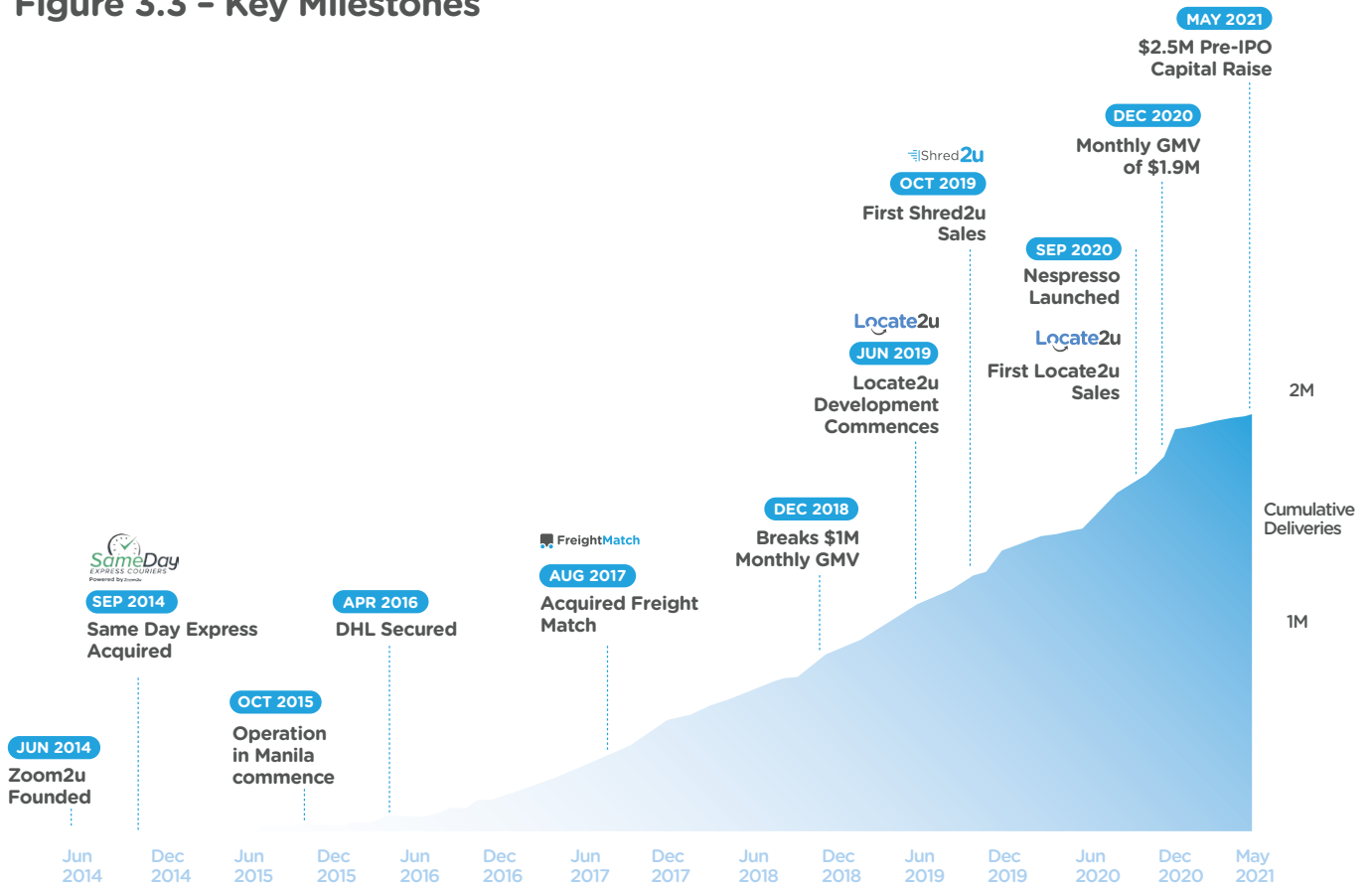
The Group's focus is on developing and commercialising technology solutions with a strategy centred around leveraging its IP in Australia and across the world.

The Group currently has a team of 55 people (including employees and contractors), and is headquartered in Sydney, Australia. None of the businesses in the Group own or operate vehicles or trucks for delivery purposes or employ drivers.

Key milestones in the Company's history are illustrated below. The key milestone of 2 million Deliveries was achieved in July 2021.



Figure 3.3 - Key Milestones



**Note:** Deliveries for Nespresso started earlier than September 2020 in trial mode, but the formal launch took place in September 2020.

## 3.2 Zoom2u

### 3.2.1 Overview of Zoom2u

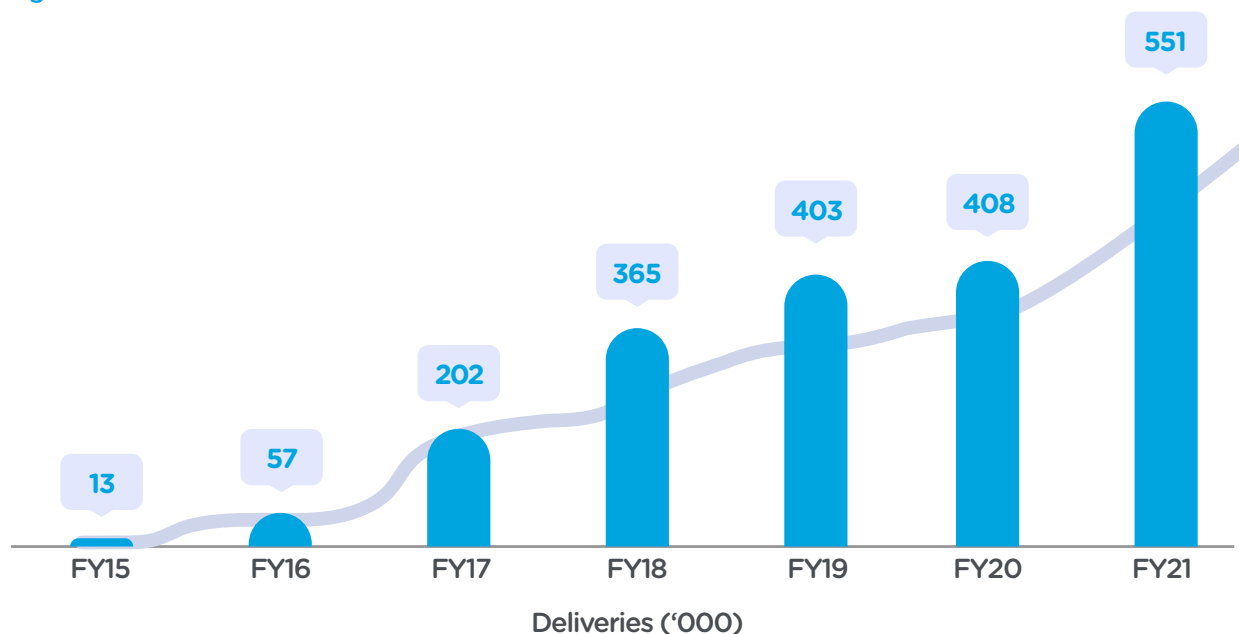
Zoom2u was founded in 2014 by the CEO, Steve Orenstein. The Marketplace was designed with Customers and Drivers in mind and the Platform provides a simple way for Customers to connect with local delivery Drivers for a fast delivery with full transparency of the location of their delivery through live tracking.

The Marketplace was launched in August 2014, and since that time, Zoom2u has:

- had nearly 70,000 Customers, comprising consumers, SME and enterprise Customers, with 18,000 Active Customers;
- on-boarded approximately 8,600 Drivers in major cities around Australia with over 1,500 Drivers who have performed a Delivery via the Platform in the last 12 months; and
- created a proven reliable technology platform which Management believes is scalable. For example, while throughout calendar year 2020 the average daily Deliveries were around 1,800 per day, the Platform successfully processed over 12,000 Deliveries on a particular busy day in December 2020 demonstrating the Platform's capacity to handle high volumes.

Since launch, Zoom2u has processed more than 2 million Deliveries. The chart below shows Deliveries for FY15 to FY21F.

Figure 3.4 - Deliveries for FY15 to FY21F



**Note:** The FY21F number of Deliveries is based on Management's estimate and has been reviewed by the Investigating Accountant but has not been audited.

# 3 Company Overview Continued >

## 3.2.2 The Marketplace

The Marketplace connects local Drivers with Customers for Same Day and Next Day delivery services. The Platform provides Customers the ability to connect directly with their delivery Drivers. This enables faster, flexible, and more reliable local deliveries. Figure 3.5 provides an overview of the services and solutions offered to the Marketplace by the Platform.

**Figure 3.5 – Marketplace services and solutions**



### Connect with Local Driver

Customers can track the live location of their Drivers on their mobile device and communicate with them as needed via a chat function or voice call.

---



### 7 Days a week

The Marketplace operates 7 days a week and offers weekend and after hours Deliveries, in addition to traditional day time deliveries.

---



### Driver Rating

Customers can rate their Drivers on the completion of each Delivery. Over 98.5% of Deliveries that have been rated have received a “thumbs up” rating from Customers.

---



### Secure Payment

Facilitation of secure payment processing for Deliveries.

---



### Price Setting

Customers can accept the default price set by the Platform or set their own price for Drivers to accept or reject.

---



### Integration

SME or enterprise Customers can send booking requests via API or file import from their enterprise systems.

---

### 3.2.3 Zoom2u operates in key Australian metropolitan markets

As at the Prospectus Date, the Marketplace has Drivers in the following major cities in Australia:

Figure 3.6 - Cities with Drivers



Zoom2u is integrated with a number of carrier partners, which have capabilities for delivering large freight items, providing cheaper delivery services on a Next Day basis and expanded coverage beyond the major cities. This affords Customers additional flexibility when selecting Delivery services through the Platform.

The two largest markets in terms of number of Deliveries for Zoom2u are NSW and Victoria.

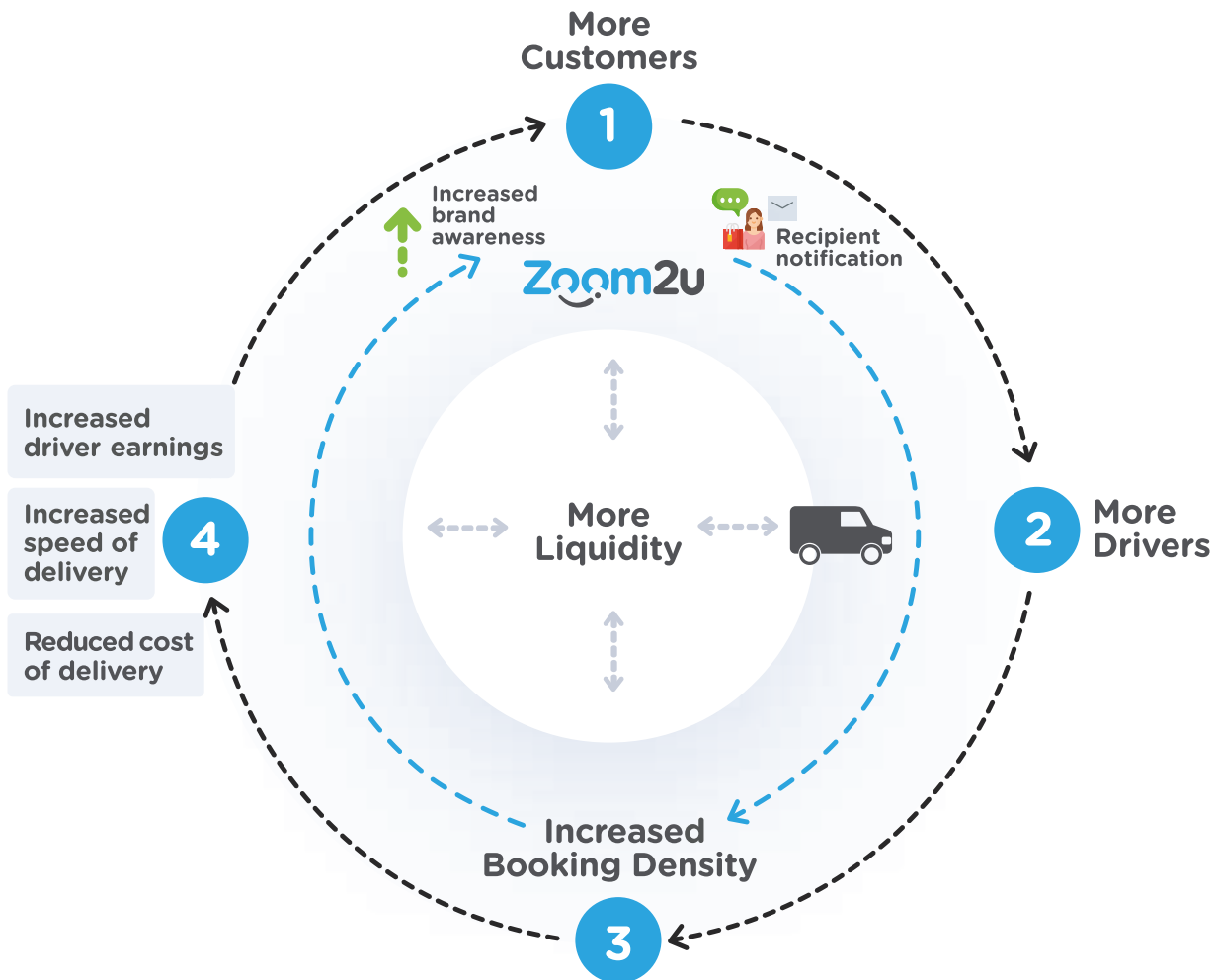


# 3 Company Overview Continued

## 3.2.4 Zoom2u's network effect

Zoom2u's strategy revolves around increasing the number of Customers and Drivers in each city in which the Marketplace operates in an attempt to create sustainable competitive advantage in each market.

Figure 3.7 - Zoom2u's network effect



When Zoom2u was launched in each city in which the Marketplace operates, on-line marketing techniques were utilised to attract interest from both sides of the Marketplace. On boarding of Drivers was targeted at meeting demand seen from Customers in particular geographical areas within a city. Without an adequate supply of Drivers, the ability to efficiently service demand in a particular area was not possible.

---

As the number of Drivers grew to meet increased demand, market coverage improved, enabling Drivers to accept Deliveries from Customers more promptly, which enabled Deliveries to be completed faster, leading to high levels of Customer satisfaction, as evidenced by the very high percentage of “thumbs up” ratings given to Drivers.

As more Customers are attracted to each Marketplace from continued marketing activities, an increase in volume of Deliveries is experienced which increases booking density<sup>2</sup> for Drivers, enabling increased Driver earnings, a potential reduction in prices and further increases in delivery speeds. An increase in Deliveries also provides increased brand exposure, as both Customers and the recipient of the Delivery (who may not be a Customer) are sent notification emails and SMSs with Zoom2u branding.

This network effect has taken many years to develop.

This cycle helps create a network liquidity benefit in the cities in which the Marketplace operates. Zoom2u has achieved a level of scale to benefit from this liquidity in a number of cities in which it operates, which it believes creates a sustainable competitive advantage in these markets.

2. Booking density in this context refers to the number of Deliveries a Driver can make within a particular geographical area within a particular time window.

# Marketplace Features



## 3.2.5 Marketplace features

### 3.2.5.1 Customers Experience

A Customer's interaction with the Marketplace is as follows:

Figure 3.8 - Customer Experience

#### Create Booking

Customers can sign up and within seconds they can place a booking on their desktop or via the Zoom2u Customer App.

#### Set your price

The Platform will suggest a price based on speed of delivery and distance. The Customer will also have the ability to set the price they wish to pay on a Delivery.

#### Driver Accepts/Rejects

Drivers logged into the Zoom2u Driver App are sent notifications of bookings in their area and can choose to accept or reject the bookings.

#### SMS Notifications

Customers receive an SMS with a tracking link to track their Driver live.

#### Tracking Link

Customers can track the live location of their Driver on a map.

#### Proof of Delivery

Drivers can use the Platform to capture proof of delivery for their Customers.

#### Rating

Once a booking is complete, Customers can rate their Drivers.

## 3 Company Overview Continued

### 3.2.5.2 Types of Customers

There a range of different types of Customers who use the Platform, ranging from consumers, SMEs and enterprises.



#### Consumers

Consumers are individuals who are looking to move a parcel of any size most commonly within the same city on the same day. The Platform allows consumers to login via their phone or desktop to instantly place a booking and be connected with a Driver. Once connected, the consumer can communicate directly with the Driver and track their live location.

Consumers use Zoom2u for a range of deliveries which include the following:

- **Urgent delivery:** Need keys, wallet, laptop etc. delivered when forgotten at a location;
- **Large items:** Need to move a piece of furniture;
- **Reliable delivery:** The consumer needs a delivery to be delivered in a specific time window and does not want to risk using a traditional carrier;
- **Retail & online orders:** Consumers may use Zoom2u when they have ordered online or via phone to the retail store; and
- **Recovery from traditional carriers:** Consumers may use the Platform to recover a parcel from a traditional carrier that has failed to complete their delivery.



#### SME Customers

SMEs who have a same day courier requirement can use Zoom2u on a daily basis through the easy-to-use Platform.

These SME Customers use Zoom2u to deliver anything from an envelope through to a pallet. They choose Zoom2u over the traditional couriers because it is simpler to get started and more reliable. They simply sign up online and within minutes they can book a Delivery.



#### Enterprise, Retail & E-commerce Customers

Customers are spread across numerous industries, including logistics businesses, retailers, e-commerce companies, manufacturing and distribution businesses. Zoom2u has the ability to white label the Platform for these Customers.

Major enterprise Customers include:

- **DHL Express** – uses Zoom2u for overflow demand to supplement the DHL Express fleet of drivers during peak periods;
- **Nespresso** – for hyperlocal store to consumer Same Day deliveries; and
- **Pact Group** – for hyperlocal warehouse to consumer Same Day deliveries.

### 3.2.5.3 Zoom2u Customers – Key Statistics

To date, over 70,000 Customers have made at least one booking request for a delivery service on the Platform. For FY21F, the Marketplace added an average of over 1,000 new Customers per month. Zoom2u currently has over 18,000 Active Customers. On average 34% of Customers make more than one booking (**Returning Customers**).

Gross Marketplace Value (**GMV**) represents the total price of all Deliveries completed through the Marketplace (after cancellations), inclusive of fees paid by Customers to Zoom2u, but excludes any applicable GST. For the avoidance of doubt, GMV does not represent income of Zoom2u, but Zoom2u's income derives from the GMV (see Section 3.2.6).

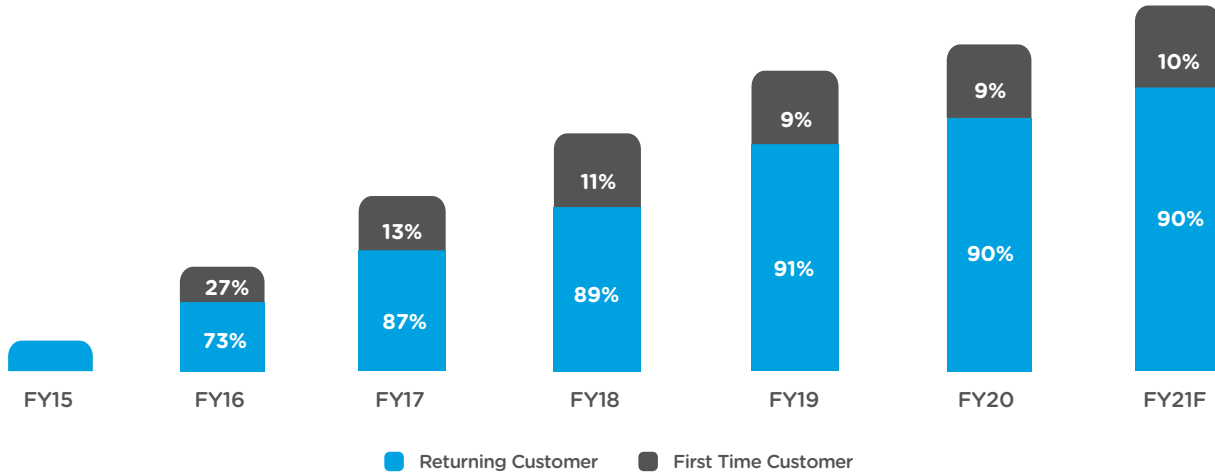
The Board believes that Customer satisfaction is evidenced by the fact that GMV generated from Returning Customers<sup>3</sup> as opposed to First Time Customers, is the majority of GMV as illustrated below<sup>4</sup>.

3. A Returning Customer is a Customer that has previously had a delivery completed on the Platform.

4. FY21F based on mix of Customers for the financial year to 30 June 2021. Split in FY15 was 53% returning customers, 47% first time customers.

# 3 Company Overview Continued

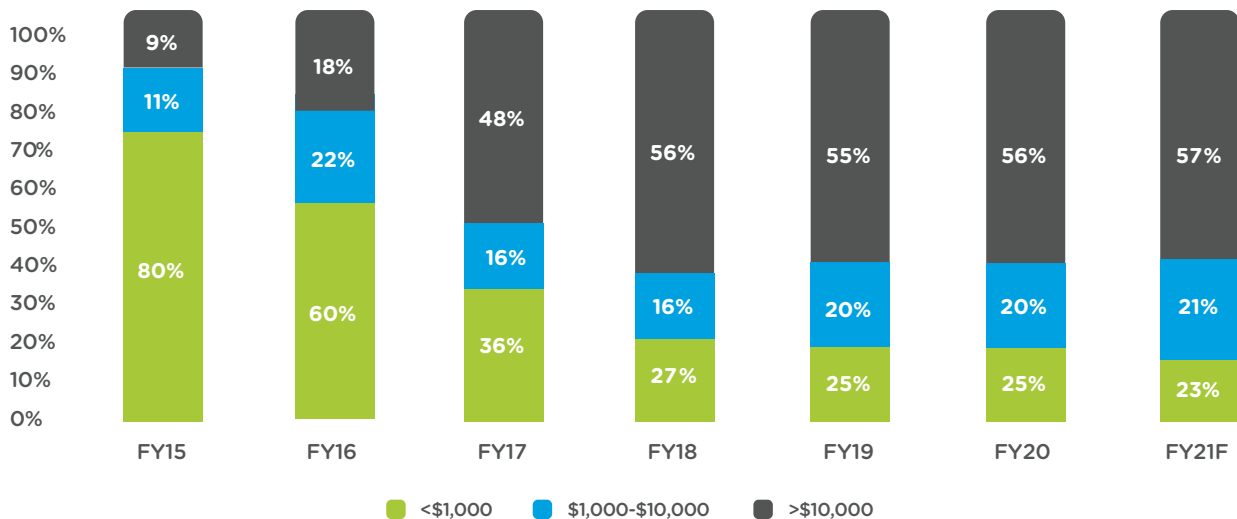
Figure 3.9 – GMV breakdown by Returning Customers and First Time Customers



When launched in 2014, Zoom2u’s Customer base was predominantly consumers and SMEs. Over time, the mix of Customers has changed, with enterprise Customers contributing an increasing share of GMV.

The chart below illustrates the increase in the proportion of Customers providing significant GMV to the Marketplace – with GMV from Customers providing greater than \$10,000 in annual Customer GMV contributed 57% of FY21F GMV, compared to only 9% in FY15.

Figure 3.10 – GMV mix, split by annual Customer GMV



Note: FY21F based on mix of Customers forecast for the financial year to 30 June 2021

### 3.2.5.4 Key benefits for Customers



#### Easy, low-touch and fast sign-up process

Customers are asked to enter an email address, phone number and credit card details. This process can be completed in minutes and the Customer can then immediately book a delivery. This compares to traditional carriers that often require new customers to complete a complex sign up process.



#### Choice of service

hyperlocal Same Day, Next Day, interstate or large freight delivery.



#### Pricing Flexibility

The Customer is given suggested pricing for each service but can also choose to set their own price (which can either be accepted or rejected by a Driver).



#### Bid requests

The Customer can request Drivers in the Marketplace to make bids to price a specific Delivery. This is often used for larger items.



#### Access local drivers fast

Once a booking is entered, it will be sent to the available Drivers who will be able to accept or reject the booking.



#### Live tracking and ETA

The Customer receives automatic SMSs and emails with a live tracking link to their Driver allowing for full transparency of a Driver's location and the ETA.



#### Communication with the Driver

A Customer can easily contact the Driver by phone or messaging directly through the Zoom2u Customer App.



#### Dedicated Customer support team

Zoom2u's Customer service team operates 8am to 9pm (AEST/AEDT) Monday to Friday, and from 10am to 5pm (AEST/AEDT) Saturday and Sunday to assist Customers and Drivers in using the Platform.



## 3 Company Overview Continued >

### 3.2.5.5 Drivers Experience

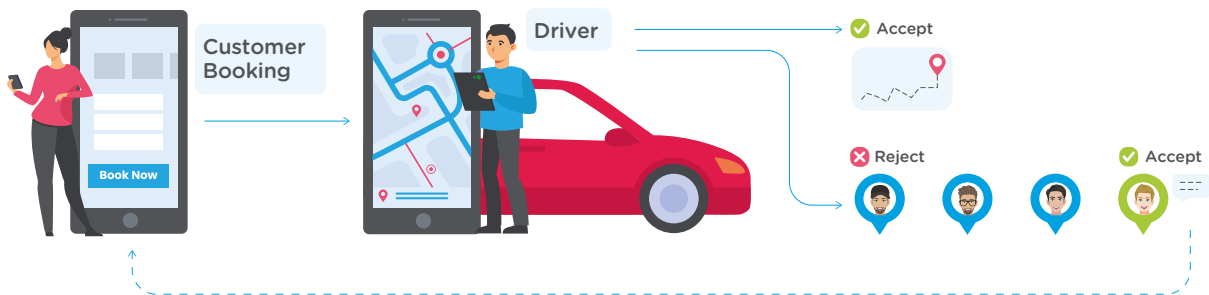
#### A Platform designed with the Driver in mind

When the Platform was designed, it was designed with both the Customer and the Driver in mind. The ease of interaction between Customers and Drivers is one of the factors leading to Zoom2u's excellent track record of outstanding Customer service.

A Driver's interaction with the Marketplace is as follows:

- When a Customer has made a booking, a booking request is automatically generated.
- The Zoom2u proprietary dispatch algorithm works out the most suitable Driver for the delivery that is logged into the Zoom2u Driver App at the time. The Driver will receive a notification and has the ability to accept or reject the booking.
- If the Driver rejects the booking, the Marketplace algorithm automatically sends the booking to the next most suitable Driver in the Marketplace. This continues until the booking is accepted or alternatively it will be cancelled if no Driver has accepted the booking.
- Once a Customer places a booking a tracking link is sent to the Customer and the Delivery process occurs.

Figure 3.11 - Drivers' interaction with the Marketplace



---

### **Zoom2u's relationship with Drivers**

Upon registration, as part of the on-boarding process, Drivers enter into the standard Driver Terms (see Section 9.4.3) under which they are granted a licence to use the Platform and pay a Platform Fee to Zoom2u for every Delivery completed via the Platform. As such, Drivers are not employees of Zoom2u. In addition, they do not provide a service to Zoom2u and therefore are not contractors to Zoom2u. It is Zoom2u that provides the Platform to Drivers.

Drivers may be an individual operating a delivery business with their own vehicle or may be a company with many individual drivers and riders providing delivery services through the Platform. As such the Platform provides the opportunity for businesses to grow using the Platform to source delivery jobs.

### **Approximately 8,600 Drivers are registered to operate in the Marketplace**

Approximately 8,600 registered Drivers operate cars, vans, trucks and bikes in the Marketplace. Key features of the Marketplace for Drivers include:

- Drivers wanting to join the Marketplace are required to complete an application process to join the list of waitlisted drivers. There are currently approximately 23,000 waitlisted drivers waiting to be on-boarded;
- Waitlisted drivers are selected to undertake a detailed on-boarding process. Should a driver be successful in completing the on-boarding process, the driver will be on-boarded on the Marketplace. Once on-boarded, a Driver becomes registered to operate on the Platform;
- Registered Drivers have complete flexibility on when to log into the Zoom2u Driver App and over which bookings they choose to accept; and
- Customers have the opportunity to rate Drivers after every Delivery to ensure Zoom2u maintains high quality levels of service, with immediate addressing of any issues with the Delivery.

In FY21F, over 1,500 Drivers have performed a Delivery via the Platform.

# 3 Company Overview Continued

## Key benefits for Drivers

Key benefits for Drivers in using the Platform are set out below.



### Flexibility

Drivers have complete flexibility on when they work and which bookings they choose to accept.

---



### Payments

Zoom2u arranges all Customer invoicing and receives payments from Customers on behalf of the Driver and transfers the payments net of fees to the Driver's bank account once per week.

---



### No joining fees

There are no joining fees. Drivers have a licence fee (the Platform Fee) deducted from the Delivery Price for completed Deliveries.

---



### Drivers can use any vehicle

including bicycles, motorbikes, cars, utility vehicles, vans and trucks.

---



### Non-exclusive arrangement

Drivers can (and do) work for other businesses including ride share platforms and other delivery platforms.

---



### Build a Customer base

Drivers have the ability to build their own Customer base, where Customers can choose to set the Driver as a preferred Driver. This builds goodwill within Drivers' accounts.

---



### Build a team

Drivers can build up their own delivery business by adding drivers onto their account, allowing them to subcontract work to members within their team. There is no need for these additional drivers to be on-boarded by Zoom2u as they may be employees or contractors of Drivers.

---



### Sell their licence

Drivers have the ability sell their licence to use the Platform to other Drivers. Zoom2u facilitates this process but does not charge any fees for this facilitation.

### 3.2.5.6 Types of Deliveries in the Marketplace



#### Hyperlocal Same Day Deliveries

Customers looking to move a parcel within hours rather than days can use Zoom2u to be connected with a Driver for fast same day Delivery. Once connected, the Customer can see the Driver's live location and the ETA and communicate directly with the Driver.

When placing a booking, the Customer can choose the required delivery speed – anything from VIP (first available driver, non-stop), 3 hours and before 5pm (if the booking is placed by midday) for local deliveries in metropolitan areas.



#### Next Day Deliveries

The Platform also allows the Customer to connect with carriers other than Drivers to provide a delivery service to geographical areas where there are no Drivers on the Platform, and where Same Day Delivery is not required. In this instance, the Platform sends a booking electronically to the carrier for delivery.

This type of delivery is a relatively new feature of the Platform and allows Customers to book deliveries Australia wide.



#### Interstate deliveries

A Customer can use the Platform to arrange for a pick up and delivery between states.

For priority interstate deliveries, a Driver will collect the item and deliver it to the closest airport, from which the nominated carrier will deliver the item to its interstate airport. Once the item arrives interstate, another Driver will collect the item and deliver it to its ultimate destination. Zoom2u has arrangements with established freight companies that can make the entire interstate delivery process seamless, fully transparent and trackable.

For other interstate deliveries, a carrier other than a Driver will undertake the Delivery by road.



#### Large freight deliveries

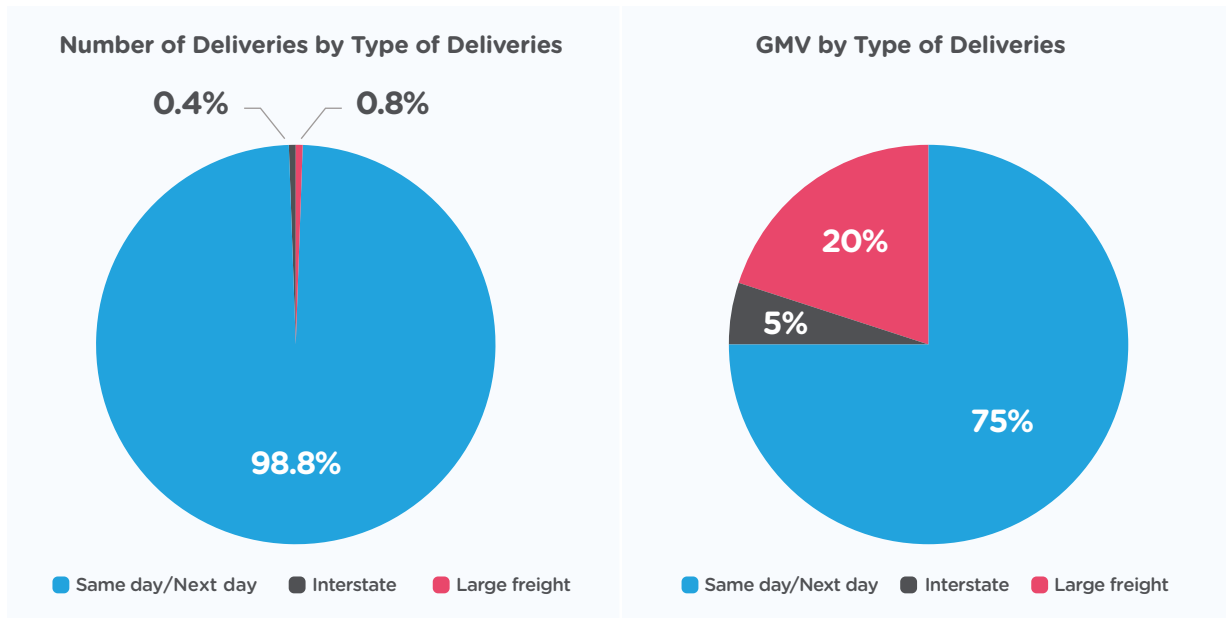
Zoom2u offers large freight services, under the brand "Freight Match", for items including pallets, construction materials, food products and many other commodities. Less than full loads as well as full loads can be moved using a large network of transport operators across Australia.

Figure 3.12 below shows the proportion of Deliveries and GMV by type of Deliveries for FY21F<sup>5</sup>. Whilst Same Day and Next Day represent the majority of Deliveries, they are generally the lowest priced types of Deliveries available in the Marketplace. Interstate and large freight Deliveries generally command significantly higher prices per Delivery than Same Day Deliveries leading to these types of Deliveries providing a higher share of GMV than their share of Deliveries.

5. Based on FY21F data.

# 3 Company Overview Continued >

Figure 3.12 – Mix of Type of Deliveries



## Items Delivered

Drivers deliver items of all sizes, from envelopes through to building materials. Time-sensitive deliveries such as urgent documents or fresh items requiring fast and reliable delivery, are also delivered through the Marketplace.

Larger items, such as pallets, furniture and building materials are delivered by trucks through the Freight Match carrier network.

Figure 3.13 – Items Delivered



## 3.2.6 Zoom2u’s Business Model

Each Delivery in the Marketplace has an associated Delivery Price which is set by the Customer or the Driver. Gross Marketplace Value or GMV represents the aggregate Delivery Price (less any applicable GST) of all Deliveries completed through the Marketplace (after cancellations), inclusive of fees paid by Customers to Zoom2u.

The amount that will be earned by Zoom2u on each Delivery<sup>6</sup> is comprised of:

- a **Booking Fee**, based on the Delivery Price. The Booking Fee is a fixed amount based on bands of Delivery; and
- a **Platform Fee**, which is generally between 15% to 31% of the Delivery Price less the Booking Fee (inclusive of GST).

Zoom2u’s revenue is the sum of the Booking Fee and the Platform Fee.

For the avoidance of doubt, GMV does not represent income of Zoom2u, but Zoom2u’s income derives from GMV.

6. Some enterprise Customers do not pay a Booking Fee.

### 3.2.6.1 Take Rate

Zoom2u's revenue as a percentage of GMV is referred to as the Take Rate.

In FY21F, the Take Rate is forecast to be 21.6%. Since FY19, the Take Rate has ranged between 21.3% and 23.3% with variations in Take Rate being driven by the split between the volume of different types of Deliveries and the value of those Deliveries.

### 3.2.6.2 Gross Profit Margins

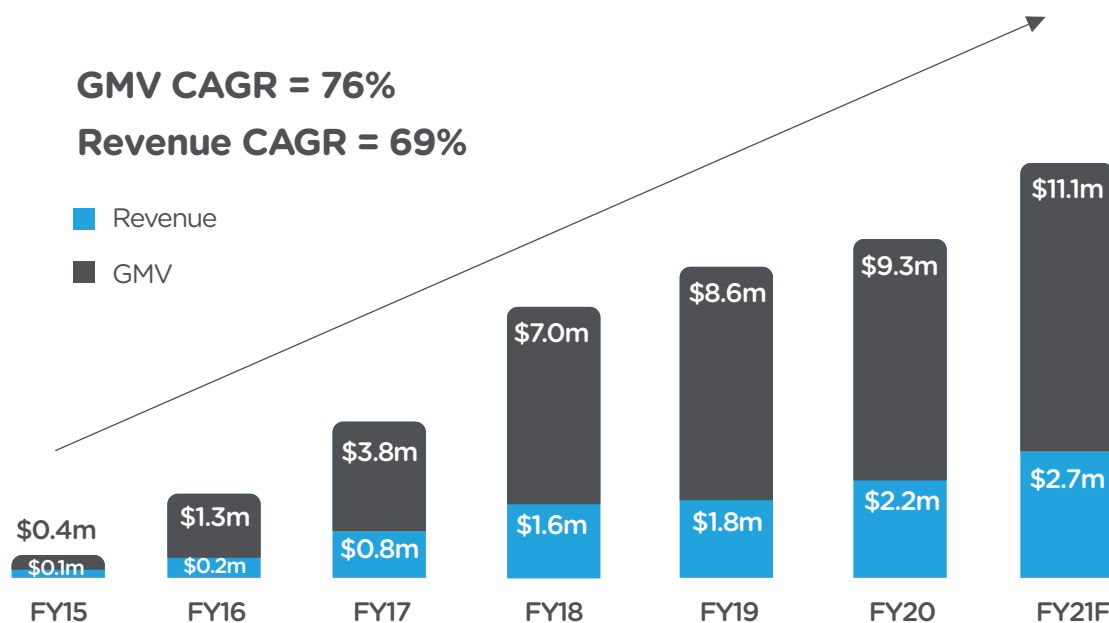
Zoom2u has only two costs directly associated with each Delivery:

- **Merchant fees** – which are paid to secure third-party payment service providers to process credit card payments. Approximately 33% of Zoom2u's GMV in FY21F<sup>7</sup> was paid by credit card; and
- **Credit checks** – fees paid to Creditor Watch for credit information on Customers.

In FY21F, Zoom2u's Gross Profit Margin is forecast to be 97.0%.

### 3.2.6.3 Growth

Figure 3.14 – GMV and Zoom2u's revenue<sup>8</sup> by Financial Year



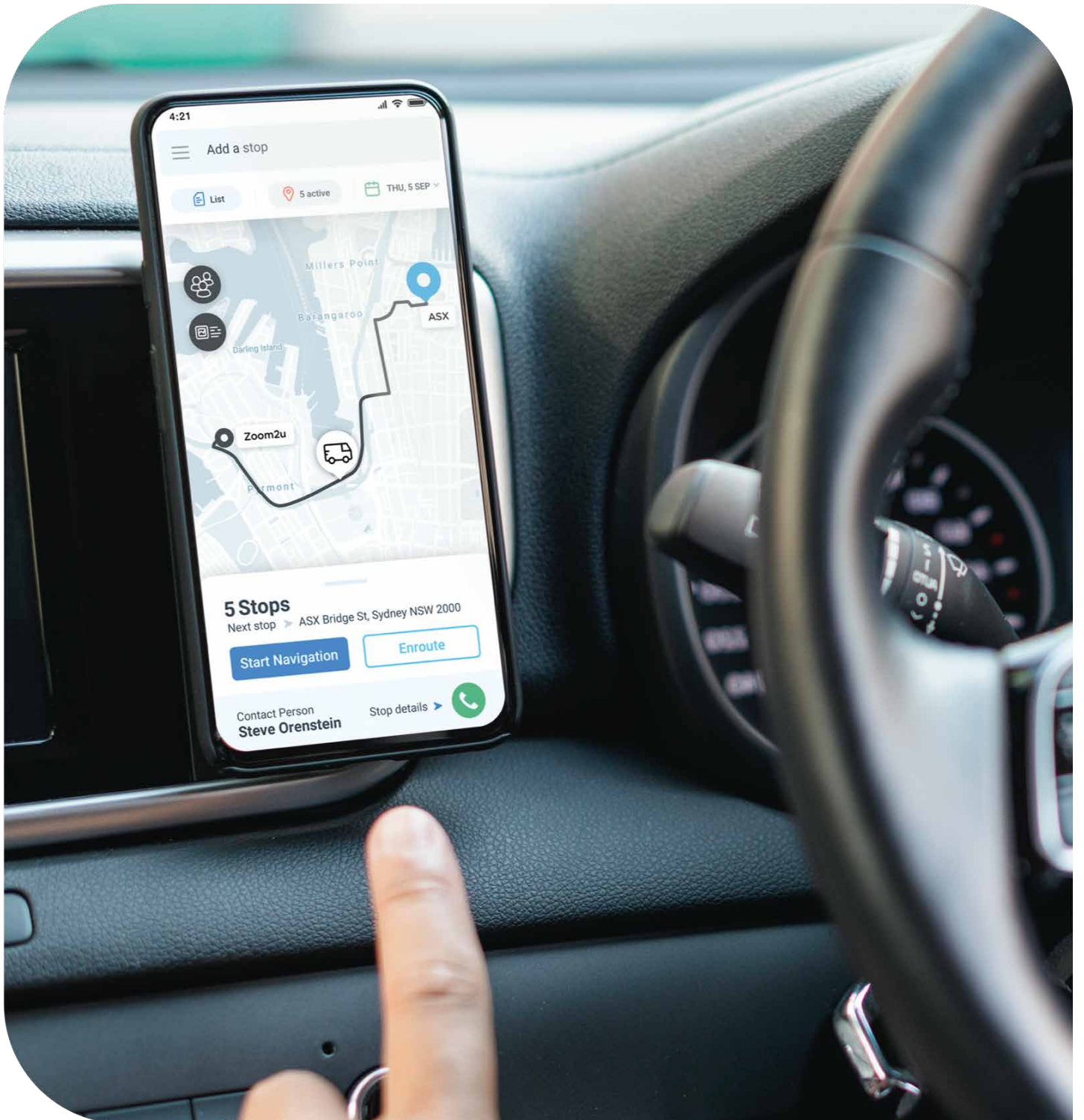
For FY21F, GMV is forecast to grow by 19.3%. Growth has been assisted by new Customer wins and increased volume from existing Customers. The strong movement towards e-commerce fulfilment has created a number of sales opportunities for Zoom2u which are being pursued.

As outlined in Figure 3.14 above, the CAGR of GMV and revenue between FY15 and FY21F has been 76% and 69% respectively per annum.

7. Based on FY21F data.

8. GMV shown is Zoom2u's GMV, whilst revenue is Group revenue.

# Locate2u



## 3.3 Locate2u

### 3.3.1 Overview of Locate2u

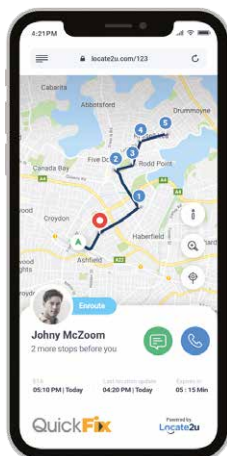
In 2019, to complement the Marketplace, the Group commenced development of a SaaS technology product, Locate2u. Locate2u is a turnkey delivery management software product that allows delivery businesses of any size to manage their deliveries efficiently.

The software has been designed to enable delivery businesses to manage bookings, optimise routes, estimate delivery times and share driver locations with consumers. The product was launched in late 2020 and had signed up 59 clients to 30 June 2021 in Australia and offshore.

As Zoom2u evolved, the Group started to notice some Customers ran their own fleet of drivers using their own vehicles but were unable to track their fleets live. Further, the Group observed that the process of allocating deliveries had been conducted manually, sorting the deliveries according to postcodes or suburbs using paper job sheets and other manual processes. Postcodes or suburbs would not necessarily provide the best outcome, as two deliveries could be on the border of two different suburbs and without route optimisation, these deliveries could be allocated to two drivers.

Consumers today want to know when their delivery is arriving – they do not want a time window of simply AM or PM. With Locate2u businesses can take all of their deliveries for the day and process them through Locate2u’s routing engine generating real-time ETAs.

Figure 3.15 – Locate2u real-time ETA

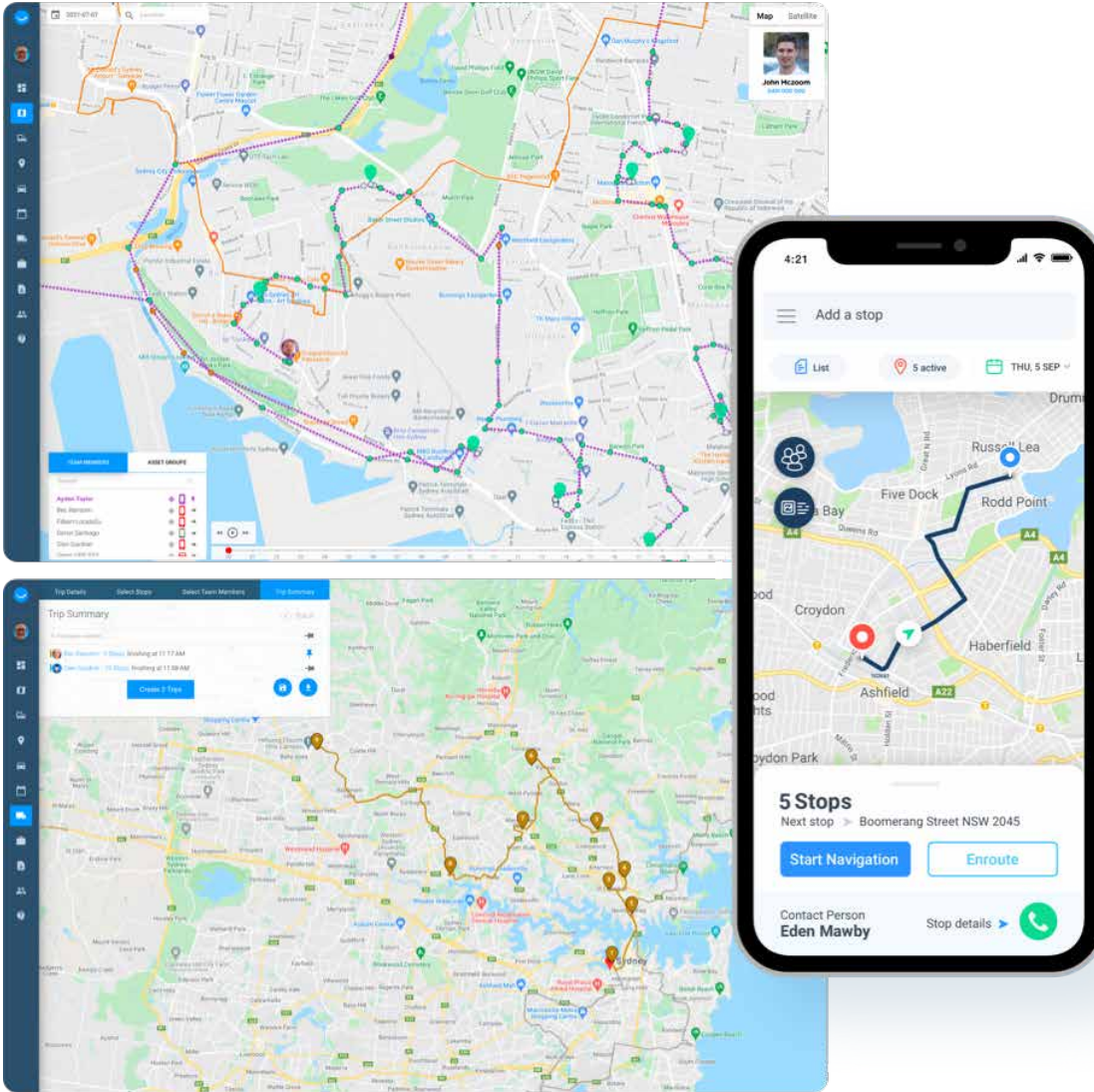


With Locate2u, the planned deliveries are run through the product’s algorithm which builds the most efficient route reducing the time to deliver but also the number of drivers.



# 3 Company Overview Continued

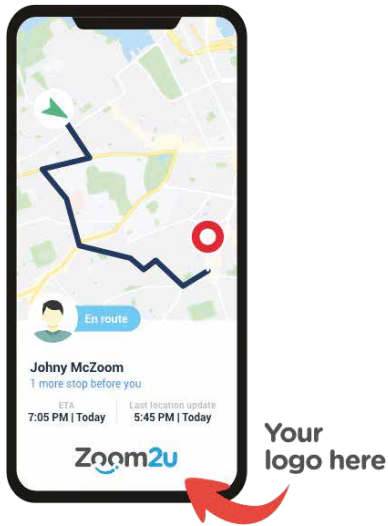
Figure 3.16 - Example of Locate2u's algorithm building the most efficient route



Being able to build optimised routes leads to cost savings to business but also reduces the impact to the environment from the reduction in wasted kilometres travelled.

Equally as important, the driver receives all their deliveries via their mobile device (on IOS or Android). The driver can see the route and simply follow navigation directions from Locate2u to make their deliveries. The system turns a driver with no local knowledge of an area to being extremely efficient in making deliveries.

Figure 3.17 - Locate2u white label example



From the consumer's perspective, as the driver leaves the warehouse the consumer will receive an SMS with a link. The tracking link opens on the consumer's phone allowing them to see the live location of the driver and their ETAs. The link can be white labelled to match the businesses brand.

Once the driver completes the delivery, they have the ability to capture proof of delivery via a photo or signature, which is automatically notified to the business' administration portal.

Through the administration portal the business can track a driver's live location, route history, and monitor the status of all bookings. GPS data can be collected either from the driver's mobile device or via a GPS unit hardwired into their vehicle.

Figure 3.18 - Locate2u hardware devices



OBD2 Port Device



Rugged GPS  
Hardwired Device



Battery powered  
Device

## 3 Company Overview Continued

### 3.3.2 Clients of Locate2u

#### 3.3.2.1 Overview

Locate2u can be used by clients that:

- **Deliver products or have a need to track their fleets:** for example, same day couriers, line haul trucking, tow trucks, retail and food delivery; and
- **Operate in service industries that have staff in the field:** for example cleaning, security, plumbing, electrical, installation, repair, IT service, garden maintenance, rubbish removal and removalists.

The Locate2u product was launched in September 2020. As at 30 June 2021, 59 clients were using the Locate2u product, paying an average subscription of approximately \$80 per month.

Marketing of the product to date has been by paid Google and Facebook's advertisements. These advertisements lead prospective clients to the Locate2u website. The website contains an enquiry form which is entered into Locate2u's CRM system which then enables sales staff to respond to enquiries and run prospective clients through a sales process.

Current clients include courier businesses, take away restaurants, a payment terminal business and food retailers. Clients are currently using the product in Australia, United States of America, South Korea, the United Arab Emirates and New Zealand.

#### 3.3.2.2 Key benefits of Locate2u

The Locate2u product has brought together GPS tracking, booking management, live location sharing and route optimisation in a single product that is simple to use.

Key benefits of the Locate2u product include:



**Saves time and money** – Locate2u will optimise the route in the most efficient order, saving time for administration staff but also in drivers' time;



**Lower carbon emissions** – With routes being optimised efficiently less drivers will be required and potentially less kilometres travelled, thereby reducing green house emissions;



**Track team members** – Locate2u provides the ability to track team members via their mobile device or hardwired GPS, giving operators transparency over workloads and schedules;



**Improved consumer experience** – Drivers can share their live location with consumers to provide full transparency of a delivery's ETA; and



**Integration** – The product allows for easy import of excel files and web integration to existing booking systems.

# Locate2u Case Study



## 3 Company Overview Continued >

### 3.3.2.3 Locate2u Client Case Study

Happy Paws Pet Food is a high-quality raw pet food company based on the Gold Coast, Queensland. The business delivers a range of pet food products directly to consumers, including organic chicken, kangaroo, beef and pet treats.

As a one-man team, Happy Paws Pet Food founder Brenton Scown was looking for delivery management software that could keep up with his busy schedule, improve his customer's delivery experience, and automate a large part of the delivery process.

Brenton explained how Locate2u has taken his delivery process from manual to fully automated: "I used to do it all manually via SMS. At every stop, I'd have a pre-saved message and send it to the customer. But with Locate2u, everything is done automatically at the click of a button, and I'm on the road again."

Happy Paws Pet Food's customer experience has improved '100%' since implementing Locate2u. Customers can now leave feedback, and if a customer isn't home, the Happy Paws driver can share a photo of the package, letting them know it's been delivered.

The estimated delivery times also help customers schedule their day around the delivery: "Because we deal with frozen pet food, in the Gold Coast especially, it can defrost quite quickly," he said. "So if the customer is given an estimated delivery time, they can schedule their day around it. It's fantastic."

"I always know which customers are using the live tracking because they're often standing at the front of their house as I drive past," he adds. "It works well."

### 3.3.3 Locate2u Business Model



#### 3.3.3.1 Revenue

Locate2u offers a SaaS product, with most clients committing to a monthly subscription. The period may vary depending on the client and may be a month to month, 12-month or 24-month contract. Pricing plans are based on the features required by the client.

Current pricing in Australia for Locate2u is as set on in Figure 3.19 below:

**Figure 3.19 - Locate2u pricing**

Product	Pricing
Core - GPS	Starting from \$10 per month per user
Premium - 3	Starting from \$95 per month for up to 3 users
Enterprise	Negotiable

Locate2u will charge an implementation fee for enterprise clients looking for assistance with on-boarding and training their team. The fee will be negotiated based on the requirements of the client.



#### 3.3.3.2 Gross Profit Margin

The only costs directly associated with providing the Locate2u product are fees which are paid to secure third-party payment service providers to process credit card payments. Accordingly, Locate2u generated a Gross Profit Margin of 96.4% in FY21F.

As the business scales some costs which are currently fixed may increase.

## 3.4 2u Enterprises

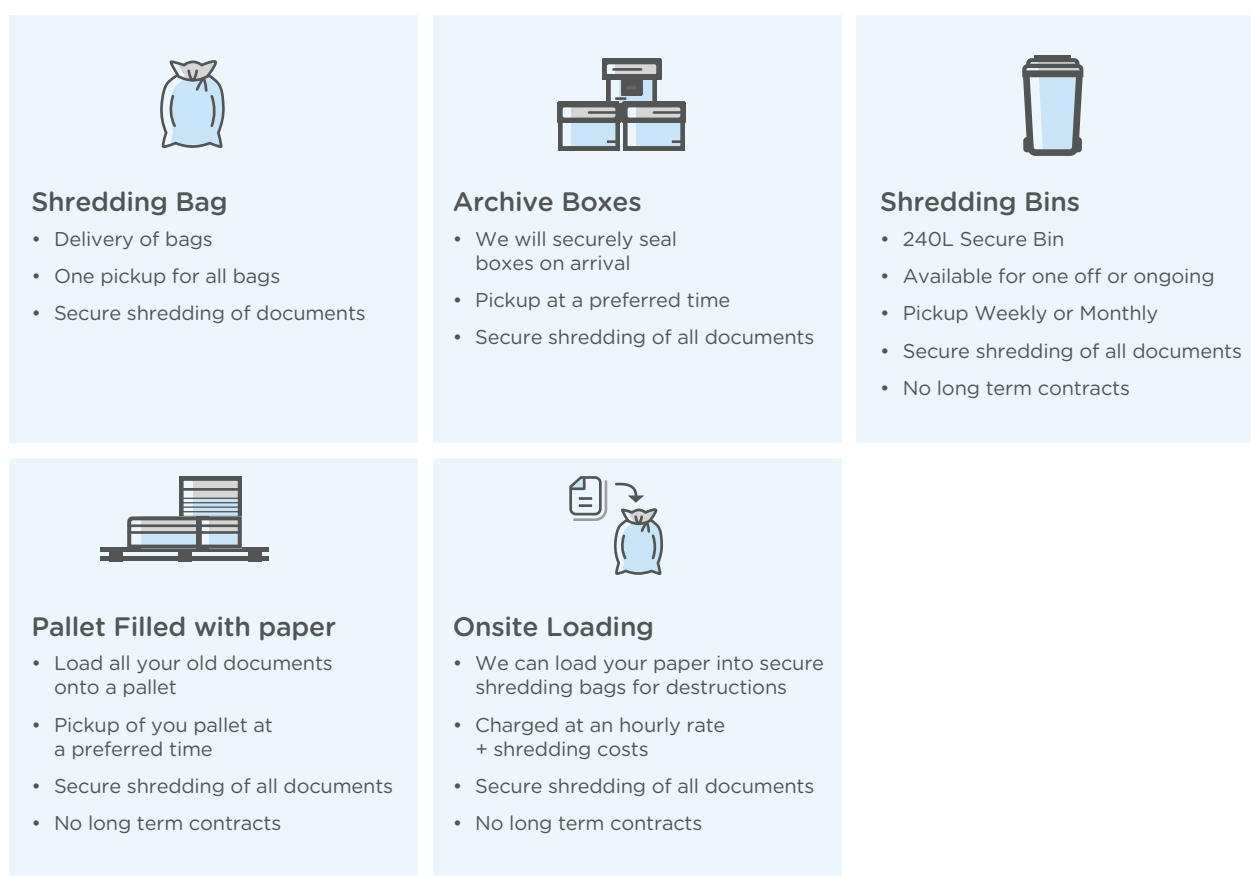
### 3.4.1 Overview of 2u Enterprises

2u Enterprises carries out research and development, market research and commercial experiments and markets ad hoc e-commerce web development and management services.

Shred2u, a business operated by 2u Enterprises, facilitates secure document shredding services. Shred2u uses third parties and Drivers that provide the delivery services and a third party for document destruction services with the drivers' routes being optimised by Locate2u or Zoom2u.

Services provided by Shred2u are illustrated in Figure 3.20 below:

Figure 3.20 - Shred2u services



Shred2u provides a simple online interface for users to order the service they require. Shred2u enables customers to track when their shredding will be picked up, through the transparency provided by the driver using either Zoom2u or Locate2u.

Shred2u can arrange pick up of documents for destruction from a customer's home or office.

To date, approximately 80% of Shred2u services have been booked in Sydney, with the remainder being booked in Melbourne. The services are currently only offered in these two cities, but there is potential to expand these services to other major cities.






In terms of e-commerce web development and management services, 2u Enterprises has capabilities to develop an end to end e-commerce solution for manufacturers and distributors of consumer products. These services include website design, e-commerce enablement, management of distribution and last mile logistics, using Zoom2u.

## 3 Company Overview Continued >

### 3.4.2 Business model of 2u Enterprises

Current pricing for Shred2u services is as follows:

Figure 3.21 – Shred2u pricing

Product	Pricing
 <b>Shredding Bag</b>	Starting from \$71.50 per bag with the per bag pricing being reduced as the quantity increases.
 <b>Archive Boxes</b>	Starting from \$60.50 per box with the per box pricing being reduced as the quantity increases.
 <b>Shredding Bin</b>	Starting from \$99 per bin with the per bin pricing being reduced as the quantity increases.
 <b>Pallet filled with paper</b>	Negotiable.
 <b>Onsite Loading</b>	Negotiable.

Shred2u's major cost is the cost of third party drivers and Drivers dropping off and picking up bins, boxes and bags. Other Shred2u costs include the cost of purchasing and maintaining bins and purchasing shredding bags. Document destruction is undertaken free of charge by a third party.

In terms of e-commerce web development and management services, revenue can be derived from the following sources:

- **Website development** – project based pricing based on work required;
- **Storage** – reimbursement of actual storage charges incurred for provision of storage space; and
- **Marketing** – can include an ongoing management fee, fees for ongoing development and design resources and fees for customer service resource (generally live chat).

Costs for providing these services include rent for storage space, and labour associated with development, customer service and marketing.

In FY21F, 2u Enterprises is forecast to generate revenue of approximately \$0.3 million, with approximately \$0.1 million being generated by Shred2u.

### 3.4.3 Customers of 2u Enterprises

Shred2u is the main operating business within 2u Enterprises. It has facilitated document destruction services to in excess of 2,700 customers since its inception in October 2019, of which over 1,400 are business customers, with the remainder being consumers.

The Pact Group is a current active client for the e-commerce web development and management services provided by 2u Enterprises.

## 3.5 Key Strengths and Competitive Advantages

### 3.5.1 Zoom2u Key Strengths



#### **Zoom2u operates in a market with attractive fundamentals**

Zoom2u operates in the Australian delivery service market, which was valued at approximately \$5.6 billion in FY20 and which is projected to witness strong growth, particularly driven by the increase in e-commerce and the increased outsourcing of delivery services.

Consumer expectations regarding the delivery experience are rapidly evolving in line with e-commerce penetration. Location transparency, together with fast same day delivery times, are becoming increasingly important.

There is clear scope for Zoom2u to disrupt this market, as incumbent courier companies are either using out dated technology or burdened by their current operating model which is a disincentive to invest in improving their offering.



#### **The Marketplace has a large and diverse set of Customers**

Since 2014, nearly 70,000 Customers have used the Marketplace. Those Customers comprise consumers, SME and enterprise Customers with 18,000 Active Customers across numerous industries, including logistics, retailers, e-commerce, restaurants, manufacturing and distribution. A very high percentage of GMV is generated from Returning Customers.



#### **The Marketplace has a large database of Drivers**

The Marketplace has 8,600 Drivers. Drivers can choose when to log into the Zoom2u Driver App and which bookings to accept. Because the Platform can detect a Driver's live location when they are online, the Platform can automatically match the best Driver to Customer bookings. Having a large database of Drivers assists in having bookings accepted faster and managing growth in demand into the future.



#### **Zoom2u has created a network effect**

Zoom2u has created a Marketplace which connects Customers to local Drivers in their area for fast delivery. Building a Marketplace is challenging, as supply and demand needs to be built simultaneously. As more Customers use the Marketplace it creates a network effect with Deliveries becoming faster and more bookings becoming available for Drivers. Refer to Section 3.2.4 for details on the network effect.



## 3 Company Overview Continued >



### Zoom2u is scalable

During peak periods in December 2020 the Platform was able to process over 12,000 Deliveries in a day compared to the average daily Delivery volume in calendar 2020 of around 1,800 per day. The Platform scaled and the cost base of the business did not increase significantly.



### Zoom2u has won awards

Zoom2u has high levels of satisfaction, due to its seamless digital customer experience, transparency and real-time direct communication that can address changing conditions. Zoom2u has won Product Review's best courier award for 2019, 2020 and 2021. Customers can rate all Drivers after their Delivery. This assists Zoom2u in maintaining high levels of service and allows immediate rectification of any issues with a Delivery. Over 98.5% of Deliveries that have been rated have received a "thumbs up" rating from Customers.



### Zoom2u has continuously developed the Platform

Since the business commenced in 2014, numerous product updates have been made to the Platform in response to Customer and Driver feedback. The IP in the Platform has been developed with the Company's own resources and has been purpose built to support the Marketplace.



### Zoom2u has a strong organic search strategy

The Zoom2u websites appear on the first page of Google for more than 600 individual search terms. Combined, these search terms generate more than 1.6-million searches in Australia each year.

### 3.5.2 Locate2u Key Strengths



#### Rapidly expanding global market

Locate2u's SaaS product offering is targeting a market, being the global last mile delivery software market, valued at \$6.9 billion in 2018. As described in Section 2.4.2, this market is expected to grow to \$13.8 billion in 2026 being a CAGR of 9.3% per annum. The market growth is being driven by the growing demand for consumers to have products delivered.



#### Differentiated product

Many competing products provide GPS tracking, booking management, live location sharing and route optimisation, but most do not combine all of these features. Locate2u has combined all these features into a single product that is simple to use and affordable for SMEs.



#### Experienced team

The CEO of the Company, Steve Orenstein previously built a SaaS product, scaled it to have a global customer base and sold it to Fleetmatics Group PLC now owned by Verizon (NYSE:VZ). This experience has been instrumental in the development of Locate2u. The Locate2u development team has been working with the Group for an extended period, initially developing the Platform.



#### Increased consumers' expectations

Consumers' expectations are increasing and they are expecting a better delivery experience. Locate2u helps solve this problem by enabling drivers to share their live location with consumers to provide full transparency of a delivery's ETA.



#### Focus on providing a great user experience

Product development has always focused on building a product that appears attractive to users and is easy to use.

## 3 Company Overview Continued

### 3.5.3 Barriers to entry

Like all software businesses there is a risk that another company may try and emulate the success that Zoom2u Technologies is enjoying by seeking to replicate the Group's platform, products and services. Should a competitor attempt to do this, they would face barriers of entry which include:

#### Technology

The technology that has been created by the Group is highly advanced and has been developed (and continually developed) over a number of years. The Group has invested heavily in technology development and its development team, having invested over \$3 million in development over the period FY15 to FY21F.

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#### Network Effect

As noted in Section 3.2.4, Zoom2u has created a network effect which has taken a number of years to develop. It is difficult for a new competitor to generate this without significant investment and time. The network effect is, in the Board's view, critical to the success of businesses competing in the markets in which the Group operates.

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#### Brand

The Zoom2u brand is gaining significant market awareness and traction and this has taken a number of years to develop.

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#### Capital

The Group has raised over \$11.6 million prior to the Prospectus Date. Significant capital is required to develop technology, market the Group's platform, products and services and build and retain a team capable of developing, designing and selling the Group's platform, products and services. The large capital requirement is in and of itself a barrier to entry.

## 3.6 Team and Culture

### 3.6.1 Our team

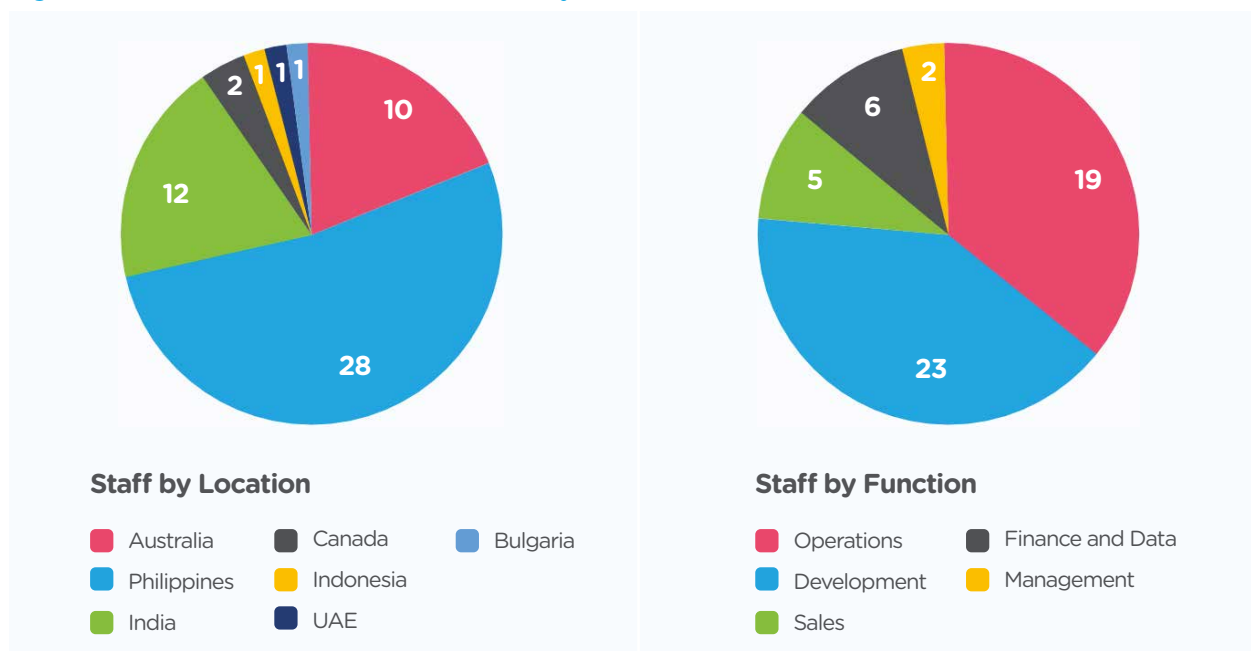
Zoom2u Technologies has an Australian based senior management team, supported by a globally distributed remote team. Profiles of the senior management team are set out in Section 6.2.

The Group is headquartered in Sydney and maintains a flexible working approach utilizing a combination of home-based, office-based and fully remote arrangements. In offshore markets all team members work in fully remote mode.

The team is comprised of 55 people<sup>9</sup>, with 10 in Sydney, Australia, 28 in the Philippines and 12 in India, with the remainder of the team spread globally. The team is a mix of employees and contractors.

The distribution of team members by location and function is set out in Figure 3.22 below:

**Figure 3.22 - Distribution of team members by location and function**



The Group intends to scale up its resourcing in existing departments and establish a marketing department, following Completion of the Offer. Specifically, Management envisages the need for additional sales, development and customer service staff to execute on its growth strategies.

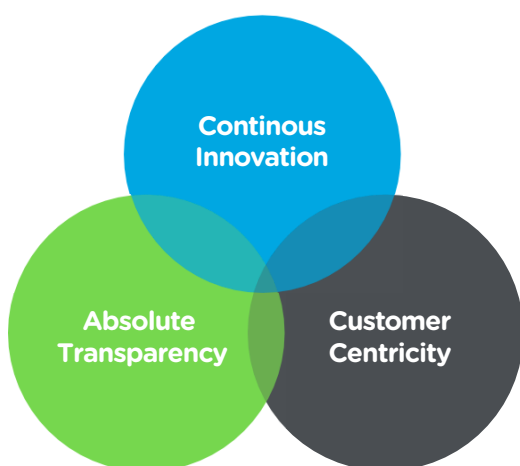
9. As at 30 June 2021.

## 3 Company Overview Continued >

### 3.6.2 Values and culture

The Group prides itself on its core values and culture of the team. Many of the team members have been with the Group since the commencement of development of the Platform.

The core values of the Group are Continuous Innovation, Absolute Transparency and Customer Centricity. These values drive the Group and help to guide its actions, product development and how members interact as a team.



The Group's culture plays an integral role in setting the standards for how it operates its business, interacts with stakeholders and interacts with the team.

- We are passionate, dedicated and inspired.
- We grow through big and bold ideas from different perspectives.
- We deliver on our word, every time.
- We put a smile on our customer's face.

## 3.7 Technology Development

Throughout its history, the Group has invested significantly in product development and design resources in building web portals, mobile Apps (for both IOS and Android) and APIs for both Zoom2u and Locate2u.

The Marketplace is built upon software developed and owned by Zoom2u Technologies which is proprietary technology, as well as software licensed to Zoom2u Technologies by third parties under their standard terms and conditions. Licensed software includes cloud storage and data warehousing, security, mapping and routing, user authentication and payment processing. Both Zoom2u's and Locate2u's software is hosted in the cloud, which provides a high degree of infrastructure scalability and data security.

Minimal downtime has been recorded by the Group's software since 2014. Should the data centre hosting the Group's software experience an outage, automatic hand over to a different data centre is activated, with a traffic manager used to redirect traffic.

The Group has a number of product enhancements planned for the Platform and intends to further invest significant resources into the development of the Locate2u product in order to enable the software to be integrated with e-commerce platforms and to respond to additional features requested by customers.

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## 3.8 Zoom2u Technologies has multiple growth pathways

The funds raised from the IPO will support organic growth opportunities through expanding sales, marketing and development teams and enabling the Group to increase its marketing spend. The Group has demonstrated strong organic growth to date and whilst organic growth opportunities are expected to be the main focus in the short term, the Group may consider pursuing attractive M&A opportunities as they arise. The Company does not currently intend to use any funds raised from the Offer for M&A opportunities.

Key growth strategies of the Group are set out below:

### 3.8.1 Sales & Marketing

The Group currently focuses its advertising and marketing spend on online digital advertising, offline advertising, marketing consultants and public relations.

The Group plans to increase its investment in sales and marketing through hiring marketing professionals as well as engaging marketing agencies, targeting increased brand awareness along with improved customer sales engagement. In addition, Locate2u plans to build targeted partnerships and expand its enterprise sales team across the globe to address the multiple market opportunities available to it.

### 3.8.2 Further product development

The Group has several key integrations pending with third party applications like Shopify, Square and WooCommerce. These integrations should enable Zoom2u and Locate2u to access significant new customer bases to accelerate growth in an efficient manner.

Locate2u is currently focused on delivery services industries. In the future, there is scope for the Locate2u product to be used in other service industries that have staff in the field: for example cleaning, security, plumbing, electrical, installation, repair, IT service, garden maintenance, rubbish removal and removalists.

Locate2u is currently focused on English speaking countries. In the future, an opportunity exists to expand to additional markets with multi language support.

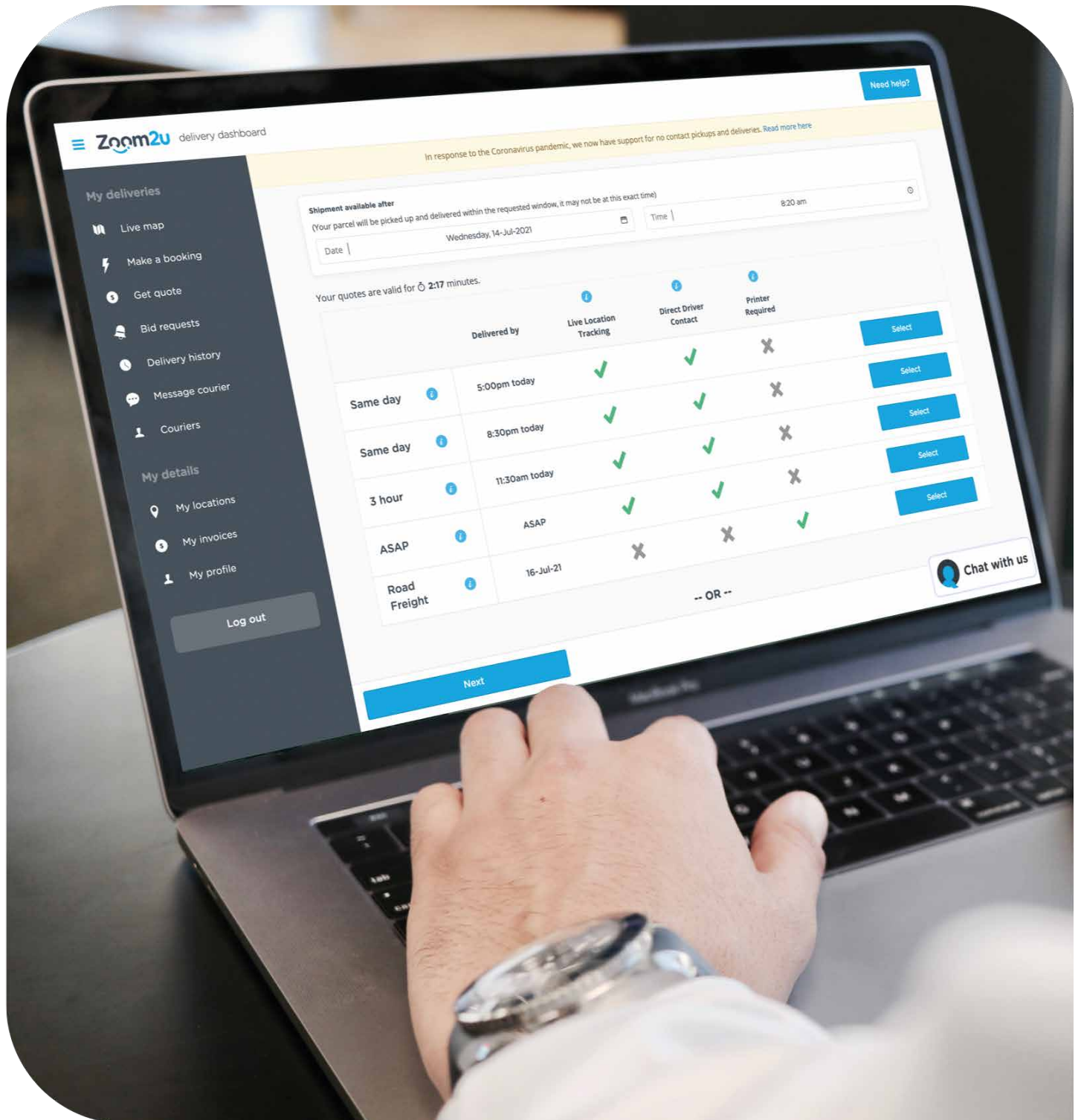
### 3.8.3 M&A

The Company believes that the costs of last mile delivery and increasing customer expectations are driving a requirement for enhanced use of technology solutions to improve the efficiency of delivery services, which will disrupt the business models of many industry participants. The Company believes that M&A opportunities may arise from this disruption.

The types of M&A opportunities that would be considered by the Company include:

- **Zoom2u:** Consolidation opportunities whereby platform-only businesses are acquired that operate a capital-lite model. The Group's immediate focus would be on Australian platforms.
- **Locate2u:** Opportunities exist globally to potentially acquire complementary SaaS businesses that would provide access to new customer bases.

# 4 Financial Information



## 4 Financial Information

### 4.1 Introduction

The financial information contained in this Section has been prepared by Zoom2u Technologies in connection with the Offer. The financial information is set out below for the historical financial years ended 30 June 2019 (**FY19**), 30 June 2020 (**FY20**) and the six-month periods ended 31 December 2019 (**1HFY20**) and 31 December 2020 (**1HFY21**), together with the forecast financial information for the year ending 30 June 2021 (**FY21F**) comprising actual results for 1HFY20 and the forecast six months ending 30 June 2021 (**2HFY21F**).

The financial information contained in this Section includes:

#### Historical Financial Information

- **Statutory Historical Financial Information** of the Company, comprising the:
  - statutory historical consolidated statements of profit and loss for FY19, FY20, 1HFY20 and 1HFY21 (**Statutory Historical Results**);
  - statutory historical consolidated statements of cash flows for FY19, FY20, 1HFY20 and 1HFY21 (**Statutory Historical Cash Flows**); and
  - statutory historical consolidated statement of financial position as at 31 December 2020 (**Statutory Historical Statement of Financial Position**);
- **Pro Forma Historical Financial Information** of the Company, comprising the:
  - Pro Forma historical consolidated statements of profit and loss for FY19, FY20, 1HFY20 and 1HFY21 (**Pro Forma Historical Results**);
  - Pro Forma historical consolidated statements of cash flows for FY19, FY20, 1HFY20 and 1HFY21 (**Pro Forma Historical Cash Flows**);
  - Pro Forma historical consolidated statement of financial position as at 31 December 2020 (**Pro Forma Historical Statement of Financial Position**);

(together the Statutory Historical Financial Information and the Pro Forma Historical Financial Information are referred to as the **Historical Financial Information**).

#### Forecast Financial Information

- **Statutory Forecast Financial Information** of the Company, comprising the:
  - statutory forecast consolidated statement of profit and loss for FY21F (**Statutory Forecast Results**);
  - statutory forecast consolidated statement of cash flows for FY21F (**Statutory Forecast Cash Flows**); and
- **Pro Forma Forecast Financial Information** of the Company, comprising the:
  - Pro Forma forecast consolidated statement of profit and loss for FY21F (**Pro Forma Forecast Results**);
  - Pro Forma forecast consolidated statement of cash flows for FY21F (**Pro Forma Forecast Cash Flows**);

(together the Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information are referred to as the **Forecast Financial Information**).

The Historical Financial Information and Forecast Financial Information together form the **Financial Information**.

The Statutory Historical Financial Information and Statutory Forecast Financial Information together form the **Statutory Financial Information**.

The Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information together form the **Pro Forma Financial Information**.



## 4 Financial Information Continued

Also summarised in this Section 4 are:

- the basis of preparation and presentation of the Financial Information (refer Section 4.2);
- information regarding certain non AAS or IFRS financial measures (refer Section 4.2.4);
- summary of key pro forma operating and financial metrics (refer Section 4.3.2);
- the pro forma adjustments to the Statutory Historical Financial Information and the Statutory Forecast Financial Information, and reconciliations to the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information respectively (refer Sections 4.3.3, 4.4.2 and 4.6);
- information regarding Zoom2u Technologies' liquidity and capital resources (refer Section 4.7);
- details of Zoom2u Technologies' cash, cash equivalents and borrowings (refer Section 4.8);
- the general and specific assumptions underlying the Forecast Financial Information (refer Section 4.10);
- Management's discussion and analysis of the Pro Forma Historical Financial Information and the Pro Forma Forecast Financial Information (refer Section 4.11);
- an analysis of the key sensitivities of the Pro Forma Forecast Financial Information (refer Section 4.12); and
- details of the proposed dividend policy (refer Section 4.13).

The Financial Information provided in this Section 4 should be read together with other information provided in this Prospectus, including:

- the risk factors outlined in Section 5;
- the description of the use of the proceeds of the Offer described in Section 7.3;
- the Independent Limited Assurance Report, set out in Section 8; and
- the indicative capital structure described in Section 9.7.

### 4.2 Basis of Preparation and Presentation of the Financial Information

#### 4.2.1 Overview

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flows and financial position of Zoom2u Technologies, together with its forecast financial performance and cash flows. The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information presented in this Prospectus has been reviewed by BDO Corporate Finance (East Coast) Pty Ltd (**BDO Corporate Finance**) in accordance with the *Australian Standard on Assurance Engagements (ASAE) 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report. Investors should note the scope and limitations of the Independent Limited Assurance Report (refer to Section 8).

Zoom2u Technologies operates on a financial year ended 30 June. All amounts disclosed in this Section 4 are presented in Australian Dollars and, unless otherwise noted, are rounded to the nearest \$100,000. Rounding in the Financial Information may result in some discrepancies between the sum of components and the totals outlined within the tables and percentage calculations.

#### Measurement and Recognition Principles

The Statutory Financial Information has been prepared and presented in accordance with the measurement and recognition principles prescribed in Australian Accounting Standards (**AAS**) (including the Australian Accounting Interpretations issued by the Australian Accounting Standards Board (**AASB**)), which are consistent with International Financial Reporting Standards (**IFRS**) and interpretations issued by the International Accounting Standards Board (**IASB**).

The Statutory Financial Information is presented in an abbreviated form insofar as it does not include all the disclosures, statements or comparative information as required by the AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act.

Post-Listing, Zoom2u Technologies will continue to prepare its financial statements in accordance with AAS and its financial statements post-Listing will be audited and reviewed by Zoom2u Technologies' auditor in accordance with AAS.

### Significant Accounting Policies

The significant accounting policies adopted in the preparation of the Financial Information are set out in Annexure A and have been consistently applied throughout the financial periods presented in this Prospectus.

## 4.2.2 Preparation of the Historical Financial Information

### 4.2.2.1 Statutory Historical Financial Information

The Statutory Historical Financial Information has been extracted from the audited consolidated financial statements of Zoom2u Technologies for FY19 and FY20 and the reviewed consolidated financial statements of Zoom2u Technologies for 1HFY20 and 1HFY21.

Zoom2u Technologies' consolidated financial statements for FY19 and FY20 were audited by PKF(NS) Audit & Assurance Limited Partnership in accordance with Australian Auditing Standards. The auditors issued an unqualified opinion on the financial reports for the financial periods ended 30 June 2019 and 30 June 2020.

The Historical Financial Information for 1HFY20 and 1HFY21 has been extracted from the half-year interim consolidated financial statements for 1HFY21 (which included comparative financial information for 1HFY20) (the **Interim Financial Statements**), which were reviewed by BDO Audit Pty Ltd (**BDO Audit**). BDO Audit issued an unmodified review conclusion on the Interim Financial Statements.

The auditor's reports for the financial periods ended 30 June 2019 and 30 June 2020 contained the following emphasis of matter disclosures:

#### Emphasis of Matter – Basis of Accounting

The financial reports had been prepared for the purpose of satisfying the requirements of the Company's constitution and to meet the needs of members. As a result, the financial reports may not be suitable for another purpose. The auditor's opinion was not modified in respect of this matter.

#### Emphasis of Matter – Going Concern

Without qualifying the auditor's opinion, the financial reports indicated that the Company had incurred significant losses and operating cash outflows during the periods. The Company's ability to continue as a going concern was contingent upon achieving successful capital and fund raisings and continued improvements in revenue growth and operational cash flows. These conditions indicate the existence of uncertainties which may cast doubt about the Company's ability to continue as a going concern.

### 4.2.2.2 Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information has been prepared for the purpose of inclusion in this Prospectus.

The Pro Forma Historical Results and Pro Forma Historical Cash Flows have been derived from the Statutory Historical Financial Information, with pro forma adjustments being made to reflect Zoom2u Technologies' operating and capital structure following Completion.

The Pro Forma Historical Statement of Financial Position as at 31 December 2020 is based on the reviewed financial statements of Zoom2u Technologies at that date adjusted to reflect the impact of the Offer and other material transactions post 31 December 2020 (refer to Section 4.6).

## 4 Financial Information Continued

The Pro Forma Historical information includes pro forma adjustments to reflect:

- incremental costs of being a publicly listed entity; and
- the capital structure in place after the IPO.

Section 4.3.3 contains reconciliations between Statutory Historical Results and Pro Forma Historical Results, while Section 4.4.2 contains a reconciliation between the Statutory Historical Cash Flows and the Pro Forma Historical Cash Flows. Section 4.6 contains a reconciliation between the Statutory Historical Statement of Financial Position and the Pro Forma Historical Statement of Financial Position.

The Pro Forma Historical Financial Information included in the prospectus has been reviewed, but not audited, by BDO Corporate Finance. Investors should note the scope and limitations of the Independent Limited Assurance Report.

Investors should note that past results are not a guarantee of future performance.

### 4.2.3 Preparation of the Forecast Financial Information

The Forecast Financial Information is unaudited and has been prepared solely for inclusion in this Prospectus. The basis of preparation and presentation of the Forecast Financial Information, to the extent applicable, is consistent with the basis of preparation and presentation of the Historical Financial Information.

The Forecast Financial Information has been reviewed by BDO Corporate Finance in accordance with the *Australian Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*, as stated in its Independent Limited Assurance Report. Investors should note the scope and limitations of the Independent Limited Assurance Report on the Forecast Financial Information (refer to Section 8), which has been prepared solely in connection with the offer of Shares in Australia.

#### 4.2.3.1 Statutory Forecast Financial Information

The Statutory Forecast Financial Information has been prepared by Zoom2u Technologies based on an assessment of present economic and operating conditions and on a number of assumptions, including the general assumptions and the Directors' best estimate specific assumptions set out in Section 4.10.

The Directors have prepared the Statutory Forecast Financial Information with due care and attention, and consider all best estimate assumptions, when taken as a whole, to be reasonable at the time of preparing this Prospectus. However, this information is not fact and investors are cautioned to not place undue reliance on the Statutory Forecast Financial Information. In addition, the assumptions upon which the Forecast Financial Information is based are by their very nature subject to significant uncertainties and contingencies, many of which will be outside the control of Zoom2u Technologies, the Directors and Management. Accordingly, none of Zoom2u Technologies and its Directors and Management or any other person can give investors any assurance that the outcomes disclosed in the Statutory Forecast Financial Information will arise.

This information is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring, and is not intended to be a representation that the assumptions will occur. Investors should be aware that the timing of actual events and the magnitude of their impact might differ from that assumed in preparing the Statutory Forecast Financial Information, and that this may have a material positive or negative effect on Zoom2u Technologies' actual financial performance, cash flows or financial position. Investors are advised to review the assumptions set out in Sections 4.10 in conjunction with the sensitivity analysis set out in Section 4.12, the risk factors set out in 5, the key accounting policies set out in Annexure A, and other information set out in this Prospectus.

#### 4.2.3.2 Pro Forma Forecast Financial Information

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information. In preparing the Pro Forma Forecast Financial Information, pro forma adjustments have been made to the Statutory Forecast Financial Information to:

- reflect Zoom2u Technologies' operating and capital structure following Completion;
- to eliminate certain non-recurring items, including costs of the Offer; and
- to reflect public company expenses.

Refer to Sections 4.3.3 and 4.4.2 for reconciliations between the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information.

The Directors have no intention to update or revise the Forecast Financial Information or other forward-looking statements or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law or regulation.

#### 4.2.4 Non AAS or IFRS financial measures

Zoom2u Technologies uses certain measures to report on its business that are not recognised under AAS or IFRS. These measures are collectively referred in Section 4, and under Regulatory Guide 230 'Disclosing non-IFRS financial information' published by ASIC, as "non-IFRS financial measures".

The principal non-IFRS financial measures that are referred to in this Prospectus are as follows:

- **Gross Marketplace Value** or **GMV** represents 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.
- **Deliveries** are completed deliveries by Drivers through the Platform in a given financial period.
- **Average GMV/Delivery** is GMV divided by the number of Deliveries for a given financial period.
- **Take Rate** represents Zoom2u's revenue in a given financial period, expressed as a percentage of Zoom2u's GMV in the same period.
- **Cost of Sales (COS)** refer to Section 4.10.2.2.
- **Gross Profit** represents Zoom2u Technologies' revenue after Cost of Sales.
- **Gross Profit Margin** represents Gross Profit expressed as a percentage of revenue.
- **Advertising and marketing expense** – refer to Section 4.11.3.
- **Employee benefits expense** – refer to Section 4.11.3.
- **General & administration expense (G&A)** – refer to Section 4.11.3.
- **EBITDA** represents earnings or losses before interest, taxation, depreciation and amortisation.
- **EBIT** represents earnings or losses before interest and taxation.
- **Cash flow from operating activities** is EBITDA plus changes in working capital and non-cash items.
- **Working Capital** represents the sum of trade and other receivables, prepayments and other current assets less trade and other payables, accrued expenses, provisions and other current liabilities.
- **Non-cash items** represent expenses included in EBITDA of a non-cash nature.
- **Capital Expenditure** represents costs related to the acquisition of property, plant and equipment.
- **Net cash flow before interest and financing** is Net cash used in operating activities less Capital Expenditure and payments for intangibles.

## 4 Financial Information Continued

Certain financial data included in Section 3 is also non-IFRS financial information.

Although Zoom2u Technologies believes that these measures provide useful information about the financial performance of Zoom2u Technologies, they should be considered as supplements to the financial statement measures that have been presented in accordance with the AAS and IFRS and not as a replacement for them. Because these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way Zoom2u Technologies calculated these measures may differ from similarly-titled measures used by other companies. Investors should therefore not place undue reliance on these non-IFRS financial measures.

### 4.2.5 Foreign Currency

Zoom2u Technologies transacts in currencies other than its reporting currency, the Australian Dollar (AUD); most notably the Philippines Peso (Peso), the US Dollar (USD) and to a lesser degree, the Canadian Dollar (CAD).

Zoom2u's revenue is derived exclusively in AUD. Locate2u generates revenue in a number of currencies, but none are material at this stage of Locate2u's development. As Locate2u grows, a larger proportion of revenues are expected to be made in currencies other than AUD. It is not possible at this stage to determine the proportion of Locate2u future revenues that will be derived in currencies other than AUD.

Cost of sales and most operating expenses are incurred in AUD. Approximately 15% of total pro forma forecast operating expenses in FY21F are paid in Peso, 9% in USD and 2% in CAD. Foreign currency operating expenses are predominantly related to staff costs.

## 4.3 Historical and Forecast Results

### 4.3.1 Historical and Forecast Results

Table 4.1 – below sets out the Pro Forma Historical Results for FY19 and FY20, together with the Pro Forma Forecast Results for FY21F.

**Table 4.1 – Consolidated Pro Forma Historical Results and Pro Forma Forecast Results**

\$ millions	Notes	Pro forma Historical		Pro forma Forecast
		FY19	FY20	FY21F
<b>Revenue</b>	1	<b>1.8</b>	<b>2.2</b>	<b>2.7</b>
Cost of sales		(0.1)	(0.1)	(0.1)
<b>Gross profit</b>		<b>1.8</b>	<b>2.2</b>	<b>2.6</b>
Advertising and marketing expense	2	(0.3)	(0.3)	(0.7)
Employee benefits expense	3	(3.7)	(2.5)	(2.8)
General & administration expense	4	(2.3)	(1.5)	(1.4)
<b>Operating expenses</b>		<b>(6.3)</b>	<b>(4.4)</b>	<b>(4.9)</b>
Other income		-	0.0	-
<b>EBITDA</b>		<b>(4.5)</b>	<b>(2.2)</b>	<b>(2.2)</b>
Depreciation and amortisation		(0.2)	(0.0)	(0.0)
<b>EBIT</b>		<b>(4.7)</b>	<b>(2.2)</b>	<b>(2.3)</b>
Net finance costs		-	-	-
<b>Net profit before income tax</b>		<b>(4.7)</b>	<b>(2.2)</b>	<b>(2.3)</b>
Income tax benefit/(expense)	5	-	-	-
<b>Net profit after tax</b>		<b>(4.7)</b>	<b>(2.2)</b>	<b>(2.3)</b>

#### Notes:

1. Revenue is the net revenue for Zoom2u Technologies (being the Zoom2u GMV less payments made to Drivers and carriers other than Drivers) plus the revenue generated by Locate2u and 2u Enterprises. Locate2u is forecast to generate its first revenue in FY21F (less than \$0.1m), whilst 2u Enterprises generated its first revenue in FY20 (\$0.1m) and is forecast to contribute \$0.3m in FY21F. In Zoom2u Technologies' statutory accounts, revenue is accounted for net of direct costs in relation to merchant fees and customer credit checks.
2. Advertising and marketing expense is comprised primarily of online and digital advertising, offline advertising, marketing consultants and public relations.
3. Employment benefits expenses predominantly comprise salaries and wages for staff and fees paid to Directors, together with associated on-costs including superannuation and annual and long service leave expenses.
4. General & administration expense includes office rental, software costs (including 3rd party delivery software), legal and advisory fees, insurances and other office related expenses.
5. As at 30 June 2020, entities in the Group had accumulated tax losses in excess of \$8 million. No income tax was paid in FY19 or FY20 and no income tax is expected to be paid in respect of FY21F.

## 4 Financial Information Continued

Table 4.2 below sets out the Pro Forma Historical Results for 1HFY20 and 1HFY21.

**Table 4.2 - Consolidated Pro Forma Historical Results for 1HFY20 and 1HFY21**

\$ millions	Notes	Pro forma Historical	
		1HFY20	1HFY21
<b>Revenue</b>	1	<b>1.2</b>	<b>1.8</b>
Cost of sales		(0.0)	(0.0)
<b>Gross profit</b>		<b>1.2</b>	<b>1.7</b>
Advertising and marketing expense	2	(0.2)	(0.3)
Employee benefits expense	3	(1.3)	(1.3)
General & administration expense	4	(0.8)	(0.7)
<b>Operating expenses</b>		<b>(2.3)</b>	<b>(2.2)</b>
Other income		-	-
<b>EBITDA</b>		<b>(1.1)</b>	<b>(0.5)</b>
Depreciation and amortisation		(0.0)	(0.1)
<b>EBIT</b>		<b>(1.2)</b>	<b>(0.6)</b>
Net finance costs		-	-
<b>Net profit before income tax</b>		<b>(1.2)</b>	<b>(0.6)</b>
Income tax benefit/(expense)		-	-
<b>Net profit after tax</b>		<b>(1.2)</b>	<b>(0.6)</b>

**Notes:**

- See note 1 to Table 4.1 above. Locate2u and 2u Enterprises generated no revenue in 1HFY20. 2u Enterprises generated approximately (\$0.2m) and Locate2u generated immaterial revenue in 1HFY21.
- 2-4. See notes 2 to 4 to Table 4.1 above.

### 4.3.2 Key operating and financial metrics

Table 4.3 below sets out a summary of Zoom2u Technologies' key historical operating and financial metrics for FY19 and FY20, and the key forecast operating and financial metrics for FY21F.

**Table 4.3 – Key metrics for FY19, FY20 and FY21F**

	Notes	Pro forma Historical		Pro forma Forecast
		FY19	FY20	FY21F
<b>Key operating metrics</b>				
GMV (\$m)		8.6	9.3	11.1
GMV growth (% increase YoY)			8%	19%
Number of Deliveries ('000)	1	403	408	551
Deliveries growth (% increase YoY)			1%	35%
Average GMV per Delivery (\$)	2	21.48	22.80	20.16
Average GMV per Delivery – growth (% increase YoY)			6%	-12%
Total Headcount (period end)	3	50	38	55
<b>Key financial metrics</b>				
Revenue (\$m)		1.8	2.2	2.7
Revenue growth (% increase YoY)			22%	21%
Gross Profit (\$m)		1.8	2.2	2.6
Gross Profit growth (% increase YoY)			22%	21%
Gross Profit Margin		96.6%	96.8%	97.0%
Take Rate %		21.3%	23.3%	21.6%

**Notes:**

1. Number of Deliveries completed in the financial period.
2. GMV for the financial period divided by number of Deliveries for the financial period.
3. Includes employees and contractors as at the end of the financial period.



## 4 Financial Information Continued

Table 4.4 below sets out a summary of Zoom2u Technologies' key historical operating and financial metrics for 1HFY20 and 1HFY21.

**Table 4.4 - Key metrics for 1HFY20 and 1HFY21**

		Pro forma Historical	
	Notes	1HFY20	1HFY21
<b>Key operating metrics</b>			
GMV (\$m)		5.3	7.1
GMV growth (% increase YoY)			33%
Number of Deliveries ('000)	1	267	461
Deliveries growth (% increase YoY)			73%
Average GMV per Delivery (\$)	2	19.96	15.37
Average GMV per Delivery - growth (% increase YoY)			-23%
Total Headcount (period end)	3	55	46
<b>Key financial metrics</b>			
Revenue (\$m)		1.2	1.8
Revenue growth (% increase YoY)			45%
Gross Profit (\$m)		1.2	1.7
Gross Profit growth (% increase YoY)			46%
Gross Profit Margin		97.0%	97.6%
Take Rate %		22.9%	22.6%

**Note:** See notes to Table 4.3.

### 4.3.3 Pro forma adjustments to the Statutory Historical Results and Statutory Forecast Results

Table 4.5 below sets out the pro forma adjustments that have been made to Zoom2u Technologies' Statutory Historical Results and Statutory Forecast Results to reflect the full year impact of the operating and capital structure that will be in place following Completion as if it were in place as at 1 July 2018.

**Table 4.5 - Pro forma adjustments to the Statutory Historical Results and Statutory Forecast Results**

\$ millions	Notes	Pro forma Historical		Pro forma Forecast
		FY19	FY20	FY21F
<b>Statutory EBITDA</b>		<b>(3.3)</b>	<b>(0.8)</b>	<b>(1.2)</b>
Insurance claims - income	1	(0.5)	(0.0)	-
Insurance claims - expense	1	0.5	0.0	-
Offer costs	2	-	-	0.4
Incremental listed company costs	3	(1.4)	(1.4)	(1.4)
Application of AASB 16	4	0.1	0.0	-
Capital raising and restructuring costs	5	0.1	0.1	0.1
Government stimulus	6	-	(0.1)	(0.1)
<b>Pro forma EBITDA</b>		<b>(4.5)</b>	<b>(2.2)</b>	<b>(2.2)</b>

\$ millions	Notes	Pro forma Historical		Pro forma Forecast
		FY19	FY20	FY21F
<b>Statutory Net profit after tax</b>		<b>(3.8)</b>	<b>(0.9)</b>	<b>(1.4)</b>
Insurance claims - income	1	(0.5)	(0.0)	-
Insurance claims - expense	1	0.5	0.0	-
Offer costs	2	-	-	0.4
Incremental listed company costs	3	(1.4)	(1.4)	(1.4)
Capital raising and restructuring costs	5	0.1	0.1	0.1
Government stimulus	6	-	(0.1)	(0.1)
Finance costs	7	0.4	0.1	0.0
Fair Value Adjustment to Convertible Note	8	-	-	0.1
<b>Pro forma Net profit after tax</b>		<b>(4.7)</b>	<b>(2.2)</b>	<b>(2.3)</b>

**Notes:**

1. In FY19 and FY20, Zoom2u Technologies incurred approximately \$0.5m and \$0.04m respectively, of professional costs in relation to advice in regard to an ATO audit. The Company's statutory EBITDA included the costs incurred in General & administration expense and the income received from insurance claims in respect of these costs in other income. This adjustment removes this income and expense to show the relevant income and expense lines excluding these items for the purpose of the pro forma Results.
2. Total transaction costs related to the Offer are estimated at \$1.6 million, of which \$0.9 million are directly attributable to the issue of new Shares by Zoom2u Technologies and will be offset against equity raised in the Offer. The remaining \$0.7 million is treated as an expense of which \$0.4 million is expected to be incurred in FY21F and is included in the Statutory Forecast Results.
3. Estimated incremental annual costs as a result of being a listed company. These costs include incremental directors' fees, changes to Management salary expenses to reflect revised contract terms, ASX fees, share registry costs, audit and legal fees, directors' and officers' insurance premiums, company secretarial and investor relations costs, annual general meetings costs, annual report costs and other listed company costs.

## 4 Financial Information Continued

4. The impact of AASB16 has been retrospectively applied to FY19 to make that year consistent with FY20 and FY21F when the standard was in effect. There is no material impact of AASB16 at the NPAT level.
5. Advisor costs relating to prior capital raisings (including the Pre IPO convertible note raise). FY20 also includes professional fees associated with a restructure undertaken in that year.
6. Removal of government stimulus payments received in FY20 and FY21.
7. Finance costs in FY19 and FY20 includes interest expense primarily related to convertible notes that were issued in FY18 and FY19 and which were converted to ordinary shares in FY20. Finance costs in FY21F relate to convertible notes issued in May and June 2021 and relates to the effective interest related to the embedded derivative liability inherent in the terms of these convertible notes. As these convertible notes have been converted or will be converted on a successful IPO, the associated finance costs have been adjusted for the purpose of the pro forma Results.
8. Fair value adjustment of convertible note reflects the movement in fair value of the embedded derivative liability between the date of issue of the convertible notes and 30 June 2021.

Table 4.6 below sets out the pro forma adjustments that have been made to Zoom2u Technologies' Statutory Historical Results for 1HFY20 and 1HFY21 to reflect the half year impact of the operating and capital structure that will be in place following Completion.

**Table 4.6 - Pro forma adjustments to the Statutory Historical Results for 1HFY20 and 1HFY21**

\$ millions	Notes	Pro forma Historical	
		1HFY20	1HFY21
<b>Statutory EBITDA</b>		<b>(0.5)</b>	<b>0.3</b>
Insurance claims - income	1	(0.0)	-
Insurance claims - expense	1	0.0	-
Incremental listed company costs	3	(0.8)	(0.8)
Application of AASB 16	4	0.0	0.0
Capital raising and restructuring costs	5	0.1	0.0
Government stimulus	6	-	(0.1)
<b>Pro forma EBITDA</b>		<b>(1.1)</b>	<b>(0.5)</b>

\$ millions	Notes	Pro forma Historical	
		1HFY20	1HFY21
<b>Statutory Net profit after tax</b>		<b>(0.6)</b>	<b>0.3</b>
Insurance claims - income	1	(0.0)	-
Insurance claims - expense	1	0.0	-
Incremental listed company costs	3	(0.8)	(0.8)
Capital raising and restructuring costs	5	0.1	0.0
Government stimulus	6	-	(0.1)
Finance costs	7	0.1	0.0
<b>Pro forma Net profit after tax</b>		<b>(1.2)</b>	<b>(0.6)</b>

**Note:** See notes to Table 4.5.

#### 4.3.4 Consolidated Statutory Historical Results and Statutory Forecast Results

Table 4.7 below sets out Zoom2u Technologies' Statutory Historical Results for FY19 and FY20 together with the Statutory Forecast Results for FY21F.

**Table 4.7 - Consolidated Statutory Historical Results and Statutory Forecast Results**

\$ millions	Notes	Statutory Historical		Statutory Forecast
		FY19	FY20	FY21F
<b>Revenue</b>	1	<b>1.8</b>	<b>2.2</b>	<b>2.7</b>
Cost of sales		(0.1)	(0.1)	(0.1)
<b>Gross profit</b>		<b>1.8</b>	<b>2.2</b>	<b>2.6</b>
Advertising and marketing expense	2	(0.3)	(0.3)	(0.7)
Employee benefits expense	3	(2.8)	(1.7)	(1.9)
General & administration expense	4,5	(2.4)	(1.1)	(1.3)
<b>Operating expenses</b>		<b>(5.5)</b>	<b>(3.1)</b>	<b>(3.9)</b>
Other income	6	0.5	0.1	0.1
<b>EBITDA</b>		<b>(3.3)</b>	<b>(0.8)</b>	<b>(1.2)</b>
Depreciation and amortisation		(0.1)	(0.0)	(0.0)
<b>EBIT</b>		<b>(3.4)</b>	<b>(0.8)</b>	<b>(1.2)</b>
Net finance costs	7	(0.4)	(0.1)	(0.2)
<b>Net profit before income tax</b>		<b>(3.8)</b>	<b>(0.9)</b>	<b>(1.4)</b>
Income tax benefit/(expense)		-	-	-
<b>Net profit after tax</b>		<b>(3.8)</b>	<b>(0.9)</b>	<b>(1.4)</b>

**Notes:**

- 1-4. See notes to Table 4.1.
5. FY19 and FY20 includes costs incurred in relation to an ATO audit that were reimbursed from insurance claims.
6. FY19 and FY20 includes reimbursement of costs incurred in relation to an ATO audit. FY20 and FY21 includes Government stimulus received.
7. See notes 7 and 8 in Table 4.5.

## 4 Financial Information Continued

Table 4.8 below sets out the Statutory Historical Results for 1HFY20 and 1HFY21.

**Table 4.8 - Consolidated Statutory Historical Results for 1HFY20 and 1HFY21**

\$ millions	Notes	Statutory Historical	
		1HFY20	1HFY21
<b>Revenue</b>	1	<b>1.2</b>	<b>1.8</b>
Cost of sales		(0.0)	(0.0)
<b>Gross profit</b>		<b>1.2</b>	<b>1.7</b>
Advertising and marketing expense	2	(0.2)	(0.3)
Employee benefits expense	3	(0.8)	(0.8)
General & administration expense	4	(0.7)	(0.4)
<b>Operating expenses</b>		<b>(1.7)</b>	<b>(1.5)</b>
Other income	5	0.0	0.1
<b>EBITDA</b>		<b>(0.5)</b>	<b>0.3</b>
Depreciation and amortisation		(0.0)	(0.0)
<b>EBIT</b>		<b>(0.5)</b>	<b>0.3</b>
Net finance costs		(0.1)	(0.0)
<b>Net profit before income tax</b>		<b>(0.6)</b>	<b>0.3</b>
Income tax benefit/(expense)		-	-
<b>Net profit after tax</b>		<b>(0.6)</b>	<b>0.3</b>

**Notes:**

1-4. See notes to Table 4.2.

5. 1HFY20 includes reimbursement of costs incurred in relation to an ATO audit. 1HFY21F includes Government stimulus received.

## 4.4 Historical and Forecast Cash Flows

### 4.4.1 Consolidated Pro Forma Historical Cash Flows and Pro Forma Forecast Cash Flows

Table 4.9 below sets out the Pro Forma Historical Cash Flows for FY19 and FY20 and the Pro Forma Forecast Cash Flows for FY21F.

**Table 4.9 - Pro Forma Historical Cash Flows and Pro Forma Forecast Cash Flows**

\$ millions	Notes	Pro forma Historical		Pro forma Forecast
		FY19	FY20	FY21F
<b>EBITDA</b>		<b>(4.5)</b>	<b>(2.2)</b>	<b>(2.2)</b>
Changes in Working Capital	1	0.4	0.0	0.5
Non-cash items		(0.2)	0.1	0.1
<b>Cash flow from operating activities</b>		<b>(4.3)</b>	<b>(2.1)</b>	<b>(1.7)</b>
Capital Expenditure		(0.0)	(0.1)	(0.1)
Payments for intangibles	2	(0.0)	-	-
<b>Net cash flow before interest and financing</b>		<b>(4.3)</b>	<b>(2.1)</b>	<b>(1.7)</b>

**Notes:**

1. Change in working capital reflects the change in trade and other receivables, prepayments and other current assets less the change in trade and other payables, accrued expenses, provisions and other current liabilities.
2. Zoom2u Technologies has historically expensed all development expenses incurred in relation to the development of the Zoom2u Platform and the Locate2u product. The Company has chosen this approach as it does not have reliable historical records to accurately capitalise any costs. From 1 July 2021, the Company plans to capitalise development costs in accordance with applicable accounting standards.

Table 4.10 below sets out the Pro Forma Historical Cash Flows for 1HFY20 and 1HFY21.

**Table 4.10 - Pro Forma Historical Cash Flows for 1HFY20 and 1HFY21**

\$ millions	Notes	Pro forma Historical	
		1HFY20	1HFY21
<b>EBITDA</b>		<b>(1.1)</b>	<b>(0.5)</b>
Changes in working capital	1	(0.2)	(0.3)
Non-cash items		(0.1)	(0.2)
<b>Cash flow from operating activities</b>		<b>(1.5)</b>	<b>(1.0)</b>
Capital Expenditure		(0.1)	(0.0)
Payments for intangibles	2	-	-
<b>Net cash flow before interest and financing</b>		<b>(1.5)</b>	<b>(1.1)</b>

**Note:** See notes to Table 4.9.

## 4 Financial Information Continued

### 4.4.2 Pro forma adjustments to the Statutory Historical Cash Flows and the Statutory Forecast Cash Flows

Table 4.11 below sets out the pro forma adjustments that have been made to Zoom2u Technologies' Statutory Historical Statements of Cash Flows and Statutory Forecast Statements of Cash Flows to reflect the full year impact of the operating and financing structure that will be in place following Completion as if it was in place as at 1 July 2018.

**Table 4.11 - Pro Forma adjustments to the Statutory Historical Cash Flows and the Statutory Forecast Cash Flows**

\$ millions	Notes	Pro forma Historical		Pro forma Forecast
		FY19	FY20	FY21F
<b>Statutory net cash flow before interest and financing</b>		<b>(3.1)</b>	<b>(0.7)</b>	<b>(0.5)</b>
Offer costs	2	-	-	0.2
Incremental listed company costs	3	(1.4)	(1.4)	(1.4)
Application of AASB 16	4	0.1	0.0	-
Capital raising and restructuring costs	5	0.2	0.1	0.1
Government stimulus	6	-	(0.1)	(0.1)
<b>Pro forma net cash flow before interest and financing</b>		<b>(4.3)</b>	<b>(2.1)</b>	<b>(1.7)</b>

**Notes:**

2, 3, 5 & 6. See notes to Table 4.5.

4. This adjustment retrospectively applies AASB 16 as if it had been applied from 1 July 2018. Although there is no impact at the net cash flow level, the pro forma cash flow in table 4.9 has been presented prior to any capital structure effects. As such, this adjustment reclassifies lease payments from cash flow from operations to cash flow from financing, in accordance with AASB 16.

Table 4.12 below sets out the pro forma adjustments that have been made to Zoom2u Technologies' Statutory Historical Statements of Cash Flows for 1HFY20 and 1HFY21 to reflect the half year impact of the operating and capital structure that will be in place following Completion.

**Table 4.12 - Pro Forma adjustments to the Statutory Historical Cash Flows for 1HFY20 and 1HFY21**

\$ millions	Notes	Pro forma Historical	
		1HFY20	1HFY21
<b>Statutory net cash flow before interest and financing</b>		<b>(0.8)</b>	<b>(0.2)</b>
Incremental listed company costs	3	(0.8)	(0.8)
Application of AASB 16	4	0.0	0.0
Capital raising and restructuring costs	5	0.1	0.0
Government stimulus	6	-	(0.1)
<b>Pro forma net cash flow before interest and financing</b>		<b>(1.5)</b>	<b>(1.1)</b>

**Notes:**

3, 5 & 6. See notes to Table 4.5.

4. This adjustment retrospectively applies AASB 16 as if it had been applied from 1 July 2018. Although there is no impact at the net cash flow level, the pro forma cash flow in Table 4.10 has been presented prior to any capital structure effects. As such, this adjustment reclassifies lease payments from cash flow from operations to cash flow from financing, in accordance with AASB 16.

#### 4.4.3 Consolidated Statutory Historical Cash Flows and Statutory Forecast Cash Flows

Table 4.13 below sets out Zoom2u Technologies' Statutory Historical Cash Flows for FY19 and FY20 together with the Statutory Forecast Cash Flows for FY21F.

**Table 4.13 - Consolidated Statutory Historical Cash Flows and Statutory Forecast Cash Flows**

\$ millions	Notes	Statutory Historical		Statutory Forecast
		FY19	FY20	FY21F
<b>EBITDA</b>		<b>(3.3)</b>	<b>(0.8)</b>	<b>(1.2)</b>
Changes in Working Capital	1	0.4	0.1	0.6
Non-cash items		(0.2)	0.1	0.1
<b>Net cash used in operating activities</b>		<b>(3.1)</b>	<b>(0.7)</b>	<b>(0.4)</b>
Capital Expenditure		(0.0)	(0.1)	(0.1)
Payments for intangibles	2	(0.0)	-	-
<b>Net cash flow before interest and financing</b>		<b>(3.1)</b>	<b>(0.7)</b>	<b>(0.5)</b>
Proceeds from issue of shares		-	1.3	-
Proceeds from borrowings		-	-	0.4
Repayment of borrowings		-	-	(0.4)
Repayment of lease liabilities	3	-	(0.0)	(0.1)
Proceeds from issue of convertible notes	4	1.9	-	2.3
Net finance costs		(0.0)	(0.0)	(0.0)
<b>Net cash flow</b>		<b>(1.2)</b>	<b>0.5</b>	<b>1.7</b>

**Notes:**

1-2. See notes to Table 4.9.

3. Payment of property rents not included in EBITDA in accordance with AASB 16.

4. FY19 is the portion of a convertible note issue made in June and July 2019 received in FY19. FY21F is Pre IPO convertible note raise conducted in May 2021 net of transaction costs.



## 4 Financial Information Continued

Table 4.14 below sets out the Statutory Historical Cash Flows for 1HFY20 and 1HFY21.

**Table 4.14 - Statutory Historical Cash Flows for 1HFY20 and 1HFY21**

\$ millions	Notes	Statutory Historical	
		1HFY20	1HFY21
<b>EBITDA</b>		<b>(0.5)</b>	<b>0.3</b>
Changes in working capital	1	(0.2)	(0.3)
Non-cash items		(0.1)	(0.2)
<b>Cash flow from operating activities</b>		<b>(0.8)</b>	<b>(0.2)</b>
Capital Expenditure		(0.1)	(0.0)
Payments for intangibles	2	-	-
<b>Net cash flow before interest and financing</b>		<b>(0.8)</b>	<b>(0.2)</b>
Proceeds from issue of shares		1.3	-
Proceeds from borrowings		-	0.4
Repayment of lease liabilities		-	(0.0)
Net finance costs		0.0	(0.0)
<b>Net cash flow</b>		<b>0.4</b>	<b>0.1</b>

**Notes:**

1-2. See notes to Table 4.9.

### 4.5 Segment information

The Company derives revenue from contracts with its clients through its two operating segments, “Zoom2u and 2u Enterprises” and “Locate2u”.

“Zoom2u and 2u Enterprises” - this segment provides delivery and tracking services to Customers via an internally developed platform which allows Customers to arrange for the delivery of items which are allocated to the closest courier. Fees earned include a fixed Booking Fee charged to Customers and a Platform Fee charged to Drivers. This segment also includes other revenue from the Shred2u business, ad hoc web development services and bespoke distribution operations.

“Locate2u” - this segment derives revenue from clients paying a monthly subscription fee for access to the Locate2u SaaS product which allows clients to manage their own portfolio of drivers and optimise delivery routes.

Table 4.15 below sets out the statutory revenue and EBITDA by segment.

**Table 4.15 – Statutory Revenue and EBITDA by segment**

**Segment Statutory Revenue by Segment**

<b>\$ millions</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21F</b>
Zoom2u and 2u Enterprises	1.8	2.2	2.7
Locate2u	0.0	0.0	0.0
<b>Total Revenue</b>	<b>1.8</b>	<b>2.2</b>	<b>2.7</b>

**Segment Statutory EBITDA by Segment<sup>1</sup>**

<b>\$ millions</b>	<b>FY19</b>	<b>FY20</b>	<b>FY21F</b>
Zoom2u and 2u Enterprises	-3.8	-0.1	0.7
Locate2u	0.0	-0.8	-1.9
Other income	0.5	0.1	0.1
<b>Total EBITDA</b>	<b>-3.3</b>	<b>-0.8</b>	<b>-1.2</b>

**Note:**

1. Costs for the Locate2u segment are direct costs incurred in relation to the Locate2u business plus Management's estimate of shared costs allocated to Locate2u.

## **4.6 Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position**

Tables 4.16 below sets out the pro forma adjustments that have been made to the audited Statutory Historical Statement of Financial Position for Zoom2u Technologies at 31 December 2020 in order to prepare the Pro Forma Statement of Financial Position for Zoom2u Technologies to take into account the effect of, amongst other things, the impact of the Pre-IPO raise and the Offer which both occurred post 31 December 2020. These adjustments reflect the impact of the changes in capital structure that will take place as part of the Offer, as if they had occurred or were in place as at 31 December 2020.

## 4 Financial Information Continued

**Table 4.16 – Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position**

\$ millions	Statutory 31-Dec-20	Repayment of Borrowings	Pre IPO capital raising	Conversion of Convertible Notes	Impact of the Offer	Pro Forma 31-Dec-20
Notes		1	2	3	4	
<b>Current assets</b>						
Cash and cash equivalents	0.9	(0.4)	2.3	-	6.5	9.3
Trade and other receivables	1.1	-	-	-	0.0	1.2
<b>Total current assets</b>	<b>2.0</b>	<b>(0.4)</b>	<b>2.3</b>		<b>6.6</b>	<b>10.5</b>
<b>Non-current assets</b>						
Property, plant and equipment	0.2	-	-	-	-	0.2
Intangibles	0.3	-	-	-	-	0.3
<b>Total non-current assets</b>	<b>0.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.4</b>
<b>Total assets</b>	<b>2.4</b>	<b>(0.4)</b>	<b>2.3</b>	<b>-</b>	<b>6.6</b>	<b>10.9</b>
<b>Current liabilities</b>						
Trade and other payables	0.6	-	-	-	-	0.6
Borrowings	0.4	(0.4)	1.9	(1.9)	-	(0.0)
Lease liabilities	0.1	-	-	-	-	0.1
Provisions	0.1	-	-	-	-	0.1
Embedded derivative liability	-	-	0.5	(0.5)	-	0.0
<b>Total current liabilities</b>	<b>1.1</b>	<b>(0.4)</b>	<b>2.4</b>	<b>(2.4)</b>	<b>-</b>	<b>0.7</b>
<b>Non-current liabilities</b>						
Other liabilities	0.1	-	-	-	-	0.1
<b>Total non-current liabilities</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.1</b>
<b>Total liabilities</b>	<b>1.3</b>	<b>(0.4)</b>	<b>2.4</b>	<b>(2.4)</b>	<b>-</b>	<b>0.9</b>
<b>Net assets</b>	<b>1.2</b>	<b>-</b>	<b>(0.0)</b>	<b>2.4</b>	<b>6.6</b>	<b>10.1</b>
<b>Equity</b>						
Issued equity	9.1	-	-	2.8	7.2	19.1
Share based payment reserve	-	-	-	-	0.2	0.2
Accumulated losses	(8.0)	-	(0.0)	(0.4)	(0.8)	(9.2)
<b>Total equity</b>	<b>1.2</b>	<b>-</b>	<b>(0.0)</b>	<b>2.4</b>	<b>6.6</b>	<b>10.1</b>

**Notes:**

- Repayment of Borrowing** – Short term borrowings drawn in December 2020 that were repaid in January 2021.
- Pre IPO capital raise** – In May 2021, the Company completed a pre IPO convertible note raise of \$2.5 million (before costs). The Convertible Notes are non-interest bearing and must be converted to shares prior to Completion at an issue price representing a 25% discount to the IPO Price.
- Conversion of Convertible Notes** – Impact of the conversion of the convertible notes raised in May 2021 into ordinary shares prior to Completion.
- Impact of the Offer** – Cash and cash equivalents is expected to increase by \$6.5 million as a result of the proceeds of the Offer (\$8 million), assuming the issue of 40 million new Shares at \$0.20 per Share, offset by the cash impact of Offer costs (\$1.5 million). The remaining \$0.1 million of the Offer costs are non-cash and in the form of Options, which are recorded against Issued equity. Total Offer costs (including third-party advisor costs and IPO bonuses paid to certain key members of Management and former non-executive Director) are \$1.6 million which are split between \$0.7 million expensed to the income statement and \$0.9 million offset against equity. A GST receivable of \$0.035 million has been assumed to be recoverable in relation to the Offer Costs but a deferred tax asset is not recognised on the basis that the Group has existing tax losses that are not expected to be fully utilised in the near term.

## 4.7 Liquidity and capital resources

Following Completion, Zoom2u Technologies' principal sources of funds are expected to be revenues generated from operations and cash on hand.

Following Completion, Zoom2u Technologies' expects that its primary uses of cash will be to fund operations and to support Zoom2u Technologies' growth initiatives. Zoom2u Technologies' believes that from Completion it will have sufficient cash from forecast cash collections, existing cash holdings and the proceeds of the Offer to meet its operational requirements and stated business objectives.

Zoom2u Technologies' ability to generate sufficient cash depends on its future performance, which, to a certain extent, is subject to a number of factors beyond Zoom2u Technologies' control including general economic, financial and competitive conditions.

Over time, Zoom2u Technologies may seek additional funding from a range of sources to diversify its funding base.

## 4.8 Cash, cash equivalents and borrowings

Zoom2u Technologies' cash and cash equivalents position as at 31 December 2020 on a statutory basis was \$0.9 million, and on a pro forma basis as if the Offer had occurred as at 31 December 2020, was \$9.3 million.

The pro forma balance of net cash and cash equivalents is derived from:

- Cash and cash equivalents as at 31 December 2020 of \$0.9 million;
- Less repayment of borrowings (\$0.4 million);
- Plus the net proceeds from the Pre IPO capital raise (\$2.3 million); and
- Plus the net impact of proceeds from the Offer (\$8 million), less the cash costs of the Offer of \$1.5 million.

The pro forma balance of net cash and cash equivalents as at 31 December 2020 reflects only those adjustments expressly described herein and therefore does not reflect the change in cash position between 31 December 2020 and Completion resulting from various cash movements of the business over this period.

As at 31 December 2020, Zoom2u Technologies had borrowings totalling \$0.4 million relating to a trade finance facility. The outstanding amount owed on this facility was repaid in January 2021 and the facility has not been used since it was repaid.

## 4.9 Contractual obligation, commitments and off balance sheet items

Zoom2u Technologies had no material contractual obligations or commitments as at 31 December 2020 other than its lease commitments for office space as summarised in Table 4.17 below.

**Table 4.17 - Lease commitments for office space**

<b>\$ millions</b>	<b>&lt; 1 Year</b>	<b>1-5 Years</b>	<b>&gt; 5 Years</b>	<b>Total</b>
Property lease commitments	0.1	0.0	0	0.1

Zoom2u Technologies has no material contingent liabilities or off-balance sheet arrangements.

## 4 Financial Information Continued

### 4.10 Forecast Financial Information

The Forecast Financial Information is based on various specific and general assumptions concerning future events including those set out below. The assumptions set out below should be read in conjunction with the sensitivity analysis set out in Section 4.12, the risk factors set out in Section 5, the key accounting policies in Annexure A and the Independent Limited Assurance Report set out in Section 8. A reconciliation of the Pro forma Forecast Results to the Statutory Forecast Results is set out in Section 4.3.3.

In preparing the Forecast Financial Information, Zoom2u Technologies has undertaken an analysis of historical performance and applied assumptions, where appropriate, in order to forecast future performance for FY21F.

Zoom2u Technologies believes that it has prepared the Forecast Financial Information with due care and attention and considers all assumptions when taken as a whole to be reasonable at the time of preparing the Prospectus, including each of the assumptions set forth below in Section 4.10. However, actual results are likely to vary from that forecast and any variation may be materially positive or negative. The assumptions, upon which the Forecast Financial Information is based, are by their nature subject to significant uncertainties and contingencies, many of which are outside the control of Zoom2u Technologies and its Directors, and are not reliably predictable. Events and outcomes might differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

Accordingly, none of Zoom2u Technologies, its Directors or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved.

The Forecast Financial Information has been prepared based on the key accounting policies adopted by Zoom2u Technologies, which are in accordance with AAS/IFRS, and are disclosed in Annexure A. It is assumed that there will be no changes in the AAS, the Corporations Act or other financial reporting requirements that may have a material effect on Zoom2u Technologies' accounting, other than that already disclosed in this Prospectus.

#### 4.10.1 General assumptions

In preparing the Pro Forma Forecast Financial Information, the following general assumptions have been adopted:

- no material change in the competitive environment in which Zoom2u Technologies operates;
- no significant deviation from current market expectations of economic conditions relevant to the industry sectors that the Company operates in for the Forecast Period, e.g. business confidence, consumer sentiment, economic growth, inflation, fiscal and taxation policies throughout the countries in Australia and other countries in which it operates;
- no significant interruptions, industry disruptions or disturbances in relation to Zoom2u Technologies' technology, platform and software used to deliver services;
- no material changes in key personnel, including key management personnel, and Zoom2u Technologies maintains its ability to recruit and retain the personnel required to support future growth;
- no material change in applicable AAS, IFRS or other mandatory professional reporting requirements of the Corporations Act which have a material effect on Zoom2u Technologies' financial performance or cash flows, financial position, accounting policies, financial reporting or disclosure of Zoom2u Technologies during the Forecast Period;
- no material changes in Government laws, regulation and policy including in relation to money laundering, interest rates, foreign investment or taxation which may impact Zoom2u Technologies' business, clients or levels of investment or business activity in areas in relation to which Zoom2u Technologies products are commonly used;

- the Offer proceeds in accordance with the timetable set out in the “Important Information” section of this Prospectus;
- no material industry disturbances or disruptions to the continuity of operations of Zoom2u Technologies, no material industrial actions, and no other material changes in its business;
- no material amendment or termination to any material contract, agreement or arrangement relating to Zoom2u Technologies’ business;
- no material changes in foreign exchange rates;
- no material adverse impact in relation to litigation or claims (existing or otherwise);
- no material change in Zoom2u Technologies’ corporate and funding structure;
- no material impairment of intangible assets;
- no material acquisitions, divestments, restructuring or investments other than as set out in, or contemplated by, this Prospectus; and
- none of the key risks listed in Section 5 occurs, or if they do, none of them has a material adverse impact on the operations of Zoom2u Technologies.

#### 4.10.2 Specific assumptions

The Forecast Financial Information is based on various best estimate assumptions, including those set out below. In preparing the Forecast Financial Information, Zoom2u Technologies has analysed historical performance, including the current rates of revenue and expenses, and applied assumptions, where appropriate, across the business.

##### 4.10.2.1 Revenue

In preparing the revenue forecast for FY21F Management has considered historical trends. Management has taken into account historical seasonality trends that impacts GMV and has made assumptions that recognise these seasonal changes in activity and hence revenue.

The Zoom2u business earns revenue by charging a Booking Fee to Customers and a Platform Fee to Drivers. Revenue is also earned from the operations of 2u Enterprises and the Locate2u business. Forecasts for these revenue streams have been based on historical trends.

Booking Fees and Platform Fees are recognised on completion of a Delivery and are based on the Delivery Price:

- The Booking Fee is a fixed amount based on bands of Delivery Prices.
- The Platform Fee is generally in the range of 15% to 31% of the Delivery Price (including GST) after deducting the Booking Fee.

Together, the Booking Fee and the Platform Fee determine the Take Rate.

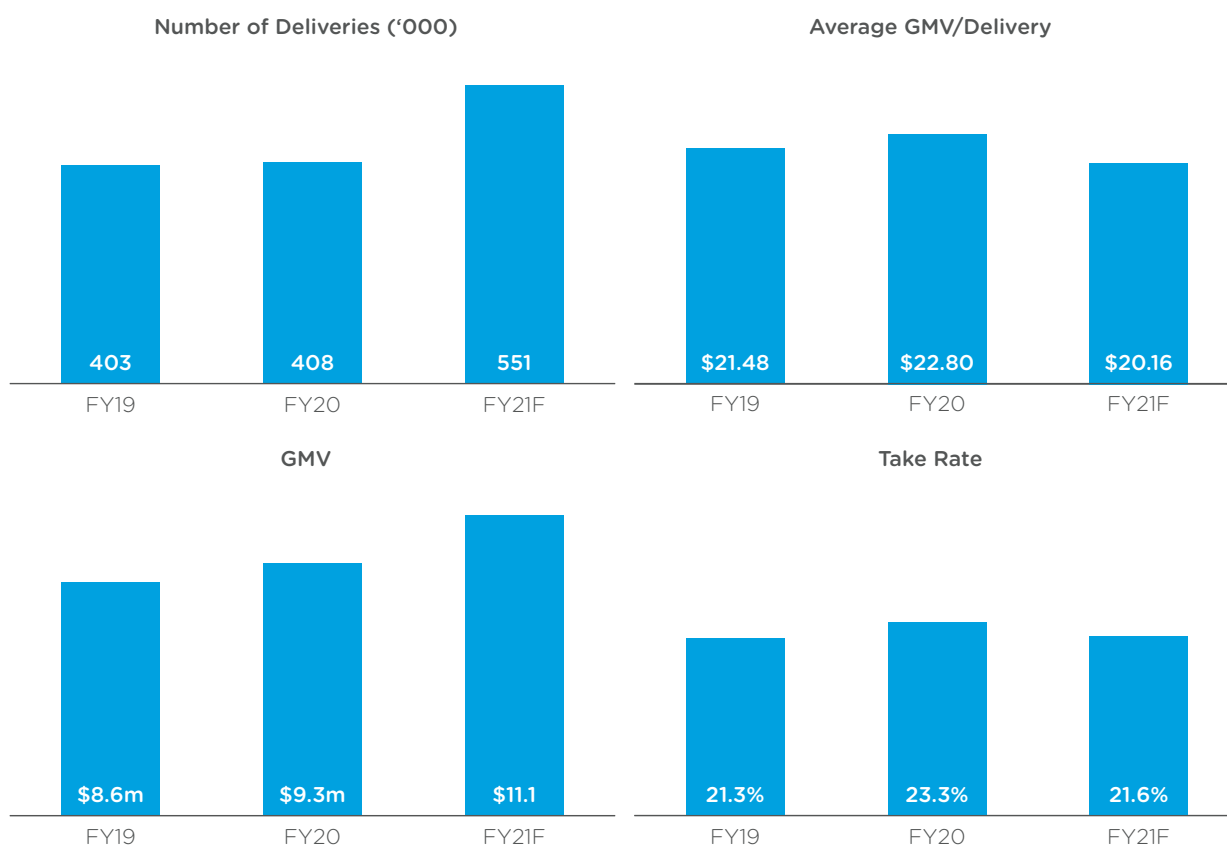
The key inputs to Zoom2u’s revenue therefore are:

- GMV, which is a factor of:
  - Number of Deliveries; and
  - Average GMV/Delivery; and
- Take Rate, which is a factor of Booking Fees and Platform Fees.

## 4 Financial Information Continued

The trends in key GMV drivers, the resultant GMV and the Take Rate for the Zoom2u business are illustrated in Figure 4.1 below:

**Figure 4.1 – Trends in key GMV drivers, GMV and Take Rate**



The specific assumptions in relation to these key drivers are discussed below.

### Deliveries

Zoom2u's Deliveries are forecast to grow between FY19 and FY21F. Deliveries grew marginally in FY20 from 403k in FY19 to 408k in FY20 (1% growth) but are forecast to reach 551k in FY21F (35% growth). For the period July 2020 to May 2021, a total of 530k Deliveries had been completed, an increase of 43% over the same period in the prior year. The forecast for Deliveries in FY21F has been based on Deliveries completed for the period July 2020 to May 2021 with a forecast of approximately 21k Deliveries for the month of June 2021.

### Average GMV/Delivery

Average GMV/Delivery represents the Average GMV per Delivery in a given financial period. Average GMV/Delivery increased from \$21.48 in FY19 to \$22.80 in FY20 (6% growth) and is forecast to decline to \$20.16 in FY21F (12% decline). For the period July 2020 to May 2021, the Average GMV/Delivery was \$19.28. However, this figure included significant volumes in December 2020 for enterprise customers for which Zoom2U received a lower Average GMV/Delivery. The Average GMV/Delivery for FY21F has been based on a review of Average GMV/Delivery by month for the YTD May 2021.

## GMV

GMV represents the number of Deliveries in a given financial period multiplied by the Average GMV/Delivery. GMV increased from \$8.6 million in FY19 to \$9.3m in FY20 (8% growth) based on strong growth in Average GMV/Delivery on marginally higher Deliveries. GMV is forecast to increase from \$9.3 million in FY20 to \$11.1 million in FY21F (19% growth) based on strong growth in Deliveries (35% growth) offset by a lower Average GMV/Delivery (12% decline). YTD May 2021 GMV of \$10.2 million was an increase of 19% over the same period in the prior year.

## Take Rate

Take Rate represents the percentage of GMV which Zoom2u receives as revenue. It is presented net of any applicable GST. Zoom2u's revenue is primarily earned from a Booking Fee paid by Customers and a Platform Fee paid by Drivers.

The FY21F forecast Take Rate of 21.6% is slightly lower than in FY20, primarily due to the large volume of lower priced Deliveries relative to FY20. For the period July 2020 to May 2021, the Take Rate was 21.7%. The assumption of a forecast Take Rate of 21.6% in FY21F has been based on a review of average Take Rate by month for YTD May 2021.

## Locate2u

For the period July 2020 to April 2021, Locate2u generated revenue of less than \$25,000. The forecast for FY21F is based on unaudited management accounts for the period July 2020 to June 2021.

## 2u Enterprises

For the period July 2020 to May 2021, 2u Enterprises generated revenue of approximately \$0.3 million, of which Shred2u contributed approximately \$80,000, with the remainder primarily derived from the provision of end-to-end e-commerce solutions. The forecast for FY21F is based on unaudited management accounts for the period July 2020 to June 2021 for these businesses.

### 4.10.2.2 Cost of Sales

Cost of Sales is comprised of payment costs (paid to third party secure payment service providers to process credit card payments) and costs related to a provider of credit information on customers.

Payment processing fees charged are based on a specified percentage of transaction values plus for some payments, a per transaction fee for facilitating credit card payments. Zoom2u pays fees to Visa, Mastercard and American Express when Customers use these cards to pay for Deliveries. Zoom2u is also charged a fee by Braintree for processing payments. Locate2u uses Stripe to process payments and is charged fees based on whether the payment is made using a domestic or an international card.

Credit information is provided by Creditor Watch for which a nominal monthly subscription is paid.

Cost of Sales in FY19 and FY20 as a percentage of revenue were 3.4% and 3.2% respectively, whilst for the period July 2020 to May 2021, Cost of Sales as percentage of revenue were 3.0%. Cost of Sales for FY21F as a percentage of revenue has been forecast to be 3.0% of revenue, based on the percentage derived from the unaudited management accounts for the period July 2020 to June 2021.

### 4.10.2.3 Operating expenses

#### Advertising and marketing expense

This cost includes largely discretionary and directly controllable expenses related to online digital advertising, offline advertising, marketing consultants and public relations. These expenses totalled around \$0.3 million for each of FY19 and FY20.

The Company believes there is significant opportunity to engage in additional paid marketing that can complement existing organic growth strategies to deliver revenue growth for both Zoom2u and Locate2u. FY21F advertising and marketing cost is estimated to increase relative to FY19 and FY20 as additional expenditure is incurred on marketing the Zoom2u product. Expenditure on Locate2u is expected to accelerate in FY21F in conjunction with the launch of the product.



## 4 Financial Information Continued

### Employee benefits expense

To the extent that this cost relates to existing staff this expense is based on current salaries. To the extent that this cost relates to new staff, the cost is based on the expected cost for the new positions based on detailed assumptions, including anticipated start dates and salary requirements. This category also includes applicable “on-costs” including superannuation.

### General & administration expense

This cost includes office rental, software costs (including 3rd party delivery software), legal and advisory fees, insurances and other office related expenses. In FY21F, these expenses are expected to be lower than FY19 and FY20, primarily from lower costs associated with reduced rent through the closure of the Manilla office and a reduction in other office expenses.

#### 4.10.2.4 Depreciation and amortisation

The Forecast Financial Information includes the following assumptions in relation to depreciation and amortisation:

- Depreciation consists of the depreciation of the right-of-use asset in accordance with AASB 16, depreciation schedules for existing property, plant and equipment (primarily office and computer equipment) and the depreciation for any planned expenditure.
- No amortisation was recorded in FY20 and none is forecast for FY21F.

#### 4.10.2.5 Working capital

Reflects the expected movement in trade and other receivables, other current assets, trade and other payables and provisions. Working Capital assumptions for FY21F are consistent with historical trends.

#### 4.10.2.6 Capital expenditure

Forecast capital expenditure for FY21F is expected to be spent on office and computer equipment at a level broadly consistent with historical levels of investment.

Zoom2u Technologies has not to date capitalised any costs associated with developing software as reliable records have not been available to date to support the amounts that could potentially be capitalised. Management is developing systems and processes to enable the capitalisation of software development costs and propose to commence capitalising certain costs associated with developing software from 1 July 2021.

## 4.11 Management discussion and analysis of Pro Forma Financial Information

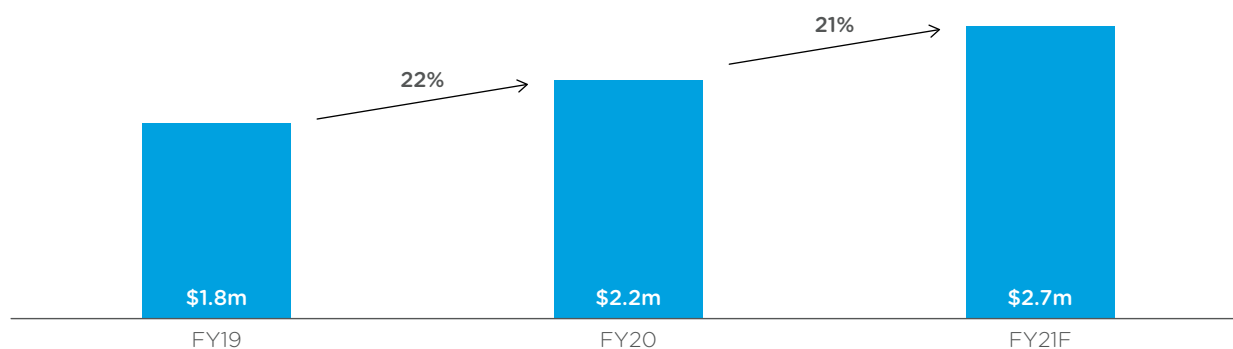
This Section contains a discussion of the key factors that affected Zoom2u Technologies' operations and financial performance over FY19 and FY20, and a discussion of the key factors and assumptions which the Company expects may affect performance during FY21F.

The discussion of these general factors is intended to provide a summary only and does not detail all factors that have affected the historical operating and financial performance of Zoom2u Technologies nor everything that may affect its operations and financial performance in the future. The information in this Section should be read in conjunction with the basis of preparation of the Financial Information in Section 4.2, the general and specific assumptions in Section 4.10 and the risk factors set out in Section 5.

### 4.11.1 Revenue

Figure 4.2 below illustrates Zoom2u Technologies' actual and forecast revenue and growth between FY19 and FY21F.

**Figure 4.2 - Actual and forecast revenue and growth between FY19 and FY21F**



Over the period FY19 to FY21F, Zoom2u Technologies has experienced and expects to continue to experience strong revenue growth.

Historical revenue growth has been achieved through:

- growth in GMV, a function of the number of Deliveries and the Average GMV/Delivery; and
- the establishment of 2u Enterprises, and the launch of its Shred2u business and the introduction of end-to-end e-commerce development services.

#### FY19 to FY20

From FY19 to FY20, Zoom2u Technologies increased revenue by \$0.4 million (22% increase), from \$1.8 million to \$2.2 million. Key drivers of this increase were:

- A marginal increase in the number of Deliveries (from 403k to 408k in FY20) combined with 6% growth in Average GMV/Delivery (from \$21.48 to \$22.80 in FY20) leading to 8% growth in GMV (from \$8.6 million to \$9.3 million in FY20); and
- 2% increase in Take Rate (23.3% vs 21.3% in FY19).

#### FY20 to FY21F

From FY20 to FY21F, Zoom2u Technologies is forecast to increase revenues by \$0.5 million (21% increase), from \$2.2 million to \$2.7 million. Key drivers of this forecast increase are:

- a 35% growth in the number of Deliveries (408k to 551k in FY21F) combined with a 12% decline in Average GMV/Delivery leading to 19% growth in GMV (\$9.3 million to \$11.1 million). The decline in Average GMV/Delivery was due to a higher proportion of e-commerce Deliveries being completed at lower prices;

## 4 Financial Information Continued

- a decline in Take Rate (21.6% from 23.3% in FY20) due to a higher mix of deliveries related to e-commerce customers paying lower Platform Fees; and
- Revenue growth of \$0.2m achieved by 2u Enterprises (from \$0.1m to \$0.3m in FY21F).

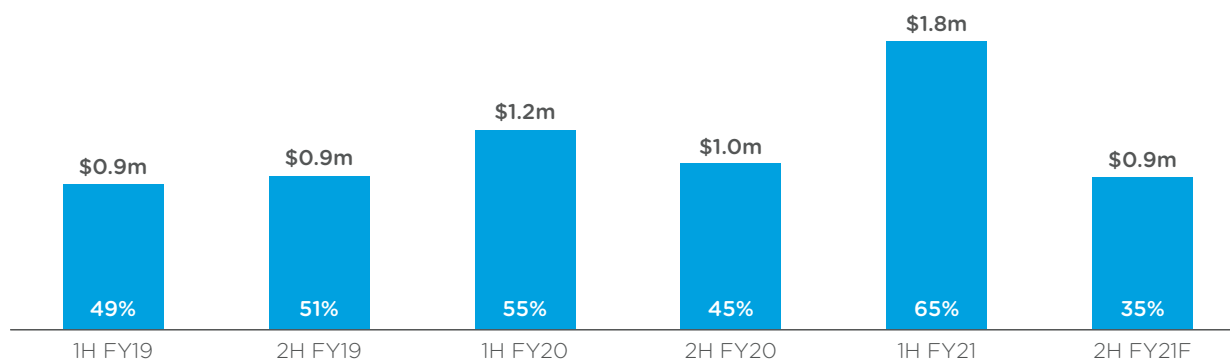
### Seasonality

As set out in section 3.2.6.3, the Company has experienced strong growth in revenue since inception, with a CAGR of 69% per annum between FY15 and FY21F.

Figure 4.3 below illustrates Zoom2u Technologies' revenue by half year from FY19 to FY21F. While revenue in FY19 was approximately evenly split between the first and second halves of the year, since FY20 revenue in the first half (July to December) has been strongest, with Deliveries increasing over the period through to Christmas, driven by large e-commerce volumes.

The second half of the financial year has historically not shown the same level of growth as the first half of the financial year. 2HFY21F is forecast to show no growth relative to 2HFY20, principally as a result of a contract with a major customer being re-negotiated with Deliveries largely being put on hold. This customer contributed \$0.8 million of GMV in 2HFY20 but less than \$0.1 million in 2HFY21F. The renegotiated contract with this customer was executed in April 2021.

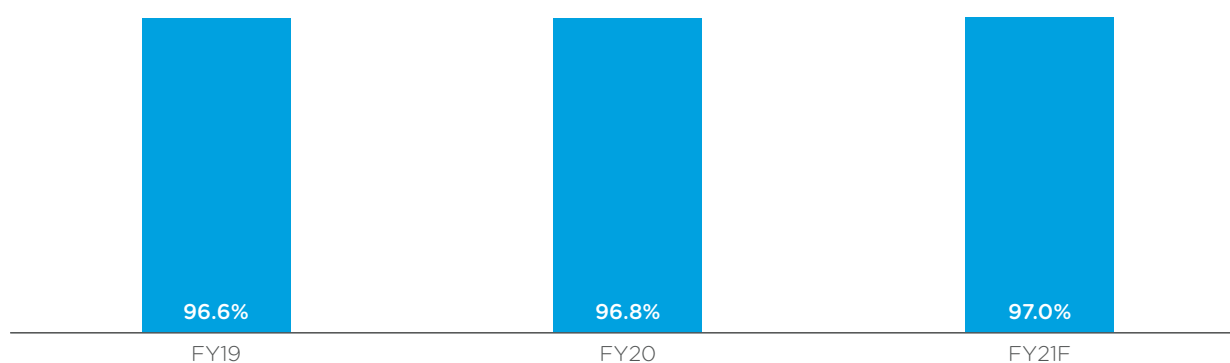
**Figure 4.3 – Revenue by half year from FY19 to FY21F**



### 4.11.2 Cost of Sales and Gross Profit Margin

Figure 4.4 below illustrates Zoom2u Technologies' actual and forecast Gross Profit Margin for FY19, FY20 and FY21F.

**Figure 4.4 – Gross Profit Margin for FY19, FY20 and FY21F**



Zoom2u has only two costs directly associated with each Delivery, being:

- merchant fees – which are paid to secure third-party payment service providers, to process credit card payments; and
- credit checks – fees for credit information on Customers.

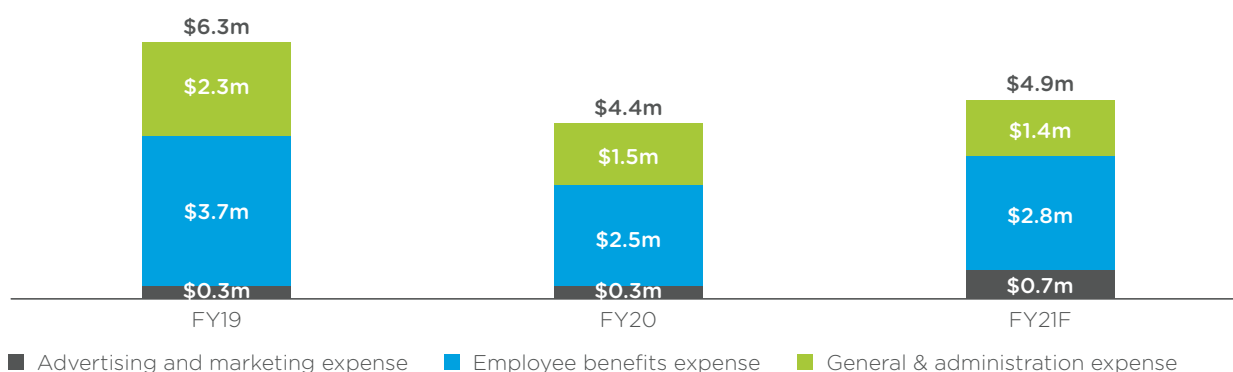
Locate2u also incurs merchant fees on credit card payments made by clients.

Gross Profit Margin was relatively flat between FY19 and FY20 and is forecast to remain at a similar level in FY21F.

### 4.11.3 Expenses

Figure 4.5 below illustrates Zoom2u Technologies' Pro Forma historical and forecast total expenses, together with the amount for each category of expenses, from FY19 to FY21F.

**Figure 4.5 – Pro Forma historical and forecast total expenses**



#### FY19 to FY20

Part of Management's focus in FY20 was to optimise the cost base of the business in order to move closer to breakeven EBITDA.

Pro Forma expenses decreased by approximately \$1.9 million, from \$6.3 million in FY19 to \$4.4 million in FY20 primarily due to:

- Employee benefit expense reducing by \$1.2 million from \$3.7 million in FY19 to \$2.5 million in FY20. The decline was largely attributable to a decrease in headcount; and
- General & administration expense reducing by \$0.8 million due to a non-recurring expense of \$0.4 million in FY19 relating to a provision for costs associated with an ATO audit together with a reduction in office space used and a reduction in associated office expenses.

#### FY20 to FY21F

Pro Forma expenses are forecast to increase by approximately \$0.5 million, from \$4.4 million in FY20 to \$4.9 million in FY21F primarily due to:

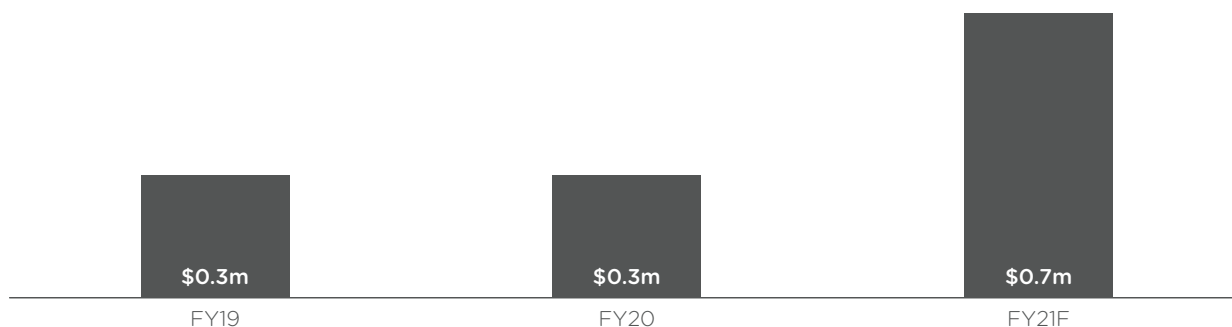
- Advertising and marketing expense increasing by \$0.4 million from \$0.3 million in FY20 to \$0.7 million in FY21F partly attributable to an expected increase in advertising associated with the launch of Locate2u;
- Employee benefit expense increasing by \$0.3 million from \$2.5 million in FY20 to \$2.8 million in FY21F. The increase is forecast to be largely attributable to an increase in headcount made towards the end of the financial year; offset by
- General & administration expense reducing by \$0.1 million from \$1.5 million to \$1.4 million due to further reductions in rental costs together with savings in professional fees.

#### Advertising and marketing expense

Figure 4.6 below illustrates Zoom2u Technologies' Advertising and marketing expense from FY19 to FY21F. Advertising and marketing expense is comprised primarily of online digital advertising, offline advertising, marketing consultants and public relations.

## 4 Financial Information Continued

Figure 4.6 – Advertising and marketing expense



### FY19 to FY20

Advertising and marketing expenses were relatively flat between FY19 and FY20 being approximately \$0.3 million in each year due to:

- the commencement of digital advertising associated with the launch of Locate2u and 2u Enterprises; offset by
- reducing and optimising Zoom2u’s digital marketing expenses.

### FY20 to FY21F

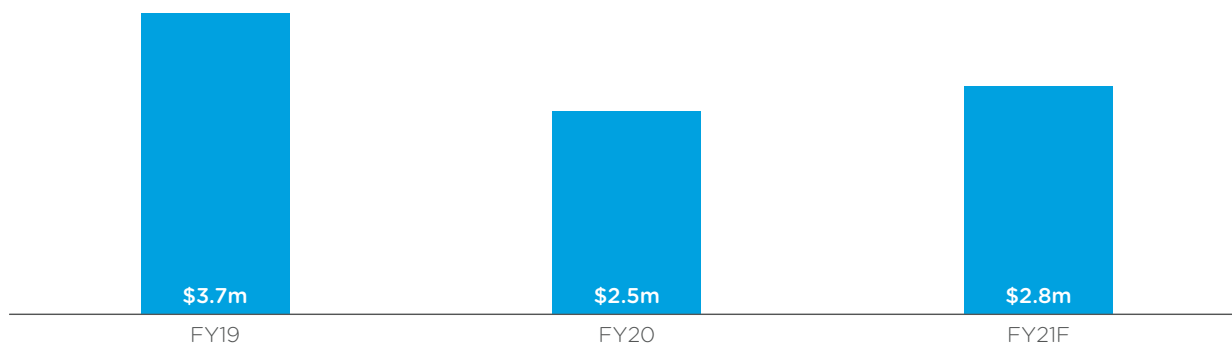
Advertising and marketing expenses are forecast to increase by approximately \$0.4 million between FY20 and FY21F (approximately 99%) from \$0.3 million to \$0.7 million due to:

- increases in digital advertising and marketing consultant’s expenses for Locate2u and 2u Enterprises; offset by
- reducing Zoom2u’s digital marketing and public relations expenses.

### Employee benefits expense

Figure 4.7 below illustrates Zoom2u Technologies’ Employee benefits expense from FY19 to FY21F. Employment benefits expenses predominantly comprise salaries and wages for staff and fees paid to Directors, together with associated on-costs including superannuation, annual and long service leave expenses.

Figure 4.7 – Employee benefits expense



### FY19 to FY20

In FY20, Zoom2u Technologies reported a \$1.2 million decrease (approximately 31%) in Employee benefits expense, from \$3.7 million in FY19 to \$2.5 million in FY20. Total headcount reduced by 12 staff from 50 in June 2019 to 38 in June 2020. Key drivers of this reduction were:

- a decrease of 9 in operations headcount from 23 in June 2019 to 14 in June 2020 due to improved efficiencies in operations and support activities;
- a decrease of 2 in marketing headcount from 2 in June 2019 to none in June 2020;
- a decrease of 3 in finance and data headcount from 9 in June 2019 to 6 in June 2020; offset by
- an increase of 2 in development headcount from 14 in June 2019 to 16 in June 2020.

The reduction in headcount in FY20 was part of a program designed to improve operating efficiency, particularly in the operations area. As Employee benefits expense is the largest expense of the Company, a focus on these expenses was key to optimising the cost base of the business in order to move closer to breakeven EBITDA.

### FY20 to FY21F

In FY21F, Zoom2u Technologies is forecasting a \$0.3 million increase (approximately 10%) in Employee benefits expense, from \$2.5 million in FY20 to \$2.8 million in FY21F. Total headcount is forecast to increase by 17 staff from 38 in June 2020 to 55 in June 2021. Many of the new hires are forecast to commence work in 2HFY21 and hence the forecast for FY21F does not include a full year expense for these new hires.

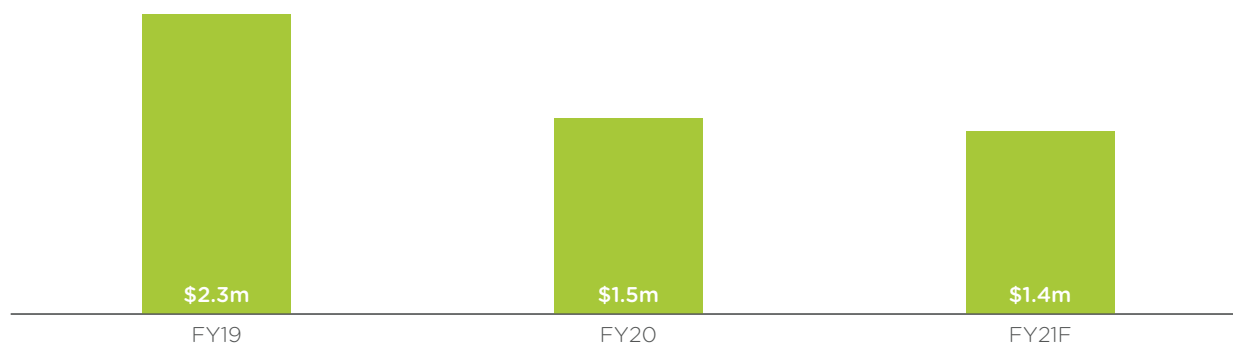
Key drivers of this increase are:

- an increase of 5 in operations headcount from 14 in June 2020 to 19 in June 2021 to assist in handling the increase in Deliveries volume for Zoom2u and the new Shred2u and Locate2u operations;
- an increase of 4 in the sales team (from 1 in June 2020 to 5 in June 2021), with 1 addition to the Zoom2u sales team and 3 additions to the Locate2u sales team. The increased investment in the sales team headcount forecast in FY21F is being made to drive sales growth for the Zoom2u and Locate2u businesses;
- an increase of 7 in development headcount from 16 in June 2020 to 23 in June 2021; and
- an increase of 1 in Management, with the appointment of the general manager, Peter Stephens.

### General & administration expense

Figure 4.8 below illustrates Zoom2u Technologies' General & administration expense from FY19 to FY21F. General & administration expense includes office rental, software costs (including 3rd party delivery software), legal and advisory fees, insurances and other office related expenses.

**Figure 4.8 - General & administration expense**



## 4 Financial Information Continued

### **FY19 to FY20**

In FY20, Zoom2u Technologies reported a \$0.8 million decrease (approximately 37%) in General & administration expense, from \$2.3 million in FY19 to \$1.5 million in FY20. Key drivers of this reduction were:

- A non-recurring expense of \$0.4 million in FY19 related to a provision for costs associated with an ATO audit which has now concluded;
- A reduction in space used in the Manilla office as the number of operations staff in the business was reduced together with moving the Sydney office to smaller, lower cost premises in November 2019. Rent expenses declined by \$0.3 million compared with FY19; and
- Reductions in other office related expenses from the reduction in office space used together with reductions in other General & administration expenses including software costs (\$0.1 million).

### **FY20 to FY21**

In FY21F, Zoom2u Technologies is forecasting a \$0.1 million decrease (approximately 15%) in General & administration expense, from \$1.5 million in FY20 to \$1.4 million in FY21F. Key drivers of this reduction are:

- Closure of the Manilla office in March 2020, as Manila was impacted by COVID-19 and a decision was made for all Philippines staff to work remotely. Whilst the Manilla office was closed from March 2020, the lease was only terminated in September 2020 saving less than \$0.1 million;
- Reductions in other office related expenses from the reduction in office space used (less than \$0.1 million); and
- Minor reductions in legal and accounting fees that were offset by increases in software costs and other general expenses.

### **4.11.4 Net cash flow before interest and financing**

Net cash flow before interest and financing improved by \$2.2 million from a \$4.3 million net cash outflow in FY19 to a \$2.1 million net cash outflow in FY20. This was driven by the improvement in EBITDA which came from the increase in revenue combined with a reduction in operating expenses.

Net cash flow before interest and financing is forecast to improve by \$0.4 million to a \$1.7 million net cash outflow in FY21F. Whilst EBITDA is forecast to remain flat in FY21F relative to FY20, a reduction in working capital of \$0.5 million is primarily responsible for the improvement in cash flow.

Payment for property, plant and equipment in FY21F is forecast to be minimal (less than \$0.1 million) and relates to minor IT purchases. Zoom2u Technologies does not currently capitalise any development costs associated with the development of software.

#### 4.11.5 Management discussion and analysis of 1HFY20 and 1HFY21

For ease of reference, Tables 4.17, 4.18 and 4.19, which summarise the Pro Forma Historical Half Year Results, key operating and financial metrics, and cash flows of the Company, for 1HFY20 and 1HFY21, are repeated in this Section.

**Table 4.17 - Consolidated Pro Forma Historical Results for 1HFY20 and 1HFY21**

<b>\$ millions</b>	<b>Notes</b>	<b>Pro forma Historical</b>	
		<b>1HFY20</b>	<b>1HFY21</b>
<b>Revenue</b>	1	<b>1.2</b>	<b>1.8</b>
Cost of sales		(0.0)	(0.0)
<b>Gross profit</b>		<b>1.2</b>	<b>1.7</b>
Advertising and marketing expense	2	(0.2)	(0.3)
Employee benefits expense	3	(1.3)	(1.3)
General & administration expense	4	(0.8)	(0.7)
<b>Operating expenses</b>		<b>(2.3)</b>	<b>(2.2)</b>
Other income		-	-
<b>EBITDA</b>		<b>(1.1)</b>	<b>(0.5)</b>
Depreciation and amortisation		(0.0)	(0.1)
<b>EBIT</b>		<b>(1.2)</b>	<b>(0.6)</b>
Net finance costs		(0.0)	(0.0)
<b>Net profit before income tax</b>		<b>(1.2)</b>	<b>(0.6)</b>
Income tax benefit/(expense)		-	-
<b>Net profit after tax</b>		<b>(1.2)</b>	<b>(0.6)</b>

**Note:** See notes to Table 4.2.



## 4 Financial Information Continued

**Table 4.18 – Key metrics for 1HFY20 and 1HFY21**

		Pro forma Historical	
	Notes	1HFY20	1HFY21
<b>Key operating metrics</b>			
GMV (\$m)		5.3	7.1
GMV growth (% increase YoY)			33%
Number of Deliveries ('000)	1	267	461
Deliveries growth (% increase YoY)			73%
Average GMV per Delivery (\$)	2	19.96	15.37
Average GMV per Delivery – growth (% increase YoY)			-23%
Total Headcount (period end)	3	55	46
<b>Key financial metrics</b>			
Revenue (\$m)		1.2	1.8
Revenue growth (% increase YoY)			45%
Gross Profit (\$m)		1.2	1.7
Gross Profit growth (% increase YoY)			46%
Gross Profit Margin		97.0%	97.6%
Take Rate %		22.9%	22.6%

**Note:** See notes to Table 4.3.

**Table 4.19 – Pro Forma Historical Cash Flows for 1HFY20 and 1HFY21**

		Pro forma Historical	
\$ millions	Notes	1HFY20	1HFY21
<b>EBITDA</b>		<b>(1.1)</b>	<b>(0.5)</b>
Changes in working capital	1	(0.2)	(0.3)
Non-cash items		(0.1)	(0.2)
<b>Cash flow from operating activities</b>		<b>(1.5)</b>	<b>(1.0)</b>
Capital Expenditure		(0.1)	(0.0)
Payments for intangibles	2	-	-
<b>Net cash flow before interest and financing</b>		<b>(1.5)</b>	<b>(1.1)</b>

**Note:** See notes to Table 4.9.

### **GMV, Revenue and Gross Profit 1HFY20 vs 1HFY21**

GMV in 1HFY21 increased by \$1.8 million (33%) from \$5.3 million in 1HFY20 to \$7.1 million in 1HFY21. This improvement was driven by a 73% growth in the number of Deliveries (267k in 1HFY20 to 461k in 1HFY21) offset by a 23% decline in Average GMV/Delivery leading to 33% growth in GMV. The decline in Average GMV/Delivery was due to a higher proportion of e-commerce Deliveries being completed at a lower Average GMV/Delivery.

Revenue in 1HFY21 increased by \$0.6 million (45%) from \$1.2 million in 1HFY20 to \$1.8 million in 1HFY21. This improvement was driven by a combination of growth in GMV (of \$1.8 million) offset by a minor decline in the Take Rate from 22.9% in 1HFY20 to 22.6% in 1HFY21. Gross profit increased by 46%, in line with the growth in revenue.

### **Operating Expenses 1HFY20 vs 1HFY21**

Total operating expenses decreased by \$0.1 million from \$2.3 million in 1HFY20 to \$2.2 million in 1HFY21. This was a result of a decrease in G&A expenses offset by a minor increase in Advertising and marketing expense. Whilst Advertising and marketing for Zoom2u decreased relative to the same period in the prior year, spend on Locate2u increased to coincide with the product's launch. Employee benefits expense was flat relative to the same period in the prior year.

G&A expenses decreased by \$0.1 million from \$0.8 million in 1HFY20 to \$0.7 million in 1HFY21 due to reductions in rent related expenses and a reduction in professional fees.

### **Net cash flow before interest and financing**

Net cash flow before interest and financing improved by \$0.4 million from a \$1.5 million net cash outflow in 1HFY20 to a \$1.1 million net cash outflow in 1HFY21. EBITDA improved by \$0.6 million in 1HFY21F relative to 1HFY20, which together with investment in working capital of \$0.3 million net of non-cash items (of \$0.2 million) resulted in a \$1 million net cash outflow from operating activities for the half year.

Payment for property, plant and equipment in FY21F was minimal (less than \$0.1 million) and relates to minor IT purchases.

## **4.12 Sensitivity analysis of Pro Forma Forecast Financial Information**

The Forecast Financial Information is based on a number of specific and general assumptions, as described in Section 4.10. These specific and general assumptions are subject to business, economic and competitive uncertainties and contingencies, many of which are beyond the control of Zoom2u Technologies, the Directors and Management, and upon assumptions with respect to future business decisions, which are subject to change.

Set out in Table 4.20 below is a summary of the sensitivity of the Pro Forma Forecast Financial Information to changes in a number of key assumptions. The changes in the key assumptions set out in the sensitivity analysis are intended to provide a guide only and are not intended to be indicative of the complete range of variations that may be experienced. Variations in actual performance could exceed the ranges shown, and these variances may be substantial.

Care should be taken in interpreting these sensitivities. In order to illustrate the likely key impact on the Pro Forma Forecast Financial Information, the estimated impact of changes in each of the assumptions has been calculated in isolation from changes in other assumptions. In practice, changes in assumptions may offset each other or be additive, and it is likely that Management would respond to an adverse change in one item to seek to minimise the net effect on Zoom2u Technologies' earnings and cash flow.

For the purpose of the sensitivity analysis in Table 4.20, each sensitivity is presented in terms of the impact on FY21F pro-forma forecast revenue, operating expenses and EBITDA.

## 4 Financial Information Continued

Table 4.20 – Sensitivity analysis

Assumption	Notes	Sensitivity	Revenue (\$ million)	Operating Expenses (\$ million)	EBITDA (\$ million)
GMV	1	+/- 5%	+/- \$0.1	+/- \$0.0	+/- \$0.1
Take Rate		+/- 1%	+/- \$0.1	+/- \$0.0	+/- \$0.1
Operating expenses	2	+/- 5%	+/- \$0.0	+/- \$0.2	+/- \$0.2

**Notes:**

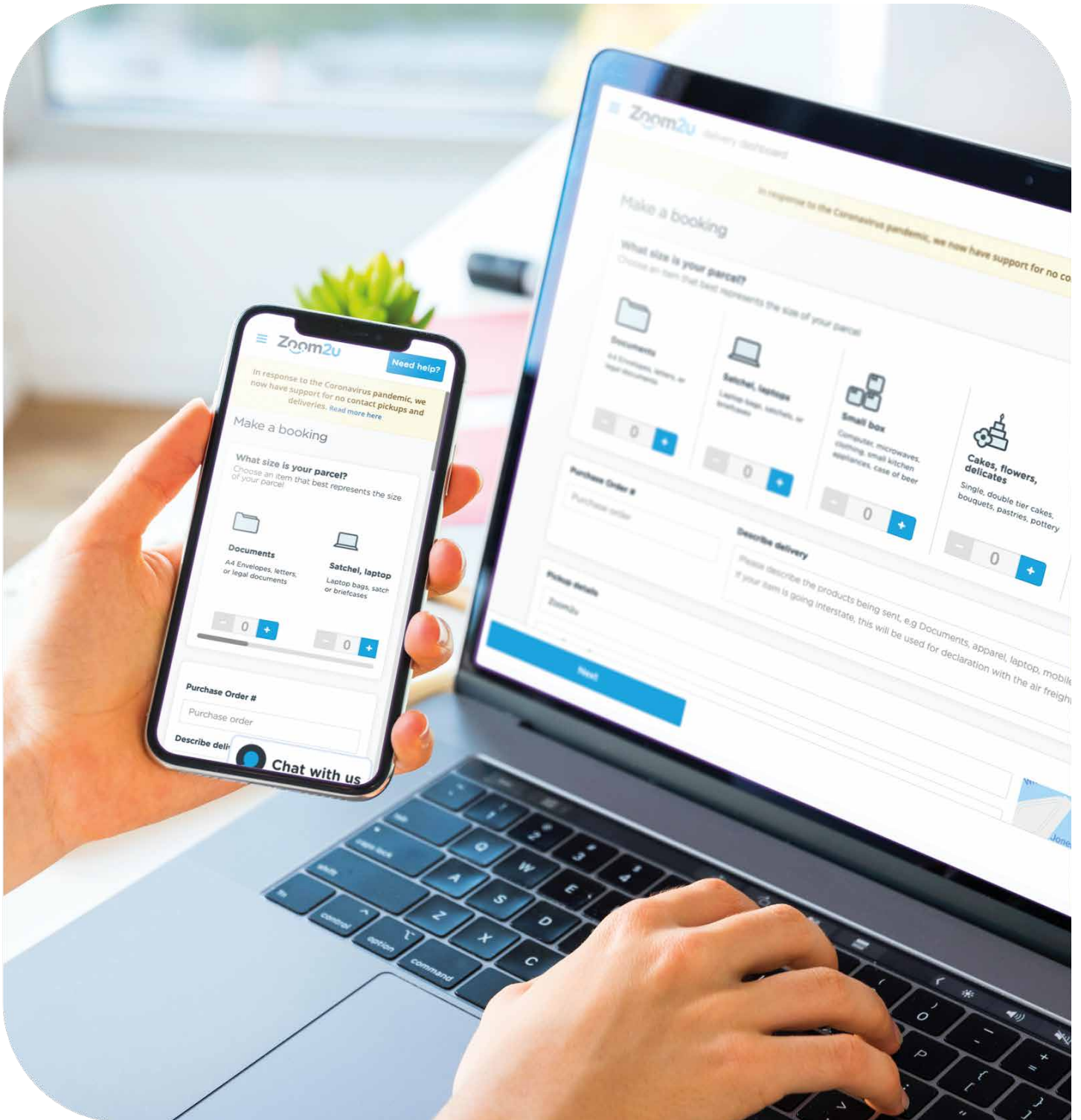
1. A move in either Deliveries or Average GMV/Delivery by +/-5% will result in a move in GMV of +/-5%.
2. Excludes Cost of Sales and Depreciation and Amortisation expense. For the purposes of the sensitivity analysis, it is assumed that revenue will not be impacted by a +/-5% in expenses.

### 4.13 Dividend policy

The Company intends to reinvest all cash flow into the business in order to maximise its growth. Accordingly, no dividends are expected to be paid in the near-term following the Company's listing on the ASX.

The payment of a dividend by Zoom2u Technologies, if any, is at the discretion of the Directors and will be a function of a number of factors (many of which are outside the control of the Directors), including the general business environment, the operating results, cash flows and the financial condition of the Group, future funding requirements, capital management initiatives, taxation considerations (including the level of franking credits available), any contractual, legal or regulatory restrictions on the payment of dividends by the Group, and any other factors the Directors may consider relevant. The Directors do not provide any assurance of the future level of dividends paid by the Company.

# 5 Key Risks



# 5 Key Risks

## 5.1 Introduction

The Group is subject to risk factors that are both specific to its business activities and of a more general nature. Each of the risks set out below could, in isolation or in combination, if they eventuate, have a material adverse impact on the Group's businesses, financial condition and results of operations. Investors should note that this Section 5 does not purport to list every risk that may be associated with an investment in Shares now or in the future, and that the occurrence or consequences of some of the risks described in this Section 5 are partially or completely outside the control of the Group, its Directors and Management.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the Prospectus Date, but there is no guarantee or assurance that the importance of risks will not change or other risks will not emerge.

There can be no guarantee that the Group will deliver on its business strategy, or that any forward-looking statement contained in this Prospectus will be achieved or realised. The actual results could differ materially from those anticipated in any such forward-looking statements as a result of certain factors, including the risks described below and elsewhere in the Prospectus. You should note that past performance is not a reliable indicator of future performance.

Before applying for Shares, you should satisfy yourself that you have a sufficient understanding of these matters and should consider whether the Shares are a suitable investment for you, having regard to your own investment objectives, financial circumstances and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in the Shares, it is recommended that you seek professional guidance from your stockbroker, solicitor, accountant, tax advisor or other independent and qualified professional advisor before deciding whether to invest.

## 5.2 Risks specific to an investment in the Company

### 5.2.1 Performance of technologies

The Company is a technology company and operates technology platforms, products and services which underpin its Zoom2u, Locate2u and Shred2u businesses. The Group is therefore heavily reliant on information technology to make its platforms, products and services available to users. The businesses operated by the Group use software created by the Group and software licensed from third parties. The Group's businesses also depend on the performance and reliability of internet, mobile and other infrastructure, which is outside of the Group's control. There is a risk that the Group or third party suppliers may fail to adequately maintain their information technology systems, which may cause disruptions to the Group's platforms, products and services. There is also a risk that systems failures or delays, corruption of databases or other electronic information, power failures, issues with upgrades, technical malfunctions and other disruptions to information technology systems used by the Group, its third party suppliers or its users may cause disruptions to the Group's platforms, products and services or adversely affect user experience with its platforms, products and services and in the Marketplace. This may adversely affect the Group's ability to attract and retain users. This may have a material adverse impact on the Group's reputation, financial performance and growth prospects, particularly if the interruptions continue for a prolonged period of time.

### 5.2.2 Data breaches and other data security incidents

The Group collects a wide range of personal, financial and service usage data and other confidential information from users in the ordinary course of its business, such as contact details and addresses, and stores that data electronically. The Group is also reliant on third party suppliers who may collect information on the users of the Group's platforms, products and services, such as payment details. As an online business, the Group is subject to cyber attacks. The Group and, as far as the Group is aware, those third party suppliers have systems in place to maintain the confidentiality and security of that data and detect and prevent unauthorised access to, or disclosure of, that data. There can be no guarantee that the systems will completely protect against data breaches and other data security incidents. This may be due to the Group or its suppliers not adequately maintaining or securing their systems, or their systems being

subject to cyberattacks, viruses, data theft, ransomware attacks, phishing attacks or hacking. As the techniques used to hack or otherwise obtain unauthorised access to data and information frequently change, even if the Group and its suppliers have systems in place to detect such access attempts, their systems may be unable to anticipate and prevent any new hacking techniques. If any data breaches or data security incidents occur, and the Group's data security infrastructure is unable to reduce the impact of such attacks, this could result in a loss of information and system integrity, misappropriation of accessed data including for fraudulent purposes or significant disruptions to the Group's platforms, products and services and the Marketplace, all of which may reduce demand for the Group's services by users. It may also cause the Group to breach privacy and other laws, which may expose the Group to regulatory prosecution or substantial financial penalties. The Group may also incur significant costs to remedy any loss of data. This may have a material adverse impact on the Group's reputation and financial position.

### 5.2.3 Material Contracts

Section 9.4 discloses contracts which the Company considers to be material to the Group's business and operations and therefore financial performance. It is noted that the counterparties to the material contracts referred to in Sections 9.4.1, 9.4.2 and 9.4.4 are under no obligation to provide a minimum level of business to the Group and therefore any future revenue attributed to those contracts are not guaranteed. The business received from those customers may fluctuate which may have a material adverse impact on the Group's financial position.

### 5.2.4 New technologies

The Group's success in the future may depend on its ability to continue to identify and deploy the most appropriate new technologies and features in its platforms, products and services. There is a risk that the Group may fail to update its platforms, products and services to adopt new technologies, or that other businesses may develop or adopt new technologies which give them a competitive advantage over the Group's platforms, products and services. This may render the Group's platforms, products and services less competitive. There is a risk that the Group's competitors may be able to replicate existing and new technologies used by the Group in its platforms, products and services at a cheaper cost to users, which may also render the Group's platforms, products and services and Marketplace less competitive. The Group may need to invest significant time and costs into updating its technology to remain competitive, which may have a material adverse impact on its financial performance. Even if the Group does adopt new technologies or launch new features in its platforms, products and services, there is a risk that users may not perceive any value in those new technologies or features, which may reduce demand for the Group's services by users. This may have a material adverse impact on the Group's financial performance and prospects.

### 5.2.5 Changes to laws and regulations

The Group operates in a sector where the laws and regulations around its operations are evolving. There is a risk that new laws or regulations may be enacted, or existing laws and regulations may be amended in such a way that impose obligations on the Group. For example, the Group currently treats Drivers that use the Platform as licensees. There is increased scrutiny of the classification of parties who use platform based businesses (which facilitate the provision of services) in the context of providing those services to other parties (**Service Provider Users**), and the application of labour hire licensing laws to such Service Provider Users. There is a risk that laws or regulations governing the definition or classification of Service Provider Users, or legal decisions regarding classification of the relationship between the Service Provider Users and platform based businesses, could require the Group to classify Drivers as employees or within a new classification of contractors specific to flexible labour platforms, products and services. While, to date, the focus has primarily been on rideshare and food delivery platforms, products and services, there is a risk that changes to laws and regulations, and their interpretation, in response to particular issues in those rideshare or food delivery platforms may be applied unilaterally to all flexible labour platforms, including the Platform. There is a risk that in the future regulators may consider the Group's marketplace to require the same regulation as other rideshare or food delivery platforms. If this were to occur, the Group may have additional responsibilities to Drivers under workplace health and safety laws, workers compensation laws and in respect of other matters such as the application of payroll tax and superannuation laws. The Group is also subject to privacy, data and taxation laws and regulations,

## 5 Key Risks Continued

which are also evolving. If any laws or regulations are adopted which are more stringent than the laws and regulations currently applying to the Group's platform, products and services, the Group may need to invest significant time and costs into complying with those laws and updating the platforms, products and services. If the Group is found to be non-compliant with any such laws, the Group may also be subject to prosecution by regulators or be required to pay penalties, the cost of which may be significant. Depending on the significance of the changes to the laws and regulations applying to the Group, the Group may even need to fundamentally change its business model. There is also a risk that laws and regulations may change in some jurisdictions in which the Group operates but not others. Depending on the significance of the changes, the Group may need to fundamentally change its business model in those jurisdictions affected by the changes or may determine to cease operations in those jurisdictions. This may have a material adverse impact on the Group's ongoing operations, financial performance and growth prospects.

### 5.2.6 Tax risks

Tax laws in Australia are complex and are subject to change periodically, as is their interpretation by the courts and the tax revenue authorities. Significant reforms and current proposals for further reforms to Australia's tax laws, as well as new and evolving interpretations of existing laws, give rise to uncertainty. The precise scope of many of the new and proposed tax laws is not yet known. Any change to the taxation of shares (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax and the Group's ability to claim research and development offsets) may adversely impact on Shareholder returns, as may a change to the tax payable by Shareholders in general. Any other changes to Australian tax law and practice that impact the Group, or the Group's industry generally, could also have an adverse effect on Shareholder returns. Any past or future interpretation of the taxation laws by the Group which is contrary to that of a revenue authority may give rise to an adverse effect on Shareholder returns.

Further, the entities in the Group have in excess of \$8 million of income tax losses. The ability to use these losses depends on the ability of the relevant Group entities to pass the continuity of ownership test (**COT**), or failing that, the business continuity test (**BCT**). The Group is yet to determine if the COT was failed as a result of the restructure undertaken in the 2019 year or whether the Group will continue to satisfy the COT after the IPO. It should be noted that both the COT and BCT are required to be tested at the time of recoupment of the tax losses by the Group.

### 5.2.7 Locate2u growth prospects

Locate2u is an early stage business and as such its future success and profitability depends on accelerated growth and an expansion plan to achieve the objective of obtaining a large client footprint (both domestic and globally) for its product offering. The growth and expansion prospects are dependent on a number of factors including client acquisition and retention, success of marketing and sales campaigns and execution of the rollout of its product offering. The Group has invested, and proposes to continue to invest, in the scale-up of Locate2u's operations and if any growth and expansion plans are not successful or the Group cannot attract additional clients, its financial performance may be negatively affected.

### 5.2.8 Locate2u compliance with laws and regulations

As noted in Section 3.3.2.1, Locate2u sells its products globally and has clients in Australia, United States of America, South Korea, the United Arab Emirates and New Zealand. Given the commercially immaterial stage of operations of Locate2u, a comprehensive analysis of all legal factors which may be relevant to Locate2u's overseas sales has not yet been conducted. There is a risk that a breach of applicable regulatory rules may be discovered which could result in penalties being incurred for any breach of such requirements and additional requirements may also be imposed by such regulatory rules as to the manner of the conduct of business in these jurisdictions which may result in material additional costs to the Group or may make the sale of Locate2u's products in certain of these overseas markets not commercially viable.

### 5.2.9 Growth and profitability of Zoom2u dependent on active community

Zoom2u is not reliant on any one Customer or Driver, or a concentration of a few Customers or Drivers. However, the success of Zoom2u's business and its ability to grow relies on its ability to attract new users to, and retain existing users in, the Marketplace. Zoom2u's ability to attract and retain users may be affected by a number of factors, including, without limitation, the functionality of the Marketplace, Zoom2u's pricing model, user support provided by Zoom2u and Zoom2u's competitive position in the market. If users are not satisfied with any of these factors or the Marketplace generally, they may cease to use the Marketplace. If Zoom2u is unable to attract a sufficient supply of Drivers to perform Deliveries demanded by Customers, it may be unable to attract Customers to its Marketplace. Conversely, if Zoom2u is unable to attract sufficient demand from Customers, Drivers may use different avenues to source the level of work which they wish to undertake. There is also a risk that Customers and Drivers may, after connecting through the Marketplace, deal directly with one another to avoid paying Zoom2u any fees. There is no guarantee that Zoom2u will retain existing users or attract new users to the Marketplace. If Zoom2u is unable to retain existing users or attract new users, this may have a material adverse impact on Zoom2u's operations, financial performance and growth prospects.

### 5.2.10 Liability and reputational damage of Zoom2u

There is a risk that Drivers may not perform Deliveries to the standards expected by Customers. While Zoom2u requires Customers and Drivers to enter into contracts directly with one another, and disclaims all liability for all aspects of the Customer and Driver interaction, including the performance of services by the Driver, there is a risk that Customers may still take action against the Group or seek to hold the Group liable for the actions of Drivers. There is a risk that the Group's reputation may be adversely impacted by sub-standard performance by Drivers, negative user experiences in the Marketplace, user complaints or other adverse events which involve the Platform or Marketplace. Users may also feel aggrieved if they are unable to hold the Group liable for the actions of Drivers. Any negative impact on the Group's reputation may adversely influence user sentiment towards the Group and willingness to use the Marketplace. This may have a material adverse impact on the Group's future prospects.

There is also a risk that the Zoom2u's users may use the Marketplace to engage in criminal or other dangerous activities which result in injuries, property damage or other liabilities. If users use the Marketplace to engage in criminal or other dangerous activities, Zoom2u may receive negative publicity which may have an adverse impact on its brand and reputation. Zoom2u may be subject to claims for liabilities based on such incidents, injuries and damages caused by users while using the Marketplace. Zoom2u may incur significant costs in investigating and defending any such liability claims. This may have a material adverse impact on the Group's reputation, financial position and prospects.

### 5.2.11 Growth Strategies

The Platform and the Marketplace has been operational since 2014. The Group's future success and growth prospects are dependent on continued, and increased, use of its Platform and Marketplace in the jurisdictions in which it operates from time to time and the rollout of additional ancillary product offerings which utilise the core technology underscoring the Platform such as Locate2u and Shred2u. The Group's historical growth rates may not be indicative of future growth. The success of the Group's expansion plans (including the growth of Locate2u) may be affected by a number of factors, including, without limitation, existing incumbent competitors, the timing for and rate of uptake of the Group's products and service offerings, differing consumer demands and sentiments, differing regulatory requirements, the ability to enforce intellectual property rights, exchange rate fluctuations and differing tax treatments in any jurisdictions where the Group has operations. The Group may have to expend significant resources, such as costs and time, to establish operations, and market itself and develop its presence in those jurisdictions. There is no guarantee that the Group will attract or retain sufficient users of the Group's platforms, products and services in those jurisdictions, or that the Group will generate profits in those jurisdictions. If any of these risks arise, this may have a material adverse impact on the Group's financial performance, reputation and growth prospects. Even if the Group does achieve its growth strategies, there is a risk that growth may place a significant strain on the Group's operations, systems, staff and/or financial resources. If the Group is unable to manage its growth effectively, or upgrade its systems to support growth, this could result in disruptions to the Group's platforms, products, services and Marketplace and have a material adverse impact on its operations and reputation. The Group may also look to expand Zoom2u (either organically or by acquisition) to other international jurisdictions. There is no guarantee that such expansion will be successful.



## 5 Key Risks Continued

### 5.2.12 Customer growth

The Group's revenue and the success of its growth initiatives depend upon attracting new customers and retaining customers (both businesses and consumers) to the Platform, products and services. Various factors can affect conversion. A decline in traffic using the Platform, or the rate of customer conversion in each of the businesses could adversely impact the Group's ability to achieve its stated objectives and could have a materially adverse impact on the Business, financial performance and/or operations of the Group.

### 5.2.13 Key personnel

Given the competitive environment in which the Group operates, there is an ongoing requirement to continuously improve the Group's platforms, products and services to ensure that it remains innovative and relevant to the market and is not superseded by the offerings of its competitors. The Group's ability to ensure that the Group's platforms, products and services are continually improving relies on the expertise of its skilled workforce, particularly its executive and technology team.

The departure of key personnel, or a shortage of skilled staff with adequate expertise, could adversely affect the Group's business and/or its future ability to pursue its growth strategies, as under-resourcing can cause development delays and reduce the speed at which the Group is able to deliver new features or enhancements to the market. Further, there is a risk that the Group is unable to develop new products or initiatives to target identified market opportunities, as a result of a constrained resource pool.

In addition, the Group's ability to retain key personnel, including the management team, is affected by the Group's capacity to maintain competitive remuneration packages. The loss of personnel may also impose significant costs to the Group in the form of loss of investment in employee training, possible loss of proprietary knowledge to competitors and recruitment and employee commencement costs, each of which may have an adverse impact on the Group's operations, financial performance and/or growth.

### 5.2.14 Forward looking statements

The forward looking statements, opinions and estimates provided in this Prospectus rely on various contingencies and assumptions, some of which are described in Section 4. Various factors, both known and unknown, may impact upon the performance of the Group and cause its actual performance to vary significantly from expected results. There can be no guarantee that the Group will achieve its stated objectives or that any forward looking statement or forecast will eventuate.

### 5.2.15 COVID-19

The ongoing COVID-19 pandemic has had a significant impact on the Australian and global economy and the ability of individuals, businesses, and governments to operate. Across Australia and the world, travel, trade, business, working arrangements and consumption have been materially impacted by the pandemic. In addition, events relating to COVID-19 have resulted in significant volatility across financial, commodity and other markets, including in the prices of securities trading on the ASX and on other foreign securities exchanges.

There is a risk that government or industry measures taken in response to COVID-19, such as lockdowns and other restrictions on movements, may restrict the ability of users of the Marketplace to provide or receive services through the Marketplace and otherwise reduce demand for the Groups products and services. There is a risk that existing and further lockdowns and restrictions on movements may adversely impact the level of services sought and performed through the Marketplace, existing and new customer usage of the Group's products and services which may impact the Group's revenue. There is also a risk that users may be unable to provide or receive services through the Marketplace for a period of time if they contract COVID-19 or are quarantined or there are significant delays at the Customer end due to COVID-19 related supply issues. These risks may have a material adverse impact on the Group's operations, financial performance and growth prospects.

The initial lockdown restrictions within Australia reduced the Company's revenue in April 2020. This impact was for a short period with delivery volumes returning to, and exceeding, pre-COVID-19 levels within a number of months.

In July 2021 New South Wales and Victoria were impacted by further lockdowns due to the spread of COVID-19. The Company has not experienced a downturn in trade in this period and has experienced increased delivery volumes from a number of key customers.

#### **5.2.16 Challenges in expanding cross-border operations**

As Locate2u plans to continue expanding its cross-border operations into existing and new markets, there is a risk that the Group may face challenges (including legal or regulatory) in which it has limited or no experience in dealing with. The Group may be unable to anticipate competitive conditions or could face other difficulties in attracting a sufficient number of clients in those new markets. The expansion of Locate2u will also expose it to risks relating to managing cross-border operations, including but not limited to, staffing, increased costs to protect intellectual property, differing and potentially adverse tax consequences, increased and conflicting regulatory compliance requirements, challenges caused due to distance, language and cultural differences, exchange rate risk and political instability. Accordingly, any efforts the Group makes to expand Locate2u's operations may not be successful, and in turn, this may materially affect the Group's operations and financial performance.

#### **5.2.17 Foreign exchange rate fluctuation**

As Locate2u operates in different jurisdictions, the revenues of Locate2u are collected in different currencies. While the revenues of Locate2u are not material as at the Prospectus Date, moving forward, the operations of Locate2u will expose the Group to fluctuations in exchange rates, which is beyond the Group's control.

In addition, the Company incurs costs in other currencies such as the US Dollar and Phillipine Peso which also expose the Group to fluctuations in exchange rates, which is beyond the Group's control.

This could adversely impact the profitability of the Group's foreign operations.

#### **5.2.18 Litigation and investigations**

While the Group is not presently party to any material litigation, disputes or regulatory investigations, it is possible that it may become involved in material litigation, disputes or regulatory investigations from time to time. While the extent of any possible material litigation, disputes or regulatory investigations cannot be ascertained at this time, it is possible that such litigation, disputes or regulatory investigations may be costly and have a material adverse impact on the Group's financial position.

#### **5.2.19 Fraud perpetrated and fictitious transactions**

Zoom2u may face risks with respect to fraudulent activities on the Platform. Historically, Zoom2u experienced credit card frauds where Customers used credit cards with insufficient credit or stolen cards to make bookings on the Platform resulting in failures to collect fees for Deliveries in respect of these bookings. Although Zoom2u has implemented a number of changes to its system, which has dramatically reduced the number of credit card frauds, there are still risks that fraudulent transactions are not picked up by automated fraud controls, or that controls are circumvented. Any such failure may result in damage to Zoom2u's reputation and have a material adverse impact on Zoom2u's business and financial performance.

#### **5.2.20 Open source software**

Software code that is freely shared in the software development community is referred to as 'open source code' and software applications built from open source code are referred to as 'open source software'. The Group's platform and products incorporate such open source software. Use and distribution of open source software may entail greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. If the Group combines its proprietary software with open source software in a certain manner, it could, under certain open source licences, be required to release the source code of its proprietary software to the public. This would allow the competitors of the Group to create similar services and platforms with lower development effort and time, and ultimately could reduce or eliminate the ability of the Group to commercialise or profit from its technology.

## 5 Key Risks Continued

### 5.2.21 Reliance on third party suppliers

The Group relies on the services provided by third party suppliers, such as software providers and payment providers. The Group has limited influence over these third parties and these services are largely provided on the supplier's standard terms and as such are generally more favourable to the supplier. Many of these services can be terminated on short or no notice and the terms of service contain minimal or no service warranties, service suspension rights and disclaimers and limitations on the supplier's liability. Any system or service failure could adversely affect the Group's business, impact revenue generated, affect the customer experience, reduce the attractiveness of the Group to customers and drivers and therefore limit future Deliveries completed via the Platform and usage of Locate2u's product. Third party software and payment providers may update or terminate their platforms and services which may disrupt or render useless existing integrations.

### 5.2.22 Protection of intellectual property

The successful operation and growth of the Group's business depends partly on its ability to protect its intellectual property, as well as the Group's confidential information.

The Group has historically used a variety of legal measures (for example, intellectual property assignment and confidentiality agreements) and technological measures (for example, software development, data encryption, access controls, and staff training and awareness) to protect its intellectual property. However, there is a risk that these measures may not be adequate to prevent unauthorised use of, or access to, the Group's technology, software, data and confidential information. There is also a risk that the validity, ownership or authorised use of the Group's intellectual property may be successfully challenged by third parties.

As at the Prospectus Date, the Group only owns one registered trade mark, being "ZOOM2U". It has filed several new trade mark applications for "LOCATE2U", logos of Zoom2u, Locate2u and the Group, but as at the Prospectus Date it has not received confirmation of these registrations.

A breach of the Group intellectual property may result in the need to commence legal action, including infringement proceedings, which could be costly and time consuming. A failure or inability by the Group to protect its intellectual property rights could have an adverse impact on its business, operations and financial performance.

### 5.2.23 Competition

Both Zoom2u and Locate2u face competition from other players in their respective markets. There is a risk that existing competitors or new entrants in these markets may increase the competitive landscape and in turn, erode the Group's revenue and market share. Existing competitors and new entrants in these markets may engage in strategic partnerships or acquisitions, develop superior products and/or technology, increase marketing activity and/or offer more competitive pricing. If the Group is unable to compete successfully against existing or new competitors, its business and financial performance could be harmed.

## 5.3 General risks

### 5.3.1 Price of Shares

Once the Group becomes a publicly listed company on the ASX, it will be subject to general risks applicable to all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by the performance of the Group.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase following quotation on the ASX, even if the Group's earnings increase.

Some of the factors which may affect the price of the Shares include:

- fluctuations in the domestic and international markets for listed stocks;
- general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government;
- changes in fiscal, monetary or regulatory policies, legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which the Group operates; and
- general operational and business risks.

### 5.3.2 Trading and liquidity in Shares

Prior to the Offer, there has been no public market in the Shares. Once the Shares are quoted on the ASX, there can be no guarantee that an active trading market for Shares will develop or that the price of Shares will increase. There may be relatively few potential buyers or sellers of Shares on the ASX at any time. A significant sale of Shares, or the perception that such sales have occurred or might occur, could adversely impact the price of Shares. It is important to recognise that, on a disposal, Shareholders may receive a market price for their Shares that is less than the price that they paid under the Offer.

Further, following Completion, it is assumed that the top 5 Shareholders, which include the funds managed by Perennial as described in Section 7.4, will hold up to 48.23% of the Shares, which may also impact liquidity.

Subject to the Group being admitted to the Official List, the Group anticipates that certain Shares on issue prior to the Listing will be classified by ASX as restricted securities and will be required to be held in mandatory escrow for up to 24 months from the Listing Date as described in Section 9.9. The absence of any sale of these mandatory escrowed Shares during their respective mandatory escrow period may cause, or at least contribute to, limited liquidity in the market for Shares.

Following release from escrow, Shares that had been subject to escrow will be able to be freely traded on the ASX. A significant sale of Shares by holders of these Shares, or the perception that such sales have occurred or might occur, could adversely impact the price of Shares. The interests of these holders of escrowed Shares may be different from the interests of investors who acquire Shares in the Offer.

### 5.3.3 Force majeure events

Events may occur within or outside Australia that could impact upon the global, Australian and other local economies, the operations of the Group and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, water contamination, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Group's services and its ability to conduct business. The Group has only a limited ability to insure against some of these risks.

## 5 Key Risks Continued

### 5.3.4 Shareholder dilution

In the future, the Group may elect to issue Shares to raise further funding. While the Group will be subject to the constraints of the ASX Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such fundraisings.

### 5.3.5 Inability to pay dividends or make other distributions or potential for dividends paid not to be franked

There is no guarantee that dividends will be paid on Shares in the future, as this is a matter to be determined by the Board in its discretion and the Board's decision will have regard to, amongst other things, the financial performance and position of the Group, relative to its capital expenditure and other liabilities.

Moreover, to the extent that the Group pays any dividends, the Group may not have sufficient franking credits in the future to frank dividends or sufficient conduit foreign income in the future to declare an unfranked dividend (or the unfranked portion of a partially franked dividend) to be conduit foreign income.

The extent to which a dividend can be franked will depend on the Group's franking account balance (which is expected to be nil at Completion) and its level of distributable profits. The Group's franking account balance is contingent on the Group making Australian taxable profits and will depend on the amount of Australian income tax paid by the Group on those Australian taxable profits. The Group's Australian taxable profits may fluctuate, making the payment of franked dividends unpredictable.

As the Group continues to expand overseas outside of Australia, this may or is likely to reduce the Australian income tax paid on the Group's income and profits, which may reduce the Group's ability to frank dividends.

The value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances.

The extent to which an unfranked or partially franked dividend can be declared to be conduit foreign income will depend on the Group's conduit foreign income balance (which will be nil at Completion of the Offer) and its level of distributable profits. The Group's conduit foreign income balance will depend, among other things, on the structure of the Group's foreign operations and the level of non-Australian income tax paid by the Group on those operations.

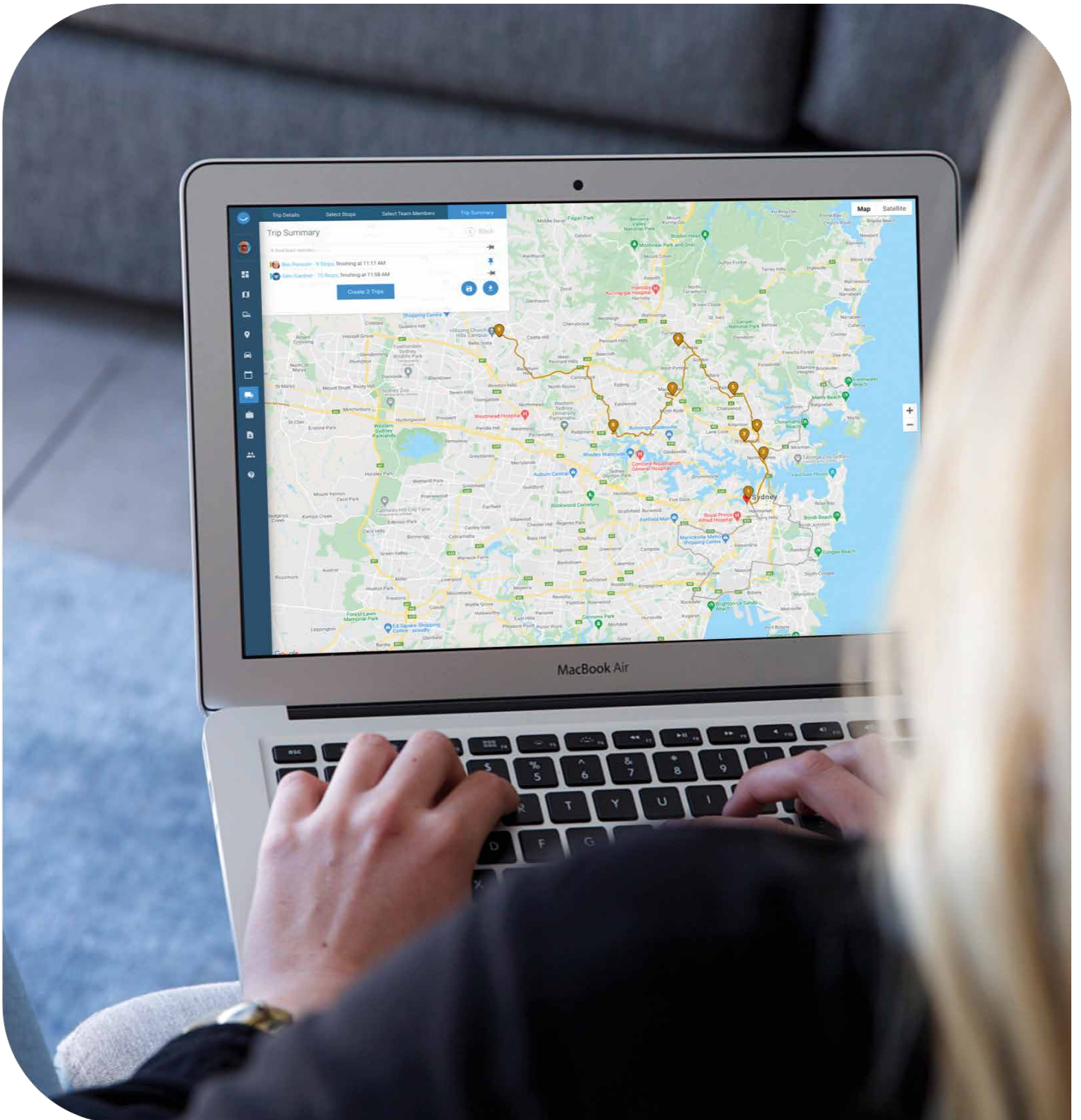
The value and/or availability of franking credits and conduit foreign income to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year will depend on the individual tax position of each Shareholder.

No assurances can be given by any person, including the Directors, about payment of any dividend and the level of franking or conduit foreign income on any such dividend.

## 5.4 Forecasts and forward looking statements

There can be no guarantee that the assumptions and contingencies on which any forecasts or other forward-looking statements, opinions and estimates are based will ultimately prove to be valid or accurate.

# 6 Key People, Interests and Benefits





# 6 Key People, Interests and Benefits

## 6.1 Board of Directors

The composition of the board of Directors (Board) is set out below.

Name	Position
Drew Kelton	Non-Executive Chairman
Steve Orenstein	CEO and Managing Director
Michael Gayst	CFO and Executive Director
Mike Rosenbaum	Non-Executive Director

The qualifications and experience of the Directors are set out in the table below.

Director	Experience and background
 <p><b>Drew Kelton</b> <i>Independent Non-Executive Chairman</i></p>	<p>Drew is a global business leader and professional board director with 40 years' experience in the information and communication technology and telecommunications arena.</p> <p>Drew is currently a non-executive director of Superloop Limited (ASX:SLC). He was previously the non-executive chairman of Firstwave Cloud Technology Limited (ASX:FCT).</p> <p>Drew previously held senior executive roles with Docusign, T-Mobile USA, Bharti Airtel and Telstra.</p>
 <p><b>Steve Orenstein</b> <i>CEO and Managing Director</i></p>	<p>Steve is the founder, CEO and Managing Director of the Company.</p> <p>Steve has significant software development and entrepreneurial experience, in particular around job management and job despatch systems. Prior to founding Zoom2u Pty Ltd in 2014, he founded a business, Connect2Field, providing field management solutions. In 2013, Connect2Field was acquired by a company listed on the New York Stock Exchange, Fleetmatics (NYSE:FLTX).</p> <p>In 2014, Steve founded Zoom2u Pty Ltd in recognition of the lack of technology used by many of the traditional courier companies and having identified the opportunity to use technology to provide an exceptional customer experience.</p>

## Director

## Experience and background



**Michael Gayst**  
*CFO and  
Executive  
Director*

Michael is currently the CFO of the Company and will be appointed as an Executive Director prior to the Listing.

Michael has over 25 years of corporate finance and private equity experience.

Michael worked with Coopers & Lybrand from 1989 to 1992, in which time he completed the Institute of Chartered Accountant's professional year program and qualified as a Chartered Accountant. He joined boutique investment bank Baring Brothers Burrows in 1992 as an analyst and worked his way to Director level during his 11 years at the firm. From 2004 to 2017, Michael was a Director at Momentum Corporate, a boutique M&A and Private Equity business. In his 20+ year investment banking career, Michael has advised numerous ASX listed companies on M&A transactions, raising capital and ASX listings. These ASX listed companies include but are not limited to Metcash Limited (ASX:MTS), HT&E Limited (formerly "APN News & Media Limited") (ASX:HT1) and National Australia Bank Limited (ASX:NAB).

Since leaving Momentum Corporate, Michael has been the Managing Director of M&M Gayst Consulting, which provides corporate finance consulting services to small and medium sized businesses. Through his consulting business, Michael has worked on the following initial public offerings over the last 4 years - Airtasker Limited (ASX:ART), Access Innovations Holdings Limited (ASX:AIM), Cashrewards Limited (ASX:CRW), PKS Holdings Limited (ASX:PKS) and Microequities Asset Management (ASX:MAM).



**Mike Rosenbaum**  
*Independent  
Non-Executive  
Director*

Mike has over 20 years' experience in leading and advising high growth tech companies. He co-founded and was the CEO of DealsDirect and built to circa \$100m turnover (exit to GraysOnline in 2014) and is currently the CEO of Spacer, which is a marketplace for storage and parking in Australia and the United States. He is also currently the Non-Executive Director of Car Next Door Australia Pty Ltd and Fitmycar Pty Ltd.

Mike brings a broad mix of experience across marketing, technology and scaling high growth businesses.

Mike is also an early-stage investor in a number of marketplaces in Australia and co-founded the Sharing Hub, a community of founders building marketplaces.

The composition of the Board committees and details of its key corporate governance policies are set out in Sections 6.9 and 6.10.

Each Director above has confirmed to the Company that he is able to allocate sufficient time to meet the expectations of his role as a Director and he will obtain the prior consent of the Board before accepting any commitments that might affect, or conflict with, his role as a director of the Company.

The Board considers an independent Director to be a Non-Executive Director who is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, his or her capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally. The Board will consider the materiality of any given relationship on a case-by-case basis and has adopted guidelines to assist in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time. In assessing independence, the Board will have regard to the requirements for independence which are set out in Principle 2 of the ASX Corporate Governance Principles.



## 6 Key People, Interests and Benefits Continued..... >




The Board considers that each of Drew and Mike are free from any interest, position, association or relationship that might influence, or reasonably be perceived to influence, the independent exercise of the Director's judgement and that each of them is able to fulfil the role of independent Director for the purpose of the ASX Corporate Governance Principles.

Steve and Michael are currently considered by the Board not to be independent.

The Board intends to appoint an additional Non-Executive Director after Listing to complement the existing skills of the Board. As of the Prospectus Date, no such Director has been identified by the Company. If and when an appointment is confirmed, such appointment will be put to Shareholders for ratification at the next annual general meeting following the appointment.

### 6.2 Senior management

The Group is managed by an experienced senior management team. The qualifications and experience of the senior management team are set out in the table below.

Executive	Experience and background
 <p><b>Steve Orenstein</b> CEO</p>	As described at 6.1.
 <p><b>Michael Gayst</b> CFO</p>	As described at 6.1.
 <p><b>Chris Anderson</b> Chief Technology Officer</p>	<p>Chris has 20 years of experience across a wide range of industries, including logistics, field services, sales, developer tools, mining, real estate, and education. He is the author of three books on software development.</p> <p>Chris has been working for Zoom2u Pty Ltd since 2014 and is responsible for software architecture, product design, and team management for the Company's Zoom2u and Locate2u products.</p>

## Executive

## Experience and background



**Jade Rose**  
Operations  
Manager

Jade is an experienced Operations Manager with a demonstrated history of working in the logistics and supply chain industry. She is highly skilled in management, customer service, logistics management, leadership, and training.

Jade joined the Zoom2u Pty Ltd in its first month of operation in 2014 and is responsible for the Company's day-to-day operations.



**Peter Stephens**  
General  
Manager  
of Zoom2u

Peter has over twenty years' experience in business development and leadership within service industries of waste management, transport and logistics and facilities management.

Peter joined the Company in 2021. His responsibility is to profitably expand the revenue base of the Company's Zoom2u and Locate2u products during the Company's growth phase across B2B and B2C channels.

## 6.3 Interests and benefits

This Section 6.3 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- Director of the Company;
- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- lead manager to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer or to any Director to induce them to become, or qualify as, a director of the Company.

## 6 Key People, Interests and Benefits Continued..... >

### 6.3.1 Interests of advisors

The Company has engaged the following professional advisors in relation to the Offer:

- Foster have acted as lead manager to the Offer and the fees payable to and the Lead Manager Options to be issued to the Lead Manager are described in Section 9.6;
- Thomson Geer has acted as Australian legal advisor to the Company in relation to the Offer. The Company has paid, or agreed to pay, approximately \$180,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to Thomson Geer in accordance with its normal time-based charges;
- BDO Corporate Finance has acted as the investigating accountant in connection with the Offer and has performed work in relation to the Independent Limited Assurance Report. The Company has paid, or agreed to pay, approximately \$104,000 (excluding disbursements and GST) for these services up until the Prospectus Date. Further amounts may be paid to BDO Corporate Finance in accordance with its normal time-based charges;
- BDO Tax has acted as the taxation advisor. The Company has paid, or agreed to pay, approximately \$35,000 (excluding disbursements and GST) for these services up and until the Prospectus Date. Further amounts may be paid to BDO Tax in accordance with its normal time-based charges;
- Frost & Sullivan has acted as the Independent Market Expert to the Offer and has prepared the Independent Market Report referred to in Section 2. The Company has paid, or has agreed to pay, approximately \$15,000 (excluding disbursements and GST) for these services up and until the Prospectus Date; and
- M&M Gayst Consulting Pty Ltd (**M&M**), an entity controlled by Michael Gayst, has been engaged as a consultant to provide various services to the Company including corporate finance services, IPO project management services, assistance with drafting and verification of the Prospectus. M&M charges the Company time-bases fees for provision of such services. The Company has paid, or agreed to pay, approximately \$120,000 (excluding GST) for these services up until the Prospectus Date. Following Quotation, Michael Gayst, via M&M, will be remunerated as the CFO under the contractor agreement as described in Section 6.4.4.

These amounts, and other expenses of the Offer, will be paid by the Company out of funds raised under the Offer or available cash. Further information on the use of proceeds from the Offer and payment of expenses of the Offer is set out in Sections 7.3 and 9.10.

### 6.3.2 Directors' interests and remuneration

#### 6.3.2.1 Non-Executive Director Remuneration

Prior to the Prospectus Date, each of the Non-Executive Directors have executed appointment letters with the Company, which outline the terms of the appointments, their roles and responsibilities and the Company's expectations of them as Directors.

Under the Constitution, the Company in general meeting may determine the maximum aggregate remuneration to be provided to or for the benefit of all Non-Executive Directors as remuneration for their services as a Non-Executive Director. Further, under the ASX Listing Rules, the total amount paid to all Non-Executive Directors for their services must not exceed in aggregate in any financial year the amount fixed by the Company's members in general meeting.

The maximum aggregate Non-Executive Directors' remuneration is \$600,000 per annum.

The annual Directors' fees (including fees for any additional services performed on the Company's sub-committees) currently agreed to be paid by the Company are \$80,000 (inclusive of superannuation) to Drew Kelton, the Non-Executive Chairman, and \$60,000 (inclusive of superannuation) to Mike Rosenbaum, the Non-Executive Director.

The Company proposes to grant the ESOP Options to the Directors as described in Section 6.6.2.

### 6.3.2.2 Directors' interests in Shares and other securities

The Directors are not required by the Constitution to hold any Shares.

The Directors' relevant interests in Shares and other securities in the Company upon Listing are set out in the table below:

Name	Shares held on Completion	Shareholding on an undiluted basis	ESOP Options
Steve Orenstein	44,917,973 <sup>1</sup>	25.91%	5,926,747
Michael Gayst	663,320 <sup>2</sup>	0.38%	4,938,956
Drew Kelton	Nil	N/A	1,975,582
Mike Rosenbaum	473,229 <sup>3</sup>	0.27%	987,791

#### Notes:

1. These Shares include:

- 44,471,770 Shares currently held indirectly by Steve via his controlled entity, S.M.O. Funds Pty Limited (ACN 142 982 198) ATF the SMO Funds Trust;
- 12,870 Shares currently held by Gemlode Pty Limited (ACN 159 238 267) ATF Gemlode Trust, which is an entity indirectly controlled by Steve; and
- 433,333 Shares to be issued upon conversion of the Convertible Notes indirectly held by Steve through his controlled entity, SMO SMSF Pty Ltd ATF SMO Superannuation Fund.

These Shares do not include the 11,549,280 Shares currently held by Paul and Mary Orenstein ATF Orenstein Superannuation Fund, which is a related party of Steve but is not controlled by, or an associate of, Steve.

2. These Shares include 463,320 Shares indirectly held by Michael via his controlled entity, Gayst Super Pty Ltd ACN 160 907 880 ATF the Gayst Superannuation Fund, and 200,000 Shares to be issued upon conversion of the Convertible Notes indirectly held by Michael through Gayst Super Pty Ltd ACN 160 907 880 ATF the Gayst Superannuation Fund.

3. These Shares are currently indirectly held by Mike via his controlled entity Super Monkeys Pty Ltd (ACN 607 921 844) ATF Super Monkeys Super Fund.

The Directors are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the Directors may acquire under the Offer.

### 6.3.2.3 Other information about Directors' interests and benefits

Directors will be entitled to be reimbursed for all reasonable travel, accommodation or other expenses incurred as a result of them carrying out their duties as a Director.

### 6.3.2.4 Deeds of access, insurance and indemnity

The Company will enter into a deed of access, indemnity and insurance with each Director.

Each deed will contain the Director's right of access to certain books and records of the Group Company for permitted purposes including to discharge the Director's duties as an officer of the Group Company or in connection with certain relevant claims that involve the Director.

Pursuant to the Constitution, the Company must indemnify all Directors and executive officers on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses incurred by the Officer as an officer of the Group Company. Under the deed of access, insurance and indemnity, the Company, to the extent permitted by law, indemnifies each Director against any and all liabilities incurred by the Director as an officer of the Group Company or incurred by or on behalf of the Director as a consequence of the Director complying with his or her obligations in relation to a relevant claim under the deed of access insurance and indemnity.

Pursuant to the Constitution, the Company may purchase and maintain insurance for its Directors to the extent permitted by law. Under the deed of access, insurance and indemnity, the Company or its Related Body Corporate must maintain a director and officer insurance for the Director for the period from the date of the deed until seven years after the Director ceases to hold office of the Group Company.

In this summary, 'Group Company' means the Company or a subsidiary of the Company.

## 6 Key People, Interests and Benefits Continued..... >

### 6.4 Senior management's interests and remuneration

#### 6.4.1 Senior management's interests in Shares and other securities

Each of the senior management team members of the Group, other than Steve Orenstein and Michael Gayst, has the following relevant interests in Shares and other securities in the Company upon Listing:

Name	Shares held on Completion	Shareholding on an undiluted basis	ESOP Options
Chris Anderson	Nil	N/A	3,951,165
Jade Rose	Nil	N/A	987,791
Peter Stephens	333,333 <sup>1</sup>	0.19%	2,469,478

**Note:**

1. These Shares will be issued upon conversion of the Convertible Notes held by Peter Stephen through Peter Stephens & Carolyn Stephens.
2. The senior management are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the senior management team may acquire under the Offer.

#### 6.4.2 Senior management's remuneration

Following Quotation, the senior management team of the Group are entitled to receive the following fixed cash remuneration:

Name	Position	Annual Fixed remuneration
Steve Orenstein	CEO	\$220,000 plus superannuation
Michael Gayst (via his controlled entity)	CFO	\$220,000 plus GST
Chris Anderson	Chief Technology Officer	\$200,000 plus superannuation
Jade Rose	Operations Manager	\$130,000 plus superannuation
Peter Stephens	General Manager of Zoom2u	\$180,000 plus superannuation

Other than fixed remuneration, senior management are eligible to receive cash bonus under the short-term incentive plan as described in Section 6.5 and the Company proposes to grant the ESOP Options to the senior management as described in Section 6.6.2.

#### 6.4.3 Senior management's employment contracts

Each of Steve Orenstein and Jade Rose have entered into an employment contract with the Company. Peter Stephens has entered into an employment contract with Zoom2u. Chris Anderson has entered into an employment contract with Locate2u.

In addition to the terms referred to above in section 6.4.1, these employment contracts:

- allow the senior manager's employment to be terminated on six months' notice for Steve Orenstein, Jade Rose and Chris Anderson or on one month's notice for Peter Stephens;
- allow the employer to terminate a senior manager's employment without notice if that senior manager engages in serious misconduct;
- contain standard non-compete and non-solicitation clauses during employment and during the post-employment period cascading from 12 months (or 9 months in respect of Peter Stephens) to 3 months for a maximum period of up to 12 months in the restraint area, which cascades from Australia to 10km (or 50km in respect of Peter Stephens) from the metropolitan area of Sydney;

- 
- impose confidentiality obligations on the senior managers, which survive termination of their employment with the employer; and
  - provide for the senior managers to assign to the employer all of their intellectual property rights arising out of their employment with the employer or performance of their duties, including any intellectual property rights they owned prior to their employment with the employer which are necessary for the conduct of the employer's business.

#### **6.4.4 Contractor agreement with Michael Gayst**

Michael Gayst via his controlled entity, M&M, has entered into a contractor agreement with the Company for support services typically associated with the role of CFO. In addition to the terms referred to above in section 6.4.1, this contractor agreement:

- allows each party to terminate the engagement with three months' notice;
- allows the Company to terminate the engagement immediately and without notice for serious misconduct;
- restricts the contractor from providing services to any other person or entity if, in the opinion of the Company, doing so will adversely affect the Company's relationship with its Customers or Michael's controlled entity's ability to provide the services in accordance with this agreement;
- imposes confidentiality obligations on the contractor, which survive termination of their employment with the Company; and
- provides for the contractor to assign to the Company all of its intellectual property rights arising out of providing services on the terms and conditions in this agreement.

### **6.5 Short Term Incentive Plan**

As at the Prospectus Date, the Company does not have any short-term incentive plan. However, the Company intends to adopt, following the Listing, a short-term incentive plan to give eligible senior management and other employees determined by the Board an opportunity to earn a cash bonus in addition to their fixed annual remuneration. The quantum of, and terms applying to, any short-term incentives offered to eligible employees in any financial year will be determined by the Board. The aggregate pool of cash bonus payments for FY22 are expected to be \$100,000.

### **6.6 Employee Option Plan**

The Company has established a new umbrella equity-based long-term employee option plan (ESOP) to assist in the attraction, motivation, retention and reward of key management personnel, and other eligible employees.

The purpose of the ESOP is to provide eligible employees with an opportunity to acquire Options. By doing so, the ESOP seeks to provide eligible employees with an opportunity to share in the growth in value of the Company and to encourage them to improve the longer-term performance of the Company and its returns to Shareholders. The ESOP is also intended to assist the Company to attract and retain skilled and experienced employees and provide them with an incentive to have a greater involvement with and focus on the longer term goals of the Company.

The aggregate pool of Options under the ESOP is intended to be limited to an interest in a maximum of 34,666,586 Shares, being 20% of the total issued capital in the Company on an undiluted basis at Completion.

## 6 Key People, Interests and Benefits Continued..... >

### 6.6.1 ESOP Rules

Under the rules of the ESOP (**ESOP Rules**), the Board has a discretion to offer options to acquire Shares (**Options**) to senior management, Directors or other nominated key employees subject to service-based conditions and/or performance hurdles (**ESOP Options**).

The terms and conditions of the ESOP are set out in comprehensive rules. A summary of the key rules of the ESOP is set out below:

Term	Description
<b>Eligible employees</b>	<ul style="list-style-type: none"> <li>a) an employee of a Group Company;</li> <li>b) an executive director, a non-executive director or a company secretary of a Group Company;</li> <li>c) a person who satisfied paragraph (a) or (b) of this definition during the 12 months immediately before the date of the Offer Letter issued to that person, other than a person who has been given notice of dismissal for misconduct from his or her employment or office with the Group (or has given notice of resignation in order to avoid such dismissal); or</li> <li>d) a contractor or consultant who provides services to a Group Company (contractor) either directly as a sole-trader or through an incorporated entity.</li> </ul>
<b>Automatic termination</b>	<p>In the event that the Company has not been listed on the official list of the ASX by 31 December 2021 the ESOP is terminated and any offer made under the ESOP, which has not been accepted, will automatically be revoked and any Options issued under the ESOP, whether vested or unvested, will automatically lapse.</p>
<b>Invitation and Grant</b>	<p>Subject to these ESOP Rules and any applicable law, the Board or its delegate may in its absolute discretion from time to time invite eligible employees to apply for Options under the ESOP on the terms set out in these ESOP Rules and any other terms the Board considers appropriate.</p> <p>The Board must give to each eligible employee who is invited to apply for Options under the ESOP an application Form together with an offer letter setting out detailed terms and conditions of the Options.</p> <p>Subject to any applicable law and the satisfaction of any terms or conditions set out in the offer letter and the application form, and following receipt of a completed and signed application form and the acceptance by the Board of the application form, the Company will issue to the participant, on the terms of the offer letter, the number of options applied for by the participant in the application form and complete a register of Options in accordance with the applicable law.</p> <p>Unless otherwise determined by the Board, no payment is required for the grant of Options under the ESOP.</p>

Term	Description
<b>Cessation of employment</b>	<p>If a participant is a good leaver, then on the date of cessation of employment, office or contract:</p> <ul style="list-style-type: none"> <li>a) all unvested Options held by the participant will be automatically forfeited and automatically lapse 30 days after the cessation date, unless before the end of that 30 day period the vesting requirements applying to some or all of the unvested Options; <ul style="list-style-type: none"> <li>i) are satisfied; or</li> <li>ii) are waived;</li> </ul> and those unvested Options are taken to have become vested Options on the cessation date, in which case the vested Options will be exercisable for the period of 60 days after the cessation date and if not exercised by the end of that period will automatically lapse.</li> <li>b) all offer letters which have not been accepted by the participant are automatically revoked; and</li> <li>c) the participant may exercise all vested Options within 60 days of the cessation date, and if not exercised by the end of that period, the vested Options will automatically lapse.</li> </ul> <p>If a participant is a bad leaver, then on the date of cessation of employment, office or contract:</p> <ul style="list-style-type: none"> <li>a) all Options held by the participant (whether vested or otherwise) will be automatically forfeited and automatically lapse;</li> <li>b) the participant automatically forfeits all of his/her rights, title and interest in all Options; and</li> <li>c) all offer letters which have not been accepted by the participant are automatically revoked,</li> </ul> <p>unless the Board determines otherwise.</p>
<b>Loans to participants</b>	<p>The Board may determine in their absolute discretion to offer or procure a Group Company to offer loans to participants in respect of payment of the exercise price on exercise of Options on such terms as agreed between the Company and the participant.</p>
<b>Restrictions on transfer</b>	<p>Options may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered without the prior written approval of the Board.</p> <p>While an Option is subject to a holding lock, that Option may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered without the prior written approval of the Board.</p>
<b>Cashless exercise</b>	<p>The Board may, in its absolute discretion, allow the participant to elect to pay the exercise price by using a cashless exercise facility under the ESOP Rules upon exercise of some or all of the Options held by the participant, which enables the participants to set-off the exercise cost of their Options against the number of Shares which they are entitled to receive upon the exercise of their Options subject to provisions in the ESOP Rules.</p>



## 6 Key People, Interests and Benefits Continued..... >

Term	Description
<b>Change of control</b>	The Board may determine that all or a specified number of a participant's incentives will vest or cease to be subject to restrictions where there is a change of control event in accordance with the ESOP Rules (so as to facilitate participation by the participant in that change of control).
<b>Amendments</b>	As long as the rights of a participant are not materially reduced (other than if an amendment is made primarily to comply with present or future applicable laws, to correct any manifest error or mistake or for the purpose of enabling participants to receive a more favourable taxation treatment in respect of their participation in the ESOP), the Board may at any time amend, add to, delete, revoke or otherwise vary any or all of the vesting conditions or the terms of issue of an Option in its absolute discretion, or the ESOP Rules with the written consent of the majority of Shareholders.

### 6.6.2 ESOP Options to be granted under the ESOP

The Company proposes to grant to the following senior managers and Directors the following ESOP Options immediately following Completion:

Name	Number of ESOP Options
Steve Orenstein	5,926,747
Michael Gayst	4,938,956
Jade Rose	987,791
Peter Stephens	2,469,478
Chris Anderson	3,951,165
Drew Kelton	1,975,582
Mike Rosenbaum	987,791
<b>Total</b>	<b>21,237,510</b>

Key terms of the ESOP Options are set out below:

<b>Issue Date</b>	Immediately following Completion.
<b>Entitlement to Share</b>	Each ESOP Option will enable the participant to be issued one (1) Share.
<b>Issue Price</b>	Nil.
<b>Exercise Price</b>	\$0.20 per Share.
<b>Expiry Date</b>	The date that is 60 months from the Issue Date.
<b>Exercise Period</b>	Any time after the vesting conditions are satisfied and up to the Expiry Date.

## Vesting Conditions

The ESOP Options have the following two types of vesting conditions:

**a) Service Conditions:**

- i) **(First Year Service Condition)** completion of a 12 month service period from the issue date of the ESOP Options (**Issue Date**).
- ii) **(Second Year Service Condition)** completion of a 24 month service period from the Issue Date.
- iii) **(Third Year Service Condition)** completion of a 36 month service period from the Issue Date.

**b) Performance Conditions:**

- i) **(First Year Performance Condition)**: the Company's 20-day volume weighted average share price prior to the first year anniversary of the Listing Date has increased by more than 30% compared to the IPO price.
- ii) **(Second Year Performance Condition)**: the Company's 20-day volume weighted average share price prior to the second anniversary of Listing Date has increased more than 25% per annum compared to the IPO price.
- iii) **(Third Year Performance Condition)**: the Company's 20-day volume weighted average share price prior to the third anniversary of Listing Date has increased more than 20% per annum compared to the IPO price.

For Peter Stephens, the Performance Conditions are as follows:

- i) **(First Year Performance Condition)**: Company's revenue based on the audited statutory financial statements for the financial year ended 30 June 2022 having increased by more than 30% compared to that of the financial year ended 30 June 2021;
- ii) **(Second Year Performance Condition)**: the Company's revenue based on the audited statutory financial statements for the financial year ended 30 June 2023 having increased by more than 25% per annum compared to that of the financial year ended 30 June 2021.
- iii) **(Third Year Performance Condition)**: the Company's revenue based on the audited statutory financial statements for the financial year ended 30 June 2024 having increased by more than 20% per annum compared to that of the financial year ended 30 June 2021.

If the First Year Performance Condition is not met by the relevant date, it will be taken to have been met if either the Second Year Performance Condition or Third Year Performance Condition is met.

If the Second Year Performance Condition is not met by the relevant date, it will be taken to have been met if the Third Year Performance Condition Hurdle is met.

## 6 Key People, Interests and Benefits Continued.....>

### Vesting Conditions continued

In respect of each participant, a fixed percentage of the ESOP Options will vest in tranches as set out below:

Participants	First Year Service Conditions (SC)	First Year Performance Conditions (PC)	Second Year SC	Second Year PC	Third Year SC	Third Year PC
Steve Orenstein, Drew Kelton & Mike Rosenbaum	5%	5%	20%	20%	25%	25%
Michael Gayst, Chris Anderson & Jade Rose	7.5%	2.5%	30%	10%	37.5%	12.5%
Peter Stephens	2.5%	7.5%	10%	30%	12.5%	37.5%

### 6.7 Phantom Equity Plan

The Company has established a Phantom Equity Plan (**PEP**) for staff who have not been allocated securities in the ESOP, including offshore staff. The purpose of the PEP is allow participants to obtain an indirect economic interest in the pursuit of the growth, development, profitability and financial success of the Company and the Group.

The Phantom Equity Plan gives participants an opportunity to acquire notional (phantom) shares (**Phantom Shares**) that track the value of underlying Shares, as traded on the ASX. For the avoidance of any doubt, Phantom Shares do not form any part of the capital of the Company, nor entitle a holder to become a shareholder in the Company or to have any rights in relation to the Company other than a right to receive a cash bonus (after the Phantom Shares have vested) during the three-year period following listing (**Relevant Period**). Accordingly, the PEP will not result in any dilution to Shareholders' equity interests in the Company.

Under the PEP, up to 2,000,000 Phantom Shares at a nominal base price of \$0.20 (**Base Price**) will be allocated to participants at the discretion of the directors. The Phantom Shares, subject to retention and/or performance conditions being achieved, entitle participants to receive a cash bonus on exercise of their Phantom Shares. Vested Phantom Shares may be exercised during exercise windows in the Relevant Period. Each year there will be two exercise windows of a week's duration, each commencing 7 days after release of each of the Company's half year results and full year results. Participants who remain employed or contracted with the Company may exercise their vested Phantom Shares. The cash bonus a participant is eligible to receive will be calculated by multiplying the number of Phantom Shares held by a participant proposed to be exercised by the increase in the Company's share price from the Base Price as at the commencement of the relevant exercise window (calculated with reference to the 30 day volume weighted average price of the Company's Shares up to and including the last trading day prior to the commencement of the relevant exercise window) (**Price Increase**). The Price Increase for the purposes of the PEP will be capped at \$0.30.

The table below illustrates a range of cash payment scenarios assuming all the Phantom Shares are allocated and all applicable retention and/or performance conditions are met:

Company share price as at exercise window	\$0.20	\$0.25	\$0.30	\$0.35	\$0.40	\$0.45	\$0.50 (cap)
Price Increase	\$0.00	\$0.05	\$0.10	\$0.15	\$0.20	\$0.25	\$0.30 (cap)
Aggregate cash bonus to participants	\$0.00	\$100,000	\$200,000	\$300,000	\$400,000	\$500,000	\$600,000

## 6.8 Other Related Party Transaction

The Company has agreed to, following Completion, make a one-off payment of \$90,000 to Anthony Klok, who was the Non-Executive Chairman in the last six months prior to the Prospectus Date and hence a related party of the Company. This payment is made to remunerate Anthony for his role as the Chairman for the period from July 2018 to February 2021 during which he did not receive any director fees.

Other than as disclosed in this Prospectus, the Company is not party to any material related party arrangements.

## 6.9 Corporate governance and the Board

This Section 6.9 explains how the Board oversees the management of the Company's business. The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan (including a budget).

The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Company is seeking a listing on the ASX. The ASX Corporate Governance Principles promote investor confidence and assist companies in meeting stakeholder expectations. The ASX Corporate Governance Principles are not prescriptions, but guidelines. However, under the ASX Listing Rules, the Company will be required to provide a statement in its annual report disclosing the extent to which it has followed the ASX Corporate Governance Principles in the reporting period. Where the Company does not follow a recommendation, it must identify the recommendation that has not been followed and give reasons for not following it.

Copies of the Company's key policies and practices and the charters for the Board and each of its committees will be available at [www.zoom2u.com.au/investors](http://www.zoom2u.com.au/investors).

### 6.9.1 Board Charter

The Board has adopted a Board Charter which sets out the responsibilities of the Board in greater detail, including (amongst other things) the following responsibilities:

- defining the Company's purpose and setting its strategic objectives;
- overseeing and evaluating Management's implementation of the Company's strategic direction, objectives and goals, and instilling the Company's values and its performance generally;
- appointing and replacing the CEO, and approving the appointment and replacement of other senior executives of the Company, including the Company Secretary;
- overseeing the Company's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities; and
- satisfying itself that the Company has in place an appropriate risk management framework (for both financial and non-financial risks) and setting the risk appetite within which the Board expects Management to operate.

## 6 Key People, Interests and Benefits Continued..... >

The Board Charter provides for the Board to delegate Management of the day to day affairs of the Company to the CEO, who has the authority to sub-delegate to the senior management team, or to committees established by the Board.

Under the Board Charter, the Chair of the Board will assess the performance of any Director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the Director (in the absence of the Director involved). The Board (excluding the Chair), will conduct the review of the Chair.

Under the Board Charter, Directors may seek independent professional advice at the expense of the Company whenever Directors judge such advice necessary for them to discharge their responsibilities as Directors.

### 6.9.2 Board committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. To assist in carrying out its responsibilities, the Board has established an Audit and Risk Committee and a Sustainability Committee, and other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements and the skills and experience of individual Directors.

### 6.9.3 Audit and Risk Committee

The purpose of the Audit and Risk Committee is to assist the Board in fulfilling its accounting, auditing and financial reporting responsibilities by overseeing the integrity of financial reporting and financial statements, the independence and competence of external auditors, and the effectiveness of the Company's risk management system, internal controls, systems and procedures for compliance with applicable legal and regulatory requirements.

The role and responsibilities, composition, structure and membership requirements of the Audit and Risk Committee are documented in an Audit and Risk Committee Charter approved by the Board and include:

- overseeing the preparation of financial reports and reviewing the results of external audits of these reports;
- reviewing and making recommendations to the Board in relation to the adequacy of the Company's corporate reporting;
- processes and internal control framework;
- reviewing the adequacy of the Company's risk management policy and framework for identifying, assessing, monitoring and managing risk in light of the Board's risk appetite statement and making recommendations to the Board in relation to changes that should be made to the Company's risk management framework or to the risk appetite set by the Board;
- examining and evaluating the effectiveness of the external auditors and making improvements;
- ensuring that the Company has appropriate internal audit systems and controls in place; and
- reviewing and assessing the effectiveness of the Company's policies and procedures for identifying, monitoring and managing compliance with statutory, regulatory and listing requirements (including tax requirements).

It is intended that the Audit and Risk Committee will meet at least three times each year. The CEO and CFO are expected to attend each scheduled meeting of the committee and a standing invitation will be issued to the external auditors. The chair may also invite Directors who are not members of the committee, other senior managers and external advisors to attend meetings of the committee. The chair, or delegate, will report to the Board after each committee meeting.

The Audit and Risk Committee comprises two independent non-executive Directors whom are independent), being Drew Kelton and Mike Rosenbaum, who chairs the Audit and Risk Committee.

#### 6.9.4 Sustainability Committee

The Sustainability Committee has four key functions. The purpose of the nomination function is to assist and advise the Board on succession planning for the Board and senior executives, the processes to evaluate performance of Directors, Board committees and the Board, and the recruitment, appointment and re-election of Directors to ensure that the Board is of a size and composition conducive to making appropriate decisions, with the benefit of a variety of perspectives and skills and in the best interests of the Company as a whole. The purpose of the remuneration function is to assist and advise the Board on remuneration policies and practices for the Board, the CEO, the CFO, senior executives and other persons whose activities, individually or collectively, affect the financial soundness of the Company. The purpose of the occupational health, safety and environment (**OHSE**) function and the environmental, social and governance (**ESG**) function is to assist the Board to fulfil its obligations to ensure that the Company adopts the most and effective corporate governance policies and approach for its OHSE and ESG responsibilities.

The role and responsibilities, composition, structure and membership requirements of the Sustainability Committee are documented in a Sustainability Committee Charter approved by the Board and include:

- developing and reviewing the process for the selection, appointment and re-election of Directors;
- identifying and making recommendations to the Board for the appointment of new Board candidates, having regard to their skills, experience and expertise;
- overseeing the development and implementation by the Board of a process for the evaluation of the performance of the Board, Board committees, and Directors individually, using both measurable and qualitative indicators;
- reviewing Board and senior executive succession plans and processes, including for the CEO and other senior executive positions and being conscious of each Director's tenure, to maintain an appropriate balance of skills, experience, expertise and diversity;
- reviewing and making recommendations to the Board on the Company's remuneration for senior executives, incentive compensation and superannuation arrangements;
- identifying, assessing and managing safety and operational environmental risks;
- continually working towards maintaining the workplace and systems of work that are safe and without risk to physical or emotional health and the environment;
- working safely and in a manner that is respectful to others and the surrounding environment and community;
- holding peers accountable for their actions;
- setting targets to develop, implement and maintain standards and management systems;
- ensuring compliance with legal requirements and industry standards;
- providing appropriate facilities to protect the welfare of all staff members and provide information, instruction, supervision and training in safe work practices;
- be proactive and responsive to staff OHSE concerns;
- approving and recommending to the Board for adoption policies and procedures on sustainability to establish an effective and efficient system for oversight and management;
- regularly reviewing with Management, the Company's record of performance on community relationships, occupational health, safety, and environmental matters along with any proposed actions based on the record of performance;
- reviewing and report to the Board on material non compliance with legislation and regulations across the Company;
- obtaining an independent judgment from an external auditor regarding the Company's policies, procedures, and performance on sustainability;
- monitoring changes in applicable regulations and legislation and reviewing compliance with all applicable regulations and disclosures;

## 6 Key People, Interests and Benefits Continued..... >

- providing guidance and necessary resources and support to ensure the Company's business activities are undertaken in a manner that at all times considers and effectively manages potential environmental and social risks;
- proactively addressing issues that may adversely affect environmental performance within the Company including:
  - assessing likely environmental outcomes before decisions to proceed with activities; and
  - considering environmental outcomes when making decisions in the same way that consideration is given to safety, cost, quality and time; and
- considering, identifying and managing environmental risks as a material financial risk for the purposes of the Company's risk management framework.

The Sustainability Committee comprises two independent non-executive Directors, being Drew Kelton, who chairs the Sustainability Committee and Mike Rosenbaum.

### 6.10 Corporate governance policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Corporate Governance Principles.

#### 6.10.1 Continuous Disclosure Policy

The Company has adopted a Continuous Disclosure and Communication Policy which sets out its commitment to promoting investor confidence and the rights of shareholders by complying with the continuous disclosure obligations imposed by law, ensuring that all shareholders have equal and timely access to material information concerning the Company and communicating effectively with shareholders.

As a publicly listed company, the Company has continuous disclosure obligations under the Corporations Act and the ASX Listing Rules to keep the market fully informed of all information which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Information will be communicated to Shareholders through announcements to ASX, half-yearly and yearly financial reports, an annual report, at the Company's annual general meeting and on the Company's website: [www.zoom2u.com.au/investors](http://www.zoom2u.com.au/investors).

The Company Secretary has been appointed as the person primarily responsible for managing the Board's external communications with ASX.

#### 6.10.2 Securities Trading Policy

The Company has adopted a Securities Trading Policy which sets out the types of conduct in relation to dealings in securities that are prohibited by law. The Securities Trading Policy also establishes procedures for buying and selling securities by Directors, senior executives and other employees of the Company.

The Securities Trading Policy requires Directors and employees to obtain clearance prior to dealing in the Company's securities. The Securities Trading Policy also restricts Directors and employees of the Company from dealing in the Company's securities other than during certain permitted periods after the release of the Company's half year and full year financial results and annual general meeting and any extensions of those periods, or any additional periods as specified by the Board.

The Securities Trading Policy also requires Directors and employees of the Company in possession of inside information to not at any time deal in securities of the Company, or advise or suggest another person do so, or communicate the inside information to a person who may deal in securities of the Company.

The Securities Trading Policy prohibits Directors and employees of the Company from engaging in short-term dealing in securities of the Company, and prohibits them from taking out margin loans over their holdings in the Company's securities.

The Securities Trading Policy clearly identifies those individuals who are restricted from trading, the relevant laws relating to insider trading and the consequences which persons may face if they are in breach of the trading restrictions.

### **6.10.3 Code of Conduct**

The Company has a Code of Conduct which sets out the values, commitments, ethical standards and policies of the Company, and outlines the standards of conduct expected of the Company's employees, Directors and other person that act on behalf of the Company.

The Code of Conduct deals with areas such as (amongst other things) conflicts of interest, ethical business practices and privacy. The Code of Conduct sets out mechanisms for persons to report conduct which breaches the Code of Conduct and explains the consequences which persons may face if they breach the Code of Conduct.

The Board or a committee of the Board will be informed of any material breaches of the Code of Conduct by a Director or senior executive of the Company, as well as any other material breaches of that Code of Conduct that call into question the culture of the Company.

### **6.10.4 Diversity Policy**

The Company has adopted a Diversity Policy which sets out its commitment to diversity and inclusion in the workplace.

The Diversity Policy provides for the Board to set measurable objectives to assist the Company to achieve gender diversity and to review the Company's progress in meeting these objectives and the effectiveness of these objectives each year. The Nomination and Remuneration Committee will review nomination practices against measurable objectives for achieving gender diversity and report to the Board annually on those objectives and on the Company's progress in achieving them, including a review of the relative proportions of men and women at all levels in the organisation.

Under the policy, the Company states that it will take action against inappropriate workplace and business behaviour.

The Company serves a diverse and far-reaching community and believes that bringing together diversity of thoughts, perspectives, experiences and expression is key to making the Company a great place to work and delivering on its mission.

### **6.10.5 Whistle-blower Policy**

The Company has adopted a Whistle-blower Policy which sets out its commitment to creating and maintaining an environment where individuals can come forward and report known or suspected business misconduct or wrongdoing.

The Whistle-blower Policy applies to eligible 'whistle-blowers' who disclose information to an eligible recipient which is protected under relevant legislation.

The Whistle-blower Policy sets out what matters can be disclosed, who they can be disclosed to, how a matter can be disclosed, the protections that are available for disclosers, how those the subject of a disclosure will be treated and how a disclosed matter will be handled and investigated.

The Board will be informed of any material breaches of the Anti-Bribery and Corruption Policy.

The Company's full policies and charters can be reviewed on the Company's website: [www.zoom2u.com.au/investors](http://www.zoom2u.com.au/investors).



## 6 Key People, Interests and Benefits Continued..... >

### 6.10.6 Anti-bribery and corruption policy

The Company has adopted an Anti-Bribery and Corruption Policy for Directors, employees, contractors, consultants and other persons that act on behalf of the Company and its associates. The Anti-Bribery and Corruption Policy sets out the Company's 'zero tolerance' approach to bribery and corruption.

The Anti-Bribery and Corruption Policy covers bribery and corruption, gifts and hospitality, secret commissions, facilitation payments, dealings with politicians and government officials and charitable contributions. The Anti-Bribery and Corruption Policy sets out mechanisms for persons to report conduct which breaches the Anti-Bribery and Corruption Policy and explains the consequences which persons may face if they breach the Anti-Bribery and Corruption Policy.

The Company Secretary is responsible for the overall administration of the Anti-Bribery and Corruption Policy. The Company Secretary must notify the Board of any material breach of the Anti-Bribery and Corruption Policy.

## 6.1 Corporate Governance Statement

In the context of the ASX Corporate Governance Principles, the Company has prepared the following Corporate Governance Statement:

ASX Recommendations	Compliance	Compliance by the Company
<b>Principle 1 – Lay solid foundations for management and oversight</b>		
<i>A listed entity should clearly delineate the respective roles and responsibilities of its board and management and regularly review their performance</i>		
<b>Recommendation 1.1</b> A listed entity should have and disclose a board charter setting out: <ul style="list-style-type: none"> <li>• the respective roles and responsibilities of its board and management; and</li> <li>• those matters expressly reserved to the board and those delegated to management.</li> </ul>	Yes	The Company's Board Charter sets out (amongst other things): <ol style="list-style-type: none"> <li>a) the roles and responsibilities of the Board and of Management; and</li> <li>b) the matters expressly reserved to the Board and those delegated to Management.</li> </ol> A copy of the Board Charter is available on the Company's website.
<b>Recommendation 1.2</b> A listed entity should: <ul style="list-style-type: none"> <li>• undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election as a director; and</li> <li>• provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</li> </ul>	Yes	Prior to the appointment of a person as a Director, or putting forward to Shareholders a candidate for election as a Director, the Sustainability Committee (which must advise the Board) is responsible for overseeing that the appropriate checks are undertaken before nominating an individual as a candidate for appointment to the Board. Where appropriate, external consultants may be engaged to assist in undertaking relevant checks.  The Company will ensure that all material information in its possession relevant to a Shareholder's decision whether to elect or re-elect a Director, including the information referred to in Recommendation 1.2, is provided to shareholders in any notice of annual or extraordinary general meeting.

ASX Recommendations	Compliance	Compliance by the Company
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	Yes	<p>Each Director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.</p>
<p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	Yes	<p>The responsibilities of the Company Secretary are set out in the Board Charter. The Company Secretary has a direct line of reporting to the Chair and is responsible for matters including:</p> <ul style="list-style-type: none"> <li>a) developing and maintaining the information systems and processes required such that the Board can fulfil its role;</li> <li>b) ensuring the proper functioning of the Board, including ensuring Board compliance with procedures and other governance requirements;</li> <li>c) advising the Board and its committees on governance matters;</li> <li>d) monitoring that Board and committee policy and procedures are followed;</li> <li>e) coordinating the timely completion and despatch of Board and committee papers;</li> <li>f) ensuring that the business at board and committee meetings is accurately captured in the minutes;</li> <li>g) helping to organise and facilitate the induction and professional development of the Directors and the Company Secretary; and</li> <li>h) any other services required by the CEO or Chair.</li> </ul>

## 6 Key People, Interests and Benefits Continued..... >

ASX Recommendations	Compliance	Compliance by the Company
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have a diversity policy;</li> <li>• through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and</li> <li>• disclose in relation to each reporting period:               <ul style="list-style-type: none"> <li>(i) the measurable objectives set for that period to achieve gender diversity;</li> <li>(ii) the entity’s progress towards achieving those objectives; and</li> <li>(iii) either:                   <ul style="list-style-type: none"> <li>(A) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined “senior executive” for these purposes); or</li> <li>(B) if the entity is a “relevant employer” under the Workplace Gender Equality Act, the entity’s most recent “Gender Equality Indicators”, as defined in and published under that Act.</li> </ul> </li> </ul> </li> </ul> <p>If the entity was in the S&amp;P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p>Yes</p>	<p>The Company is committed to promoting diversity and recognises the value of diversity in achieving its corporate objectives and maximising value to its shareholders (including in respect of its employment practices and all components of the Company’s business practice). The Company considers that diversity and an inclusive environment will improve the quality of decision-making, productivity and teamwork amongst its employees.</p> <p>A copy of the Diversity Policy is available on the Company’s website.</p> <p>The Board assesses any measurable objectives for achieving gender diversity and annually reviews any such objectives and the Company’s progress towards achieving them. The Board reports at least annually to review the Company’s progress towards achieving its measurable objectives in relation to gender diversity. The Company’s Sustainability Committee will report to the Board on the effectiveness of the Company’s diversity objectives each year.</p> <p>The Diversity Policy outlines requirements for the Board to develop measurable objectives for achieving diversity, and annually assess both the objectives and the progress in achieving those objectives. Accordingly, the Board is developing objectives regarding gender diversity and aims to achieve these objectives over the next five years as Director and senior executive positions become vacant and appropriately qualified candidates become available. Disclosure of measurable objectives, progress and respective proportions will be disclosed in the Annual Report.</p> <p>As of 30 June 2021, the Company has a total of 55 staff; of these, 18 are female, and of these four holds a senior management role. There are currently no female Directors on the Company’s Board.</p>



ASX Recommendations	Compliance	Compliance by the Company
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"><li>• have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li><li>• disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process during or in respect of that period.</li></ul>	Yes	<p>The Board Charter details the Company's commitment, responsibility and process to evaluate the performance of the Board, individual Directors, the Chair and Committees of the Board. The Board Charter is available on the Company's website.</p> <p>The Chair (being an independent and non-executive Director) is responsible for the evaluation of the Board's performance and the performance of individual Directors. The Chair is also responsible for ensuring that the independent Directors meet separately on a regular basis (at least once every reporting period) to consider senior executive performance and report that this process has been undertaken for the relevant period. The Sustainability Committee of the Company will assist and advise the Board on the development and implementation of a process for evaluating the performance of the Board, its committees and the Directors. The review of the Board's performance also addresses the ability for Directors to access continuing education to update and enhance their skills and knowledge as they relate to the Company's strategy and objectives and Directors are expected to participate in any continuing education or training arranged for them.</p> <p>The Company has not undertaken an evaluation of the performance of the Board, individual Directors and Committees of the Board in the period, as the Committees and Board have only recently being formed.</p>



## 6 Key People, Interests and Benefits Continued..... >

ASX Recommendations	Compliance	Compliance by the Company
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</li> <li>• disclose for each reporting period, whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</li> </ul>	<p>Yes</p>	<p>The Chair is responsible for ensuring that the independent Directors meet separately on a regular basis to consider senior executive performance, at least once every reporting period.</p> <p>The CEO reviews the performance of the senior executives on an informal basis. These evaluations take into account criteria such as the achievement and performance towards the Company's objectives and (where appropriate) performance benchmarks and the achievement of individual performance objectives. However, the Board also recognises the need for flexibility in defining performance objectives which must reflect the current status of the company and the development of its projects.</p> <p>The Board did not conduct a performance evaluation of senior executives during the last 12 months and has not adopted a performance evaluation policy.</p> <p>The Company believes that the small size of the executive team and the current scale of the Company's activities make the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the Management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.</p> <p>The CEO continually monitors the performance of the senior executives.</p> <p>The above process was implemented in July 2021, and it is the Board's intention to undertake a review of CEO performance annually.</p>

**ASX Recommendations**

**Compliance Compliance by the Company**

**Principle 2 - Structure the board to be effective and add value**

*The board of a listed entity should be of an appropriate size and collectively have the skills, commitment and knowledge of the entity and the industry in which it operates, to enable it to discharge its duties effectively and to add value.*

**Recommendation 2.1**

Partially

The board of a listed entity should:

- have a nomination committee which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director,
 and disclose:
  - (iii) the charter of the committee;
  - (iv) the members of the committee; and
  - (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Sustainability Committee is tasked with identifying candidates with appropriate skills, experience and expertise to recommend to the Board. The Sustainability Committee will assist and advise the Board on the development and implementation of a process for evaluating the performance of the Board and the Directors and the appointment and re-election of Directors and undertaking appropriate checks before nominating an individual as a candidate for appointment.

In so far as is practicable (given the size of the Board), the Sustainability Committee consists of only non-executive Directors, a majority of independent Directors and at least two members. The Board intends to appoint an additional non-executive director after Listing to complement the existing skills of the Board.

The Sustainability Committee Charter is available on the Company's website.



## 6 Key People, Interests and Benefits Continued..... >

ASX Recommendations	Compliance	Compliance by the Company
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	Yes	<p>The following skills matrix describes the combined capabilities of the Board across a range of general and specialist areas.</p> <hr/> <p><b>Executive Leadership and Board experience</b></p> <ul style="list-style-type: none"> <li>• Senior Executive Experience</li> <li>• Experience as board member of a listed company</li> </ul> <hr/> <p><b>Financial Literacy</b></p> <ul style="list-style-type: none"> <li>• Qualifications or experience in financial accounting and reporting, corporate finance, risk and internal controls</li> </ul> <hr/> <p><b>Legal, governance and compliance</b></p> <ul style="list-style-type: none"> <li>• Qualifications or experience with relevant legal matters, governance structures standards and compliance requirements</li> </ul> <hr/> <p><b>Strategy</b></p> <ul style="list-style-type: none"> <li>• Experience in developing, implementing, and challenging a plan of action to achieve the Company's long-term objectives</li> <li>• Experience and ability to make good judgements and timely decisions in understanding and dealing with a business situation</li> </ul> <hr/> <p><b>Health, safety, environment and sustainability</b></p> <ul style="list-style-type: none"> <li>• Experience related to health, safety, environmental, social responsibility, or sustainability initiatives</li> </ul> <hr/> <p><b>Capital Management</b></p> <ul style="list-style-type: none"> <li>• Experience in capital management strategies, including capital partnerships, debt financing and capital raisings</li> </ul> <hr/> <p><b>Information Technology</b></p> <ul style="list-style-type: none"> <li>• Experience in the application of technology to process information and data in the context of a business enterprise</li> <li>• Experience in the formulation of technology strategy, product development roadmaps and the implementation of these initiatives, in Australia and Asia</li> </ul> <hr/> <p><b>Sales and Marketing</b></p> <ul style="list-style-type: none"> <li>• Enterprise level sales</li> <li>• Other market segment sales</li> <li>• Experience in brand management</li> </ul> <hr/> <p><b>Logistic Industry and online marketplace.</b></p> <ul style="list-style-type: none"> <li>• Experience Digital media, Mobile application software and Marketplaces</li> <li>• Experience in Logistic and transport</li> </ul> <hr/> <p><b>Intellectual Property</b></p> <ul style="list-style-type: none"> <li>• Experience related to management of IP including protection and development</li> </ul>

ASX Recommendations	Compliance	Compliance by the Company
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>the names of the directors considered by the board to be independent directors;</li> <li>if a director has an interest, position, association or relationship of the type described in Box 2.3 of the ASX CG Principles but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</li> <li>the length of service of each director.</li> </ul>	<p>Yes</p>	<p>The Board composition is set out in Section 6.1 of this Prospectus. Each Director's interest is as set out in Section 6.3.2 of this Prospectus.</p>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>Partially</p>	<p>The Board of the Company is comprised of four Directors, two of whom are considered to be independent.</p> <p>As the business develops, changes to and/or further appointments to the Board may be warranted and the Board will consider the need to appoint additional independent Directors.</p>
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>Yes</p>	<p>The Chair is Drew Kelton who is an independent Non-Executive Director, and is not the same person as the CEO of the Company.</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>Yes</p>	<p>Under the Company's Board Charter and the Sustainability Committee Charter, the Sustainability Committee is responsible for developing and reviewing the induction procedures for new appointees to the Board, and developing and offering induction training to new Directors (tailored to their existing skills, knowledge and experience). The Sustainability Committee is also responsible for advising the Board on the induction and continuing professional development programs for Directors.</p> <p>Under the Company's Board Charter, all Directors are expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.</p> <p>The Board's induction process currently provides incoming Directors with information that will enable them to carry out their duties in the best interests of the Company.</p>





## 6 Key People, Interests and Benefits Continued..... >

### ASX Recommendations

### Compliance Compliance by the Company

#### Principle 3 - Instil a culture of acting lawfully, ethically and responsibly

*A listed entity should instil and continually reinforce a culture across the organisation of acting lawfully, ethically and responsibly.*

ASX Recommendations	Compliance	Compliance by the Company
<p><b>Recommendation 3.1</b></p> <p>A listed entity should articulate and disclose its values.</p>	Yes	<p>The Company's Board Charter and Code of Conduct articulates and discloses its values.</p> <p>The Company's Board Charter and Code of Conduct is available on the Company's website.</p>
<p><b>Recommendation 3.2</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose a code of conduct for its directors, senior executives and employees; and</li> <li>• ensure that the board or a committee of the board is informed of any material breaches of that code.</li> </ul>	Yes	<p>The Company has a Code of Conduct that sets out the standards of behaviour expected of all its employees, Directors, Officers, contractors and consultants. The Code of Conduct is available on the Company's website.</p> <p>Any breach of compliance with the Code of Conduct is to be reported to an officer or senior manager of the Company or the Company Secretary. The Company Secretary is responsible for the administration of the Company's Code of Conduct.</p>
<p><b>Recommendation 3.3</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose a whistleblower policy; and</li> <li>• ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</li> </ul>	Yes	<p>The Company has a Whistleblower Policy available on the Company's website. Any material incidents reported under that policy are reported to the Board.</p> <p>For the purposes of the Whistleblower Policy, reports are to be made to a "Contact Officer", being an officer or senior manager of the Company or an auditor or actuary of the Company (other than where that Contact Officer is involved in the allegations being reported). The CEO will conduct a preliminary assessment (or where the allegation concerns the CEO, the Company's Audit and Risk Committee will carry out the assessment).</p>
<p><b>Recommendation 3.4</b></p> <p>A listed entity should:</p> <ul style="list-style-type: none"> <li>• have and disclose an anti-bribery and corruption policy; and</li> <li>• ensure that the board or a committee of the board is informed of any material breaches of that policy.</li> </ul>	Yes	<p>The Company has an Anti-bribery and Corruption Policy available on the Company's website.</p> <p>Under the Anti-bribery and Corruption Policy, all Company personnel must report to the CEO or the Company Secretary as soon as possible if they believe or suspect that a conflict with or breach of the policy has occurred (or may occur).</p>

**Principle 4 - Safeguard integrity in corporate reports**

*A listed entity should have appropriate processes to verify the integrity of its corporate reports.*

**Recommendation 4.1**

Partially

The Company has established an Audit and Risk Committee and a summary of the Audit and Risk Committee Charter is set out in Section 6.9.

The board of a listed entity should:

- have an audit committee which:
  - (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and
  - (ii) is chaired by an independent director, who is not the chair of the board,
- and disclose:
  - (iii) the charter of the committee;
  - (iv) the relevant qualifications and experience of the members of the committee; and
  - (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The duties specified in the Audit and Risk Committee Charter include undertaking processes to independently verify the integrity of the Company's periodic reports which are not audited or reviewed by an external auditor, as well as undertaking processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

In so far as is practicable given the size of the Board, the Audit and Risk Committee will consist of only non-executive Directors, with a majority of independent Directors and at least two members. The Board intends to appoint an additional non-executive director after Listing to complement the existing skills of the Board.

The Committee is to be chaired by an independent Director, who is not the Chair of the Board.

## 6 Key People, Interests and Benefits Continued..... >

ASX Recommendations	Compliance	Compliance by the Company
<p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	Yes	The Company's Directors receive a declaration from the CEO and CFO before the Board approves the Company's financial statements.
<p><b>Recommendation 4.3</b></p> <p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	Yes	<p>Any periodic corporate report released by the Company undergoes a review by Management before being reviewed by the Board and, depending on the report, a subcommittee of the Board.</p> <p>In addition, non-audited financial statements are accompanied by a declaration in accordance with Recommendation 4.2 above.</p>
<p><b>Principle 5 - Make timely and balanced disclosure</b></p> <p><i>A listed entity should make timely and balanced disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.</i></p>		
<p><b>Recommendation 5.1</b></p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	Yes	<p>The Company has a Continuous Disclosure Policy that outlines the processes to be followed by the Company to ensure compliance with its continuous disclosure obligations, to ensure shareholders have equal and timely access to material information and that the Company communicates effectively with its shareholders.</p> <p>The Continuous Disclosure Policy is available on the Company's website.</p>
<p><b>Recommendation 5.2</b></p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	Yes	The Board receives copies of all material market announcements promptly after they have been made.



ASX Recommendations	Compliance	Compliance by the Company
<p><b>Recommendation 5.3</b></p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	Yes	Under the Company's Continuous Disclosure Policy, where any price sensitive information is involved in an answer to a question, that information must be released through ASX before responding. This includes any new or substantive investor presentations.
<p><b>Principle 6 - Respect the rights of security holders</b></p> <p><i>A listed entity should provide its security holders with appropriate information and facilities to allow them to exercise their rights as security holders effectively</i></p>		
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	Yes	<p>Information about the Company and its operations is available on the Company's website.</p> <p>Information about the Company's corporate governance (including links to the Company's corporate governance policies and charters) can be accessed from the Company's website.</p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	Yes	<p>The Company's a Continuous Disclosure Policy outlines the processes followed by the Company to ensure communication with shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure. Media relations and communications are the responsibility of the Company Secretary under that policy and on major matters, the CEO is generally the spokesperson.</p> <p>The Continuous Disclosure Policy is available on the Company's website.</p>
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	Yes	The Continuous Disclosure and Communication Policy sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of Shareholders (including use of technological solutions).
<p><b>Recommendation 6.4</b></p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	Yes	The Company's intention is that all substantive resolutions put to a meeting of security holders will be decided by way of a poll, in accordance with ASX Guidance Note 35.
<p><b>Recommendation 6.5</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	Yes	The Company, through the Share Registry, gives Shareholders the option to receive communications from, and send communications to, the Company and its Share Registry electronically, as provided for in the Company's Continuous Disclosure and Communication Policy.



## 6 Key People, Interests and Benefits Continued..... >

### ASX Recommendations

### Compliance Compliance by the Company

#### Principle 7 - Recognise and manage risk

*A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.*

#### Recommendation 7.1

Partially

The Company has established an Audit and Risk Committee and a summary of the Audit and Risk Committee Charter is set out in Section 6.9.

The board of a listed entity should:

- have a committee or committees to oversee risk, each of which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director;
 disclose:
  - (i) the charter of the committee;
  - (ii) the members of the committee; and
  - (iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- if it does not have a risk committee or committees that satisfy (i) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

In so far as is practicable given the size of the Board, the Audit and Risk Committee will consist of only non-executive Directors, with a majority of independent Directors and at least two members. The Board intends to appoint an additional non-executive director after Listing to complement the existing skills of the Board.

The Committee is to be chaired by an independent Director, who is not the Chair of the Board.

The Company will continually evaluate the performance and function of the Audit and Risk Committee and determine whether it will be appropriate to appoint additional independent directors to the Audit and Risk Committee as the business evolves and expands.

ASX Recommendations	Compliance	Compliance by the Company
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <ul style="list-style-type: none"> <li>review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</li> <li>disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	Yes	<p>The Audit and Risk Committee Charter guides the Board in its annual review of the Company's risk appetite statement and risk management framework.</p> <p>The Audit and Risk Committee Charter requires the Company to review its performance annually. The Board has undertaken a review of the risk management framework.</p>
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <ul style="list-style-type: none"> <li>if it has an internal audit function, how the function is structured and what role it performs; or</li> <li>if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</li> </ul>	Yes	<p>The Company does not have an internal audit function. The Company has set up internal processes for evaluating and continually improving the effectiveness of its risk management and internal control framework. The Audit and Risk Committee will periodically review the Company's operations to evaluate the effectiveness of risk management and internal control processes of the Company.</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company's Audit and Risk Committee Charter provides that the Company will disclose if it has any material exposures to economic, environmental and social sustainability risks. If the Company does not consider it has any material exposure to particular environmental or social risks it will consider carefully the basis for this belief and benchmark its disclosures in this regard against those made by its peers.</p>

## 6 Key People, Interests and Benefits Continued..... >

### ASX Recommendations

### Compliance Compliance by the Company

#### Principle 8 - Remunerate fairly and responsibly

*A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design its executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders and with the entity's values and risk appetite.*

#### Recommendation 8.1

Partially

The Company's Sustainability Committee Charter provides that the Sustainability Committee is responsible for advising the Board, from an independent and objective perspective, on the value and structure of remuneration for each of the Non-executive Directors, CEO, CFO and other senior executives and employees.

The board of a listed entity should:

- have a remuneration committee which:
  - (i) has at least three members, a majority of whom are independent directors; and
  - (ii) is chaired by an independent director;
 and disclose:
  - (i) the charter of the committee;
  - (ii) the members of the committee; and
  - (iii) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

In so far as is practicable (given the size of the Board), the Committee consists of only non-executive Directors, a majority of independent Directors and at least two members. The Board intends to appoint an additional non-executive director after Listing to complement the existing skills of the Board.

The Sustainability Committee will review an annual remuneration report containing information on the Company's remuneration policy and attendance at and frequency of Committee meetings, and will make such information available in the Company's annual report.

#### Recommendation 8.2

Yes

The remuneration of the Directors of the Company is set out in Section 6.3.

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives will be set out in the Remuneration Report contained in each Annual Report (as identified in the Sustainability Committee Charter).



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**ASX Recommendations****Compliance****Compliance by the Company**

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**Recommendation 8.3**

Yes

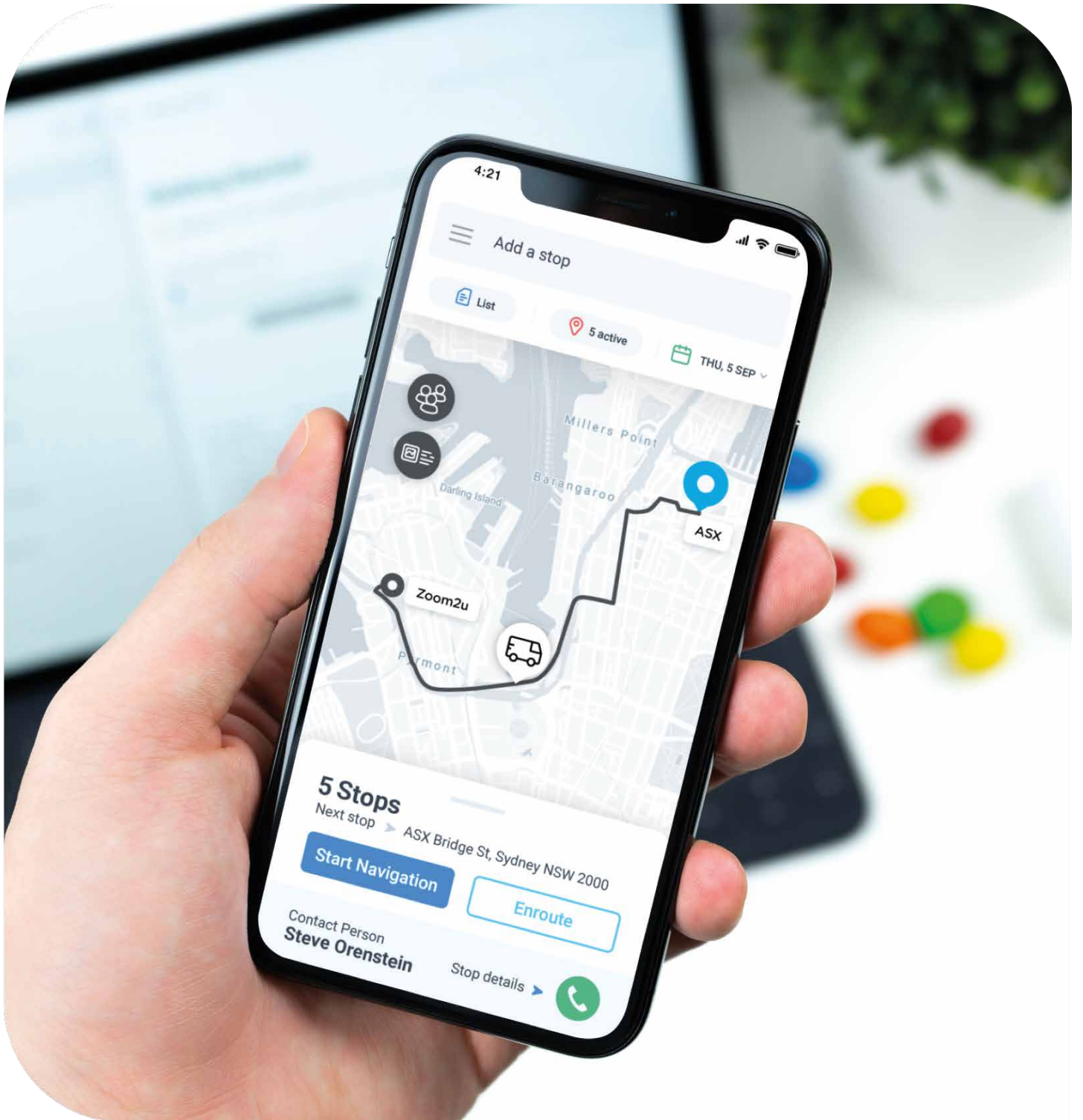
The Company's Securities Trading Policy provides that participants in the equity-based remuneration schemes must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested equity interest. The Securities Trading Policy is available on the Company's website.

A listed entity which has an equity-based remuneration scheme should:

- have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
  - disclose that policy or a summary of it.
-



# 7 Details of the Offer



# 7 Details of the Offer

## 7.1 The Offer

This Prospectus relates to an initial public offering of 40,000,000 Shares at the Offer Price of \$0.20 to raise \$8,000,000. The Offer is made on the terms, and are subject to the conditions, set out in this Prospectus.

The Shares offered under this Prospectus will, on Completion, represent approximately 23.08% of Shares on issue (on an undiluted basis, but assuming the Convertible Notes are converted into Shares) and 20.35% of Shares on issue on a fully diluted basis.

The total number of securities on issue at Completion will be 173,332,932 Shares and 23,237,510 Options.

The Offer is conditional on:

- the Company raising a minimum of \$8,000,000 under the Offer (being a total of 40,000,000 Shares subscribed for under the Offer); and
- ASX approving the Company's application for admission to the Official List of the ASX. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable, in accordance with the requirements of the Corporations Act.

## 7.2 Structure of the Offer

The Offer comprises:

- **Broker Firm Offer**, which is open only to Australian resident investors who are not Institutional Investors and who have received an invitation from their Broker to participate;
- **Priority Offer**, which is open to selected investors in Australia who have received a Priority Offer Invitation; and
- **Institutional Offer**, which consists of an invitation to bid for Shares made to Institutional Investors in Australia and New Zealand and a number of other eligible jurisdictions.

No general public offer of Shares will be made under the Offer. Members of the public wishing to apply for Shares under the Offer must do so through a Broker with a firm allocation of Shares under the Broker Firm Offer.

The allocation of Shares between the Broker Firm Offer, Priority Offer and the Institutional Offer was determined by the Company and the Lead Manager having regard to the allocation policies described in Sections 7.7.4, 7.8.4 and 7.10.2.

The Offer is not underwritten.

## 7 Details of the Offer Continued

### 7.3 Purpose of the Offer

The purpose of the Offer is to:

- provide the Company with the financial flexibility and access to capital markets to assist in funding future growth via:
  - investment in sales and marketing resources, including hiring marketing professionals, engaging with marketing agencies, and expanding the Locate2u enterprise sales team; and
  - investing in resources to enable further product development of the Platform and Locate2u;
- provide a market for the Company's Shares;
- meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules to enable the Company to list on the ASX; and
- provide the Company with the benefits of increased public profile and brand awareness that arises from being a publicly listed entity.

At the Offer Price, the Offer will raise \$8,000,000. The proceeds of the Offer will be received by the Company and are proposed to be applied as set out in the table below:

<b>Use of funds</b>	<b>Amount</b>	<b>%</b>
Investment in sales & product development resources and providing incentives (including the Phantom Equity Plan) to the team to drive growth for both Zoom2u and Locate2u	\$4,000,000	50%
Investment in marketing to accelerate growth in Zoom2u and optimise Locate2u's customer acquisition model	\$1,300,000	16%
Working capital including additional costs incurred as a listed company	\$1,200,000	15%
Costs of the Offer	\$1,500,000	19%
<b>Total</b>	<b>\$8,000,000</b>	<b>100%</b>

The above table is a statement of current intentions as at the Prospectus Date. Investors should note that, as with any budget, the allocation of funds set out in the above tables may change depending on a number of factors, including the outcome of sales performance, operational and development activities, regulatory developments and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.

The Company has enough working capital at the time of its admission to carry out these stated objectives.

## 7.4 Shareholding structure

The details of the ownership of Shares as at the Prospectus Date and on Completion, are set out in the table below<sup>1</sup>.

Shareholders	As at the Prospectus Date		On Completion on an undiluted basis <sup>2</sup>		On Completion on a fully diluted basis <sup>3</sup>	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Steve Orenstein via his controlled entities	44,484,640 <sup>4</sup>	38.13%	44,917,973 <sup>5</sup>	25.91%	50,844,720 <sup>6</sup>	25.87%
Paul and Mary Orenstein ATF Orenstein Superannuation Fund	11,549,280	9.90%	11,549,280	6.66%	11,549,280	5.88%
Funds managed by Perennial	10,460,349 <sup>7</sup>	8.97%	13,127,015 <sup>8</sup>	7.57%	13,127,015	6.68%
Anthony Klok and Kerry Ryan ATF Klok Ryan Family Superannuation Fund <sup>9</sup>	7,818,653	6.70%	7,818,653	4.51%	7,818,653	3.98%
Aavasani Pty Ltd (ACN 078 023 846)	6,188,153	5.30%	6,188,153	3.57%	6,188,153	3.15%
Other Existing Shareholders	36,165,203	31.00%	36,165,203	20.86%	36,165,203	18.40%
Other Noteholders <sup>10</sup>	-		13,566,655	7.83%	13,566,655	6.90%
IPO Shareholders	-		40,000,000	23.08%	40,000,000	20.35%
Holder of the ESOP Options and the Lead Manager Options other than Steve Orenstein and his controlled entities	-		-		17,310,763	8.81%
<b>Total</b>	<b>116,666,278</b>	<b>100.00%</b>	<b>173,332,932</b>	<b>100%</b>	<b>196,570,442</b>	<b>100.00%</b>

### Notes:

- All Existing Shareholders and Noteholders are entitled to apply for Shares under the Offer. The above table does not take into account any Shares the Existing Shareholders or the Noteholders may acquire under the Offer.
- As at the Prospectus Date, the Company has 116,666,278 Shares on issue and on receipt of conditional approval from ASX to admission to the Official List of the ASX, a further 16,666,654 Shares will be issued upon conversion of the Convertible Notes as described in Section 9.8.
- The fully diluted calculation assumes that all ESOP Options and Lead Manager Options are exercised.
- These Shares include:
  - 44,471,770 Shares currently held indirectly by Steve via his controlled entity, S.M.O. Funds Pty Limited (ACN 142 982 198) ATF the SMO Funds Trust;
  - 12,870 Shares currently held by Gemlode Pty Limited (ACN 159 238 267) ATF Gemlode Trust, which is an entity indirectly controlled by Steve.
- This includes 433,333 Shares to be issued to SMO SMSF Pty Ltd ATF SMO Superannuation Fund, which is an entity controlled by Steve, upon conversion of its Convertible Notes.
- These Shares include 5,926,747 Shares to be issued to Steve upon exercising the ESOP Options held by him.
- These are Shares held by BNP Paribas Nominees Pty Limited (ABN 54 084 150 023) as nominee for BNP Paribas Securities Services (ARBN 149 440 291) as custodian for SCS Super Pty Limited as trustee for Australian Catholic Super and Retirement Fund, which is a fund managed by Perennial.
- These Shares include 2,666,666 Shares to be issued to Mainstream Fund Services Pty Limited as custodian for Perennial Private to Public Opportunities Fund No. 3 Foundation Class upon conversion of the Convertible Notes held by Perennial Private to Public Opportunities Fund No. 3 Foundation Class, which is also a fund managed by Perennial.
- Anthony Klok and Kerry Ryan ATF Klok Ryan Family Superannuation Fund is an entity controlled by, Anthony Klok, who was the Non-Executive Chairman in the last six months prior to the Prospectus Date and hence a related party of the Company.
- This means Noteholders other than SMO SMSF Pty Ltd ATF SMO Superannuation Fund and Perennial Private to Public Opportunities Fund No. 3 Foundation Class.

## 7 Details of the Offer Continued

At Completion, none of the Shares held by the IPO Shareholders representing 23.08% of the total issued capital on an undiluted basis, will be subject to escrow arrangements. Information on the number of Shares to be held on Completion that will be subject to ASX mandatory escrow arrangements and details of these escrow arrangements are described in Section 9.9.

### 7.5 Control implications of the Offer

The Directors do not expect any Shareholder to control (as defined in section 50AA of the Corporations Act) the Company on Completion.

### 7.6 Terms and conditions of the Offer

Topic	Summary
<b>What is the type of security being offered?</b>	Fully paid ordinary shares in the Company.
<b>What are the rights and liabilities attached to the securities being offered?</b>	A description of the Shares, including the rights and liabilities attaching to them, is set out in Section 7.15 below.
<b>What is the consideration payable for each security being Offered?</b>	Successful Applicants under the Offer will pay the Offer Price, being \$0.20 per Share.
<b>What is the Offer Period?</b>	The key dates, including details of the Offer Period, are set out on page 10. No securities will be issued on the basis of this Prospectus later than the expiry date of 13 months after the Prospectus Date.
<b>What are the cash proceeds to be raised?</b>	\$8 million will be raised under the Offer based on the Offer Price.
<b>What is the minimum and maximum Application size under the Offer?</b>	The minimum Application under the Offer is \$2,000 for 10,000 Shares. There is no maximum value of Shares that may be applied for under the Offer. The Company, in consultation with the Lead Manager, reserves the right to reject any Application or to allocate a lesser number of Shares than applied for.
<b>What is the allocation policy?</b>	The allocation of Shares among the Institutional Offer, the Broker Firm Offer and the Priority Offer will be determined by the Lead Manager and the Company, having regard to the allocation policy outlined in Sections 7.7.4, 7.8.4 and 7.10.2. The allocation of Shares among applicants in the Institutional Offer will be determined by agreement between the Lead Manager and the Company. In respect of the Broker Firm Offer, it is a matter for the Broker to determine how they will allocate Shares among their eligible retail clients. The final allocation of Shares under the Priority Offer will be determined by the Company, in consultation with the Lead Manager.

Topic	Summary
<b>Will the securities be quoted on the ASX?</b>	<p>The Company will apply to ASX within seven days of the Prospectus Date for admission to the official list of, and quotation of its Shares by, ASX under the code 'Z2U'.</p> <p>Completion of the Offer is subject to several conditions including the ASX conditionally approving this application. If the Shares have not been admitted for quotation on the Official List within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act. If the Shares have not been admitted for quotation on the Official List within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>The Company will be required to comply with the Listing Rules, subject to any waivers obtained by the Company from time to time.</p> <p>ASX takes no responsibility for the contents of this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares Offered for subscription.</p>
<b>When are the securities expected to commence trading?</b>	<p>It is expected that trading of the Shares on ASX will commence on or about Wednesday, 15 September 2021 on a normal settlement basis.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk. The Company and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial holding statement, whether on the basis of a confirmation of allocation provided by any of them, by the Company Offer Information Line, by a Broker or otherwise.</p>
<b>When will I receive confirmation of whether my Application has been successful?</b>	<p>It is expected that initial holding statements will be mailed to successful Applicants on or about Wednesday, 8 September 2021.</p> <p>Refunds (without interest) to Applicants who make an Application and receive an allocation of Shares, the value of which is smaller than the amount of the Application Monies, will be made as soon as practicable after Completion of the Offer.</p>
<b>Is the Offer underwritten?</b>	No.
<b>Are there any escrow arrangements?</b>	Yes. Details are provided in Section 9.9.
<b>Has any ASIC relief or ASIC waiver or modification been obtained or been relied on?</b>	As at the date of this Prospectus, the Company has not applied to ASIC to seek any exemption or any form of relief and the Company has lodged an application to seek a waiver from the ASX in regards to aspects of the mandatory escrow provisions. Details are provided in Section 9.13.

## 7 Details of the Offer Continued

Topic	Summary
<b>Are there any taxation considerations?</b>	The tax consequences of any investment in the Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest. Refer to Section 9.14 for a description of general Australian income tax, GST and stamp duty considerations.
<b>Are there any brokerage, commission or stamp duty considerations?</b>	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer. See section 9.6 of various fees payable by the Company to the Lead Manager.
<b>What should you do with any enquiries?</b>	All enquiries in relation to this Prospectus should be directed to the Offer Information Line on +61 2 9698 5414 (toll free within Australia) 1300 288 664 (outside Australia) between 8:30am to 5:30pm (Sydney time), Monday to Friday (excluding public holidays).  If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional advisor before deciding whether to invest.

### 7.7 Broker Firm Offer

#### 7.7.1 Who may apply?

The Broker Firm Offer is open to clients of participating Brokers who have a registered address in Australia and who received an invitation from a Broker to acquire Shares under this Prospectus and are not in the United States of America. You should contact your Broker to determine whether you can receive an allocation of Shares under the Broker Firm Offer.

#### 7.7.2 How to apply?

If you have received an invitation to apply for Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Broker Firm Application Forms or payment to the Share Registry.

Applicants under the Broker Firm Offer should contact their Broker to request a copy of this Prospectus and Broker Firm Offer Application Form, or download a copy at [www.zoom2u.com.au/investors/ipo](http://www.zoom2u.com.au/investors/ipo). Your Broker will act as your agent and it is your Broker's responsibility to ensure that your Broker Firm Application Form and Application Monies are received before 5:00pm (Sydney time) on the Closing Date or any earlier closing date as determined by your Broker.

Broker clients should complete and lodge their Broker Firm Offer Application Form with the Broker from whom they received their invitation to participate in the Broker Firm Offer. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Broker Firm Offer Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with a Broker Firm Offer Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Company, the Lead Manager and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your Application.

The Broker Firm Offer opens at 9:00am (Sydney time) on Tuesday, 10 August 2021 and is expected to close at 5:00pm (Sydney time) on Monday, 23 August 2021. The Company and the Lead Manager may elect to close the Broker Firm Offer or any part of it early, extend the Broker Firm Offer or any part of it, or accept late Applications either generally or in particular cases. The Broker Firm Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their Applications as early as possible after the Offer opens. Please contact your Broker for instructions.

### **7.7.3 How to pay?**

Applicants under the Broker Firm Offer must pay their Application Monies in accordance with the instructions received from their Broker.

### **7.7.4 What is the Broker Firm Offer allocation policy?**

The allocation of Shares to Brokers will be determined by the Lead Manager, in consultation with the Company, in their absolute discretion. Shares which are allocated to Brokers for allocation to their Australian retail resident clients will be issued to the Applicants nominated by those Brokers (subject to the right of the Company and the Lead Manager to reject, aggregate or scale back Applications). It will be a matter for the Broker as to how they allocate Shares among their clients, and they (and not the Company or the Lead Manager) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant Shares.

### **7.7.5 Acceptance of applications**

An Application in the Broker Firm Offer is an offer by you to the Company to apply for the amount of Shares specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement document) and the Application Form. To the extent permitted by law, an Application by an Applicant is irrevocable.

An Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to Successful Applicants.

The Lead Manager, in agreement with the Company, reserve the right to reject any Application which is not correctly completed or which is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application.

## **7.8 Priority Offer**

### **7.8.1 Who can apply?**

The Priority Offer is open to selected investors nominated by the Company in eligible jurisdictions who have received a Priority Offer invitation to acquire Shares under the Prospectus. The Priority Offer may include directors, Existing Shareholders, and certain employees of the Company in eligible jurisdictions. If you are a Priority Offer Applicant, you will receive a personalised invitation to apply for Shares in the Priority Offer. The Priority Offer is not open to persons who are in the United States of America.

Your personalised invitation will indicate an amount of Shares that you may apply for.

### **7.8.2 How to apply?**

If you have received a personalised invitation to apply for Shares under the Priority Offer and you wish to apply for all or some of those Shares, you must apply in accordance with the instructions provided in your personalised invitation to apply.

Recipients of the Priority Offer invitation should read the separate offer letter and this Prospectus carefully and in their entirety before deciding whether to apply under the Priority Offer. If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your accountant, financial advisor, stockbroker, lawyer or other professional advisor before deciding whether to invest.



## 7 Details of the Offer Continued

To apply under the Priority Offer, you must complete the online Priority Offer Application Form in accordance with the instructions provided in your Priority Offer invitation and on the website containing the Application Form.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Applications must be received by no later than 5:00pm (Sydney time) on Monday, 23 August 2021 and it is your responsibility to ensure that this occurs.

### 7.8.3 How to pay?

Applicants under the Priority Offer must pay their Application Monies by BPAY<sup>®</sup> in accordance with the instructions on the personalised Priority Offer Application Form.

When completing your BPAY<sup>®</sup> payment, please make sure to use the specific biller code and unique CRN provided to you or generated by the online Application Form. Application Monies paid via BPAY<sup>®</sup> must be received by the Share Registry by no later than 5:00pm (Sydney time) on Monday, 23 August 2021 and it is your responsibility to ensure that this occurs. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment. Neither the Company nor the Lead Manager take any responsibility for any failure to receive Application Monies or payment by BPAY<sup>®</sup> before the Priority Offer closes arising as a result of, among other things, delays in processing of payments by financial institutions.

### 7.8.4 What is the Priority Offer allocation policy?

The allocation of Shares among Applicants in the Priority Offer will be determined by the Company, in consultation with the Lead Manager. There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant applied.

### 7.8.5 Acceptance of applications

An Application in the Priority Offer is an offer by an Applicant to the Company to apply for Shares in the amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Priority Offer Invitation (including the terms and conditions in Section 7.6 and the acknowledgements in Section 7.11). To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.

An Application may be accepted by the Company and the Lead Manager in respect of the full number of Shares specified in the Application Form or any of them, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract.

## 7.9 Applications Monies

The Company reserves the right to decline any Application in whole or in part, without giving any reason. Applicants under the Priority Offer whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies provided by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down and any excess refunded (without interest).

If the amount of your Application Monies that you pay via BPAY<sup>®</sup> is less than the amount specified on your online Application Form, you may be taken to have applied for such lower Australian dollar amount of Shares as for which your cleared Application Monies will pay (and to have specified that amount on your online Application Form) or your Application may be rejected.

## 7.10 Institutional Offer

### 7.10.1 Invitations to bid

The Company and the Lead Manager will invite certain Institutional Investors in Australia, New Zealand, Singapore and other eligible foreign jurisdictions to bid for Shares in the Institutional Offer.

### 7.10.2 Allocation policy under the Institutional Offer

The allocation of Shares between the Institutional Offer will be determined by the Company and the Lead Manager.

The Company and the Lead Manager have absolute discretion regarding the basis of allocation of Shares among Institutional Investors and there was no assurance that any Institutional Investor would be allocated any Shares, or the number of Shares for which it has bid.

Participants in the Institutional Offer will be advised of their allocation of Shares, if any, by the Lead Manager. The allocation policy was influenced by a number of factors including:

- the number of Shares bid for by particular bidders;
- the timeliness of the bid by particular bidders;
- the Company's desire for an informed and active trading market following listing on ASX;
- the Company's desire to establish a wide spread of institutional shareholders;
- the overall level of demand under the Broker Firm Offer, Priority Offer and the Institutional Offer;
- the size and type of funds under management of particular bidders;
- the likelihood that particular bidders will be long term Shareholders; and
- any other factors that the Company and the Lead Manager considered appropriate.

## 7.11 Acknowledgements

Each Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Applicant(s), if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company or a Broker receives an Application Form, it may not be withdrawn;
- applied for the number of Shares at the Australian dollar amount shown on the front of the Application Form;
- agreed to being allocated and issued the number of Shares applied for (or a lower number allocated in a way described in this Prospectus), or no Shares at all;
- authorised the Company and the Lead Manager and their respective officers or agents, to do anything on behalf of the Applicant(s) necessary for Shares to be allocated to the Applicant(s), including to act on instructions received by the Share Registry upon using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;

## 7 Details of the Offer Continued

- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that Shares are suitable for the Applicant(s), given the investment objectives, financial situation or particular needs (including financial and tax issues) of the Applicant(s);
- agreed and acknowledged that the Company may only make any payments electronically (and has no obligation to make any payment by any other method) and that any payments may be delayed or not made if current electronic payment details have not been supplied by the Applicant(s) or Shareholder(s) at the relevant time;
- agreed and acknowledged that, to the maximum extent permitted by law from time to time (and subject to any legal requirement to make a paper copy document available upon request), the Company may only provide notices, reports and communications to Applicant(s) and Shareholders(s) in electronic form or by email, and has a discretion to hold any general or class meeting on a virtual platform;
- declared that the Applicant(s) is/are a resident of Australia (except as applicable to the Institutional Offer or the Priority Offer);
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus;
- acknowledged and agreed that if Listing does not occur for any reason, the Offer will not proceed; and
- Each Applicant under the Broker Firm Offer and Priority Offer and each person to whom the Institutional Offer has been made under this Prospectus, will be taken to have represented, warranted and agreed as follows:
  - it understands that the Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except in a transaction exempt from, or not subject to, registration under the U.S. Securities Act and any other applicable securities laws; and
  - it has not sent and will not send the Prospectus or any other material relating to the Offer to any person in the United States.

### 7.12 Restrictions on distributions

No action has been taken to register or qualify this Prospectus, the Shares or the Offer or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

This Prospectus does not constitute an offer or invitation to apply for Shares in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus.

This Prospectus may not be released or distributed in the United States, and may only be distributed to persons to whom the Offer may lawfully be made in accordance with the laws of any applicable jurisdiction.

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state of the United States of America and may not be Offered or sold in the United States of America except in accordance with an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities laws.

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## 7.13 Discretion regarding the Offer

The Company may withdraw the Offer at any time before the issue of Shares to successful Applicants under the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest).

The Company and the Lead Manager also reserve the right to, subject to the Corporations Act, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than the amount applied or bid for.

## 7.14 ASX listing, registers and holding statements

### 7.14.1 Application to ASX for listing and quotation of Shares

The Company will apply to ASX within seven days of the Prospectus Date, for admission to the Official List and quotation of the Shares on ASX under the code 'Z2U'.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List is not to be taken as an indication of the merits of the Company or the Shares offered for subscription.

If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest, as soon as practicable in accordance with the requirements of the Corporations Act.

Upon Listing, the Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.

### 7.14.2 CHESS and issuer sponsored holdings

The Company will participate in ASX's Clearing House Electronic Subregister System (**CHESS**) and will comply with the ASX Listing Rules and ASX Settlement Operating Rules. CHESS is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

When the Shares become approved financial products (as defined in ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHESS sub-register or an issuer sponsored sub-register. For all successful Applicants, the Shares of a Shareholder who is a participant in CHESS or a Shareholder sponsored by a participant in CHESS will be registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following Completion, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHESS holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their Shareholding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHESS sub-register or through the Share Registry in the case of a holding on the issuer sponsored sub-register. The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

## 7 Details of the Offer Continued

### 7.15 Summary of rights and liabilities attaching to Shares and other material provisions of the Constitution

#### 7.15.1 Introduction

All Shares issued under the Offer pursuant to this Prospectus will rank equally with existing fully paid ordinary Shares in the Company.

The rights and liabilities attaching to ownership of Shares are:

- detailed in the Constitution; and
- in certain circumstances, regulated by the Corporations Act, the ASX Listing Rules, the ASX Settlement Operating Rules and the general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not intended to be exhaustive and is qualified by the fuller terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders.

The summary assumes that the Company is admitted to the Official List.

#### 7.15.2 Voting

At a meeting of members, subject to the Constitution, and the Corporations Act, ASX Listing Rules, ASX Operating Settlement Rules and CSF Rules (**Relevant Law**) and to any rights or restrictions attaching to any class of securities, a resolution of members must be decided on a show of hands unless a poll is effectively demanded or the chair decides that a poll will be held.

Despite anything to the contrary in the Constitution, the Board may determine that a member is entitled to vote at a meeting by direct vote (i.e. a vote delivered to the Company by post, fax or other electronic means approved by the Board) in respect of a resolution.

Subject to the Constitution, the Relevant Law, and to any rights or restrictions attached to any class of securities, on a show of hands each member present in person or by proxy has one vote and on a poll each member present in person or by proxy has one vote for each fully paid share held by that member (and for each partly paid share a fraction of a vote equivalent to the proportion of the share which is paid).

A member is not entitled to be counted in a quorum or cast a vote attached to a share on which a call is due and payable and has not been paid.

#### 7.15.3 Proxy

A member entitled to attend and cast a vote at a meeting of members may appoint an individual or body corporate as its proxy to attend and vote for that member at the meeting provided it is deposited with the Company at least 48 hours before the time for holding the meeting in accordance with the Constitution.

#### 7.15.4 General meetings and notices

A Director of the Company may call a general meeting and the Directors must call an annual general meeting in accordance with the Corporations Act. Members may request or call and arrange to hold a general meeting in accordance with the Corporations Act.

A general meeting may be held at two or more venues simultaneously, or wholly virtually, using any technology that gives members as a whole a reasonable opportunity to participate.

Subject to the constitution and the terms of issue of particular shares, each member is entitled to receive notice of, attend and vote at meetings of members of the Company.

The quorum for a meeting of members is two (2) members entitled to vote at the meeting.

### **7.15.5 Dividends and share plans**

Subject to the Constitution and the terms on which securities in the Company are on issue, the Board may declare, determine or pay any dividends as it sees fit. The Board may fix the amount, the time for payment and the method of payment.

Subject to the rights of holders of securities in the Company issued on special terms a dividend may be declared, determined and paid on the securities in the Company of one or more classes (if any) to the exclusion of the other or others.

The Board may direct payment of a dividend wholly or partly by the distribution in kind of specific assets.

A holder of securities in the Company which are Restricted Securities will not be entitled to any dividend during the escrow period applicable to those Restricted Securities except as permitted by the ASX Listing Rules or ASX.

Subject to the Relevant Law, the Board may establish and maintain plans as it thinks appropriate, and the Board is authorised to do all things it considers necessary or desirable to establish, implement and carry out each plan.

### **7.15.6 Issue of Shares**

Subject to the Constitution, the Relevant Law and any special rights conferred on the holders of any existing securities or class of securities in the Company, securities in the Company may be issued or otherwise disposed of by the Board in such a manner as it thinks fit.

Subject to the Corporations Act, the Company may issue preference shares which are, or at the option of the Company are to be, liable to be redeemed, in such manner and on such terms and conditions as the Board determines.

### **7.15.7 Transfer of Shares**

Generally, securities are freely transferrable subject to the procedural requirements of the constitution and to the provisions of the Relevant Law.

### **7.15.8 Restricted Securities**

Restricted securities (if any) are in the same class as quoted securities of the Company. The holder of those restricted securities will be taken to have agreed in writing that the restricted securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those restricted securities.

The Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted shares during the escrow period applicable to those restricted securities except as permitted by the ASX Listing Rules or ASX. A holder of restricted securities will not be entitled to participate in any return of capital on those restricted Shares during the escrow period applicable to those restricted securities except as permitted by the Listing Rules or ASX.

If a holder of restricted securities breaches a restriction deed or a provision of this Constitution restricting a disposal of restricted securities the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.

### **7.15.9 Proportional takeover provisions**

The registration of a transfer of Shares which would give effect to a proportional takeover bid is prohibited unless and until an approving resolution approving the proportional takeover bid is passed. The proportional takeover provisions will cease to have effect on the third anniversary of the adoption of the Constitution, unless renewed.

## 7 Details of the Offer Continued

### 7.15.10 Winding up

Subject to the rights of the holders of securities in the Company issued on special terms, if the Company is wound up, the liquidator in a winding up may, with the sanction of a special resolution of the Company, divide the assets of the Company among the members and/or vest all or any of the Company's assets in a trustee on trusts determined by the liquidator for the benefit of the contributories.

### 7.15.11 Variation of rights

The rights attached to securities in class of securities may, unless their terms of issue state otherwise, be varied or cancelled with the written consent of holders of such securities with at least 75% of the votes in the class, or by special resolution passed at a meeting of the class of holders holding securities in the class.

### 7.15.12 Directors – appointment, retirement and removal

The minimum number of Directors is three and the maximum number of Directors is ten.

Subject to the Constitution, the Company may appoint a person as a Director by resolution passed in general meeting.

The Board may appoint a Director either in addition to existing Directors or to fill a casual vacancy, and such Director will hold office until the next annual meeting.

A Director must retire from office at the end of the third annual general meeting following that Director's last appointment or three years, whichever is longer.

The Company may, subject to the Corporations Act, by resolution passed in general meeting remove any Director before the end of the Director's term of office, and if the outgoing Director is a non-executive Director, elect another person to replace the Director. A person appointed will hold office for the remainder of the term for which the Director replaced would have held office if the Director had not been removed.

In addition to the circumstances in which the office of a Director becomes vacant under the Corporations Act, Directors may be removed from office pursuant to any provision of the Relevant Law. If a managing or executive Director ceases to be employed by the Company or a related body corporate, then that person must also vacate their position as a Director.

### 7.15.13 Decisions of Directors

Unless the Board determines otherwise, the quorum for a meeting of Directors is two Directors.

A board resolution must be passed by a majority of the votes cast by Directors entitled to vote on the resolution.

The Chairperson of a board meeting has a casting vote if necessary in addition to any vote they have in their capacity as a Director.

The Directors may pass a resolution without a Board meeting being held if a majority of the Directors entitled to vote on the resolution (and being not less than the number required for a quorum at a Board meeting) sign a document containing a statement that they are in favour of the resolution set out in the document.

### 7.15.14 Alterations

The constitution can only be amended by a special resolution passed by at least 75% of members present and voting at a general meeting.

# 8

# Independent Limited Assurance Report



**Angas Securities**  
Metropolitan Adelaide, SA

### Fabulous Service - Highly recommend

★★★★★ published 4 weeks ago

We have just started using Zoom2U and the experience on all counts has been excellent! Firstly the website is so easy to use from booking your courier, viewing the tracking of your delivery along with email updates confirming booking and delivery.

We are a company that sends confidential documents and need to know they will delivered on time and securely, so was re-assuring to see a photo of document taken at our office (pick up location) and also at (delivery location) and signature of the recipient.

We will certainly be using Zoom2U in the future and would definitely recommend to other businesses that require a delivery/courier service.

**PRODUCT REVIEW**  
.COM.AU

**2019 / 2020 / 2021 AWARDS WINNER**



**Monique V.**  
Sydney, NSW

### Very easy and efficient

★★★★★ published 3 weeks ago

Easy to bid. Easy to book. Timely pick up and delivery. The pricing was excellent and the contactless delivery great, especially during these times. Thx you. I will use zoom2u again.



**Hil**  
Sydney Surrounds, NSW

### Great - perfect for our urgent deliveries :)

★★★★★ published 2 weeks ago

Booked online picked up on time and delivered within the time frame provided. This service is pretty efficient and easy tracking. I would recommend this for those urgent jobs. Have used the service twice now and cant fault them.



**Catriona**  
Illawarra, NSW

### Super easy to use.

★★★★★ published 2 weeks ago

The ability to contact your driver is amazing compared to other services that go through a central booking system. Dealing with a real person, that was professional and caring was so refreshing esp. in this current climate. Thank you.



**Kristi**

### Great service, first time.

★★★★★ published 1 week ago

The quote process was easy to navigate and offered me several options to choose from. Once the job was booked, I received timely and accurate information. I ordered a VIP pick up and the courier exceeded my expectations in terms of time. The tracking service gave me next-level comfort. Really pleased, will definitely use again and recommend to others.



**Jane J.**  
Sydney, NSW

### Fast efficient service and easy to book online.

★★★★★ published 6 days ago

It was easy to make the booking. The package was picked up on time. He was friendly and I was notified when the package was delivered. Very efficient service and using it again today!



**Woody** Victoria  
2 reviews

### Seemless Courier Service

★★★★★ published 1 week ago

Therese Patti my courier was prompt, attentive with ETA information. I was kept informed every step of the way. Package received well before. A Great service, recommend her as courier.



# 8 Independent Limited Assurance Report



Tel: +61 2 9251 4100  
Fax: +61 2 9240 9821  
www.bdo.com.au

Level 11, 1 Margaret St  
Sydney NSW 2000  
Australia

The Directors  
Zoom2u Technologies Limited  
Level 4, 55 Miller Street  
Pyrmont NSW 2009  
Australia

2 August 2021

Dear Directors

## INDEPENDENT LIMITED ASSURANCE REPORT

### INTRODUCTION

BDO Corporate Finance (East Coast) Pty Ltd (**BDO**) has been engaged by Zoom2u Technologies Limited (**Zoom2u** or **the Company**) to prepare this Independent Limited Assurance Report (**Report**) for inclusion in a prospectus proposed to be issued, in relation to the initial public offering of shares in Zoom2u, in or about September 2021 (**Prospectus**) and listing on the Australian Securities Exchange (**ASX**) (**the Offer**).

Unless stated otherwise in this Report, expressions defined in the Prospectus have the same meaning in this Report.

This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the financial information to which it relates for any purpose other than that for which it was prepared.

### SCOPE

You have requested BDO to perform a limited assurance engagement in relation to the financial information described below and disclosed in the Prospectus.

The financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards (**AAS**) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act 2001 (**the Act**).

### STATUTORY HISTORICAL FINANCIAL INFORMATION

You have requested BDO to review the following statutory historical financial information included in the Prospectus:

- The statutory historical consolidated statement of profit or loss for the years ended 30 June 2019 (**FY19**) and 30 June 2020 (**FY20**) and half years ended 31 December 2019 (**1H20**) and 31 December 2020 (**1H21**);
  - The statutory historical consolidated statement of cash flows for FY19, FY20, 1H20 and 1H21; and
  - The statutory historical consolidated statement of financial position as at 31 December 2020,
- together the **Statutory Historical Financial Information**.

BDO Corporate Finance (East Coast) Pty Ltd ABN 70 050 038 170 AFS Licence No. 247420 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (East Coast) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS and the company's adopted accounting policies.

The Statutory Historical Financial Information has been extracted from the financial statements of Zoom2u for the financial periods ended FY19 and FY20 (audited by PKF(NS) Audit & Assurance Limited Partnership (PKF)) and half years ended 1H20 and 1H21 (reviewed by BDO Audit Pty Ltd (BDO Audit)). The audit and review were performed in accordance with Australian Auditing Standards.

PKF and BDO Audit issued unqualified opinions with respect to the abovementioned financial reports.

#### **PRO FORMA HISTORICAL FINANCIAL INFORMATION**

You have requested BDO review the following pro forma historical financial information included in the Prospectus:

- The pro forma historical consolidated statements of profit or loss for FY19, FY20, 1H20 and 1H21;
  - The pro forma historical consolidated statements of cash flow for FY19, FY20, 1H20 and 1H21;
  - The pro forma historical consolidated statement of financial position as at 31 December 2020; and
  - Associated details of the pro forma adjustments,
- together the **Pro Forma Historical Financial Information**.

The Pro Forma Historical Financial Information has been derived from the Statutory Historical Financial Information of Zoom2u, after adjusting for the effects of pro forma adjustments described in Section 4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in AAS applied to the Statutory Historical Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 4 of the Prospectus, as if those event(s) or transaction(s) had occurred as at 1 July 2018 (in relation to the pro forma historical consolidated statements of profit or loss and pro forma historical consolidated statements of cash flow) and as at 31 December 2020 (in relation to the pro forma historical consolidated statement of financial position). Due to its nature, the Pro Forma Historical Financial Information does not represent the company's actual or prospective financial position, financial performance, and/or cash flows.

#### **STATUTORY FORECAST FINANCIAL INFORMATION**

You have requested BDO review the following statutory forecast financial information of Zoom2u included in Section 4 of the Prospectus:

- The statutory forecast consolidated statement of profit or loss, for the year ending 30 June 2021 (which comprises the actual 1H21 period and the forecast six month period ending 30 June 2021 (2H21F)) (FY21F); and
- The statutory forecast consolidated statement of cash flows for FY21F,

together the **Statutory Forecast Financial Information**.

The Statutory Forecast Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in AAS and the company's adopted accounting policies set out in Section 4 of the Prospectus.



The directors' best-estimate assumptions underlying the statutory forecast financial information are described in Section 4 of the Prospectus. Due to its nature, the Statutory Forecast Financial Information does not represent the company's actual prospective comprehensive income and cash flows for the year ending 30 June 2021.

#### **PRO FORMA FORECAST FINANCIAL INFORMATION**

You have requested BDO review the following pro forma forecast financial information of Zoom2u included in Section 4 of the Prospectus:

- The pro forma forecast consolidated statement of profit or loss for FY21F; and
- The pro forma forecast consolidated statement of cash flows for FY21F,

together the **Pro Forma Forecast Financial Information**.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information of Zoom2u, after adjusting for the effects of pro forma adjustments described in Section 4 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in AAS applied to the Statutory Forecast Financial Information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in Section 4 of the Prospectus, as if those event(s) or transaction(s) had occurred as at 1 July 2018.

The Pro Forma Forecast Financial Information is pro forma information only and does not represent Zoom2u's prospective financial performance for the year ending 30 June 2021. Care should be taken when considering and interpreting the Pro Forma Forecast Financial Information as this information does not forecast financial results which are actually expected to occur in the form presented.

#### **DIRECTORS' RESPONSIBILITY**

The directors of Zoom2u are responsible for:

- the preparation of the Statutory Historical Financial Information and Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information;
- the preparation of the Statutory Forecast Financial Information including the best-estimate assumptions underlying the Statutory Forecast Financial Information.
- the preparation of the Pro Forma Forecast Financial Information, including the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information; and
- Such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Forecast Financial Information (as defined in Section 4 of the Prospectus) that are free from material misstatement, whether due to fraud or error.

#### **OUR RESPONSIBILITY**

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that the Historical Financial Information and Forecast Financial Information (as defined in Section 4 of the Prospectus), including the best-estimate assumptions underlying the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information (and the reasonableness of the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information themselves), based on the procedures performed, and the evidence we have



obtained, has not been properly compiled in all material respects by Zoom2u, in accordance with the stated basis of preparation.

We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements Involving Corporate Fundraisings and/or Prospective Financial Information*.

The limited assurance procedures we performed were based on our professional judgement and included consideration of work papers, accounting records and other documents, including those dealing with the derivation of the Historical Financial Information of Zoom2u from its audited financial statements for the years ended FY19 and FY20 and half years ended 1H20 and 1H21 respectively, as well as those dealing with the derivation of the Forecast Financial Information of Zoom2u from management forecasts prepared for the year ending FY21F.

Our limited assurance procedures consist of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with AAS and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

## CONCLUSION

### STATUTORY HISTORICAL FINANCIAL INFORMATION

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information, as described in Section 4 of the Prospectus, and comprising:

- The statutory historical consolidated statement of profit or loss FY19, FY20, 1H20 and 1H21;
- The statutory historical consolidated statement of cash flows for FY19, FY20, 1H20 and 1H21; and
- The statutory historical consolidated statement of financial position as at 31 December 2020

is not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus.

### PRO FORMA HISTORICAL FINANCIAL INFORMATION

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as described in Section 4 of the Prospectus, and comprising:

- The pro forma historical consolidated statements of profit or loss for FY19, FY20, 1H20 and 1H21;
- The pro forma historical consolidated statements of cash flow for FY19, FY20, 1H20 and 1H21; and
- The pro forma historical consolidated statement of financial position as at 31 December 2020,

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 4 of the Prospectus.

### STATUTORY FORECAST FINANCIAL INFORMATION

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that:

- the director's best-estimate assumptions, used in the preparation of the statutory forecast consolidated statement of profit or loss and statutory forecast consolidated statement of cash flow of Zoom2u for the



year ending 30 June 2021, do not provide reasonable grounds for the Statutory Forecast Financial Information; and

- in all material respects, the statutory forecast:
  - is not prepared on the basis of the director’s best-estimate assumptions as described in Section 4 of the Prospectus;
  - is not presented fairly in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus; and
- the Statutory Forecast Financial Information itself is unreasonable.

#### **PRO FORMA FORECAST FINANCIAL INFORMATION**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that:

- the director’s best-estimate assumptions, used in the preparation of the pro forma forecast consolidated statement of profit or loss and pro forma forecast consolidated statement of cash flow of Zoom2u for the year ending 30 June 2021, do not provide reasonable grounds for the Pro Forma Forecast Financial Information; and
- in all material respects, the Pro Forma Forecast Financial Information:
  - is not prepared on the basis of the directors’ best-estimate assumptions, as described in Section 4 of the Prospectus;
  - is not presented fairly in accordance with the stated basis of preparation, as described in Section 4 of the Prospectus; and
- the Pro Forma Forecast Financial Information itself is unreasonable.

#### **FORECAST FINANCIAL INFORMATION**

The Statutory Forecast Financial Information and Pro Forma Forecast Financial Information have been prepared by management and adopted by the directors in order to provide prospective investors with a guide to the potential financial performance of Zoom2u for the year ending 30 June 2021. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to event(s) and transaction(s) that have not yet occurred and may not occur. Actual results are likely to be different from the statutory forecast and pro forma forecast since anticipated event(s) or transaction(s) frequently do not occur as expected and the variation may be material.

The directors’ best-estimate assumptions for the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information relate to future event(s) and/or transaction(s) that management expect to occur and actions that management expect to take and are also subject to uncertainties and contingencies, which are often outside the control of Zoom2u. Evidence may be available to support the directors’ best-estimate assumptions on which the statutory forecast and pro forma forecast are based however such evidence is generally future-oriented and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, provide a lesser level of assurance on the reasonableness of the directors’ best-estimate assumptions. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in Zoom2u, which are detailed in the Prospectus, and the inherent uncertainty relating to the forecast. Accordingly, prospective investors should have regard to the investment risks and sensitivities as described in Section 4 of the



Prospectus. The sensitivity analysis described in Section 4 of the Prospectus demonstrates the impact on the pro forma forecast of changes in key best-estimate assumptions. We express no opinion as to whether the forecast will be achieved.

We disclaim any assumption of responsibility for any reliance on this report, or on the Statutory Forecast Financial Information and Pro Forma Forecast Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of Zoom2u, that all material information concerning the prospects and proposed operations of Zoom2u has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

#### **SUBSEQUENT EVENTS**

Apart from the matters dealt with in this Report, and having regard to the scope of this Report and the information provided by the Directors, to the best of our knowledge and belief no material transaction(s) or event(s) outside of the ordinary business of Zoom2u not described in the Prospectus, has come to our attention that would require comment on, or adjustment to, the information referred to in our Report or that would cause such information to be misleading or deceptive.

#### **INDEPENDENCE**

BDO is a member of BDO International Ltd. BDO does not have any interest in the outcome of the Prospectus other than in connection with the preparation of this Report and participation in due diligence procedures, for which professional fees will be received. From time to time, BDO provides Zoom2u with certain other professional services for which normal professional fees are received.

#### **GENERAL ADVICE WARNING**

This Report has been prepared, and included in the Prospectus, to provide investors with general information only and does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

Without modifying our conclusions, we draw attention to Section 4 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

BDO has consented to the inclusion of this Report in the Prospectus in the form and context in which it is included. At the date of this Report this consent has not been withdrawn. However, BDO has not authorised the issue of the Prospectus. Accordingly, BDO makes no representation regarding, and takes no responsibility for, any other statements or material in or omissions from the Prospectus.

#### **FINANCIAL SERVICES GUIDE**

Our Financial Services Guide follows this Report. This guide is designed to assist retail clients in their use of any general financial product advice in our Report.

As set out in the financial services guide, this Report provides general information only. It does not take into account the objectives, financial situation or needs of any specific investor. It is not intended to be a substitute for professional advice and potential investors should not make specific investment decisions in reliance on the

## 8 Independent Limited Assurance Report Continued >



information contained in this Report. Before acting or relying on any information, potential investors should consider whether it is appropriate for their objectives, financial situation or needs.

If you require any additional information and/or clarification on any matter please contact us.

Yours faithfully  
BDO Corporate Finance (East Coast) Pty Ltd

A handwritten signature in black ink, appearing to read 'Daniel Coote', is written in a cursive style.

Daniel Coote  
Director



Tel: +61 2 9251 4100  
Fax: +61 2 9240 9821  
www.bdo.com.au

Level 11, 1 Margaret St  
Sydney NSW 2000  
Australia

## FINANCIAL SERVICES GUIDE

Dated: 2 August 2021

This Financial Services Guide (FSG) helps you decide whether to use any of the financial services offered by BDO Corporate Finance (East Coast) Pty Ltd (BDO Corporate Finance, we, us, our).

The FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No: 247420
- Remuneration that we and/or our staff and any associates receive in connection with the financial services
- Any relevant associations or relationships we have
- Our complaints handling procedures and how you may access them.

### FINANCIAL SERVICES WE ARE LICENSED TO PROVIDE

We hold an Australian Financial Services Licence which authorises us to provide financial product advice to retail and wholesale clients about securities and certain derivatives (limited to old law securities, options contracts and warrants). We can also arrange for customers to deal in securities, in some circumstances. Whilst we are authorised to provide personal and general advice to retail and wholesale clients, we only provide *general* advice to retail clients.

Any general advice we provide is provided on our own behalf, as a financial services licensee.

### GENERAL FINANCIAL PRODUCT ADVICE

Our general advice is typically included in written reports. In those reports, we provide general financial product advice that is prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of the general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

### FEES, COMMISSIONS AND OTHER BENEFITS THAT WE MAY RECEIVE

We charge fees for providing reports. These fees are negotiated and agreed to with the person who engages us to provide the report. Fees will be agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. In this instance, the Company has agreed to pay us A\$100,000 for preparing the Report.

Except for the fees referred to above, neither BDO Corporate Finance, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of general advice.

All our employees receive a salary. Our employees are eligible for bonuses based on overall company performance but not directly in connection with any engagement for the provision of a report.

### REFERRALS

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

### ASSOCIATIONS AND RELATIONSHIPS

BDO Corporate Finance is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The general financial product advice in our report is provided by BDO Corporate Finance and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

### COMPLAINTS RESOLUTION

#### Internal Complaints Resolution Process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. Complaints can be in writing, addressed to the Complaints Officer, BDO Corporate Finance, Level 11, 1 Margaret St, Sydney NSW 2001 or by telephone or email, using the contact details at the top of this FSG.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

#### Referral to External Dispute Resolution Scheme

If a complaint relating to general advice to a retail client is not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority (AFCA). AFCA is an independent company that has been established to impartially resolve disputes between consumers and participating financial services providers.

BDO Corporate Finance is a member of AFCA (Member Number 11843).

Further details about AFCA are available at the AFCA website [www.afca.org.au](http://www.afca.org.au) or by contacting them directly via the details set out below.

Australian Financial Complaints Authority  
GPO Box 3  
MELBOURNE VIC 3001  
Toll free: 1800 931 678  
Email: [info@afca.org.au](mailto:info@afca.org.au)

### COMPENSATION ARRANGEMENTS

BDO Corporate Finance and its related entities hold Professional Indemnity insurance for the purpose of compensating retail clients for loss or damage suffered because of breaches of relevant obligations by BDO Corporate Finance or its representatives under Chapter 7 of the Corporations Act 2001. These arrangements and the level of cover held by BDO Corporate Finance satisfy the requirements of section 912B of the Corporations Act 2001.

### CONTACT DETAILS

You may provide us with instructions using the details set out at the top of this FSG or by emailing - [cf.ecp@bdo.com.au](mailto:cf.ecp@bdo.com.au)

BDO Corporate Finance (East Coast) Pty Ltd ABN 70 050 038 170 AFS Licence No. 247420 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Corporate Finance (East Coast) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.



# 9 Additional Information

The image illustrates a live tracking system for a delivery driver. On the left, a map shows a route starting at a red location pin labeled 'Zoom2u' and ending at a blue location pin labeled 'ASX'. A driver profile card for 'Bob McZoom' is overlaid on the map, showing a 'Driving' status with a 17% battery level and an ETA of 10:30 AM on SEP 10, 2021. A van icon is also present on the map. On the right, a smartphone displays the 'Live tracking' app interface. The app shows a map with the same route and a driver profile for 'Steve Orenstein' with an 'On route' status. The app also displays the ETA (10:30 AM Today) and the last location update (10:25 AM Today). A red arrow points from the text 'Your Logo' at the bottom left to the Zoom2u logo at the bottom of the smartphone screen.

**Bob McZoom**  
Driving  
17%   
ETA  
10:30 AM | SEP 10, 2021

**Zoom2u**

**ASX**

**Steve Orenstein**  
On route  
1 more stop before you  
ETA  
10:30 AM | Today  
Last location update  
10:25 AM | Today

**Your Logo**

**Zoom2u**

## 9 Additional Information

### 9.1 Registration

The Company was registered in New South Wales on 23 September 2019.

### 9.2 Company tax status and financial year

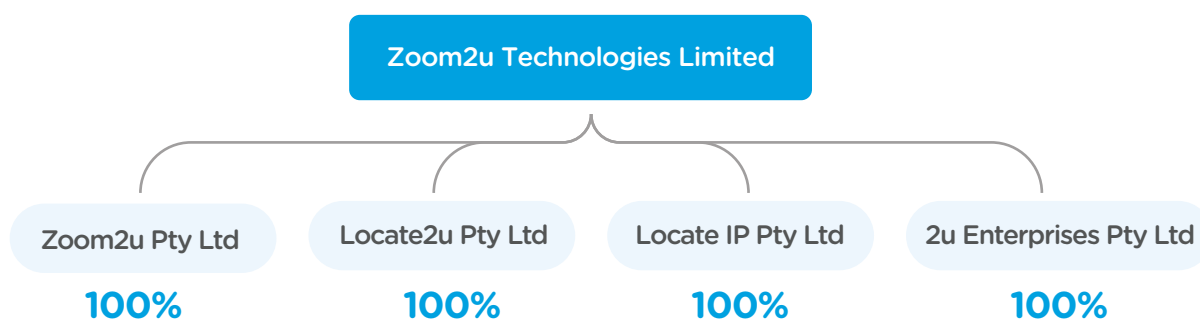
The Company will be subject to tax at the applicable Australian corporate tax rate.

The Company's income year for taxation purposes ends on 30 June.

The Company is not currently part of an income tax consolidation group. The Company plans to make a full assessment of the implication of income tax consolidation following Completion of the Offer. The Company will make a choice at that time whether it is in the best interests of the Group to form an income tax consolidated group. It is the Company's intention not to form an income tax consolidated group if it is determined that it results in material adverse financial impacts to the Group.

### 9.3 Corporate structure

The following diagram shows the entities in the corporate structure of the Group at Listing.



### 9.4 Material Contracts

#### 9.4.1 Standard contracts with Customers

##### 9.4.1.1 Customer Terms

A Customer is required to agree to Zoom2u's standard Customer Terms and Conditions (which are available on Zoom2u's website at [www.zoom2u.com.au/customer-terms](http://www.zoom2u.com.au/customer-terms)) (**Customer Terms**), which governs the relationship between Zoom2u and the Customer.

The Customer Terms are effective from 5 February 2021 and cover terms of use of the Platform and user account, payment, cancellation, carrier service and complaints, termination, dispute resolution, security of payment, privacy, IP, indemnity and liability and other standard terms.

Key provisions of the Customer Terms are set out below:

- Zoom2u grants to the Customer a revocable, non-exclusive and non-transferrable licence to use and access the Platform solely for the permitted use of making or creating booking requests in accordance with the Customer Terms;
- The Customer acknowledges and agrees that Zoom2u does not employ the Drivers and the Customer will not control or endeavour to restrict the independence or autonomy of any Driver;

## 9 Additional Information Continued

- Upon a Driver accepting the Customer's booking, Zoom2u, on behalf of the Carrier, will deduct the Delivery Fee from the credit card provided by the Customer. In the event that the Customer cancels a booking, but the Driver is not yet on route to pick-up the consignment, no Delivery Fee shall be payable in relation to the relevant booking. In the event that the Driver is on route to collection, a cancellation fee will be applicable;
- The Customer agrees to indemnify Zoom2u, on demand, against any claim, action, damage, Loss, liability, cost, charge, expense or payment which Zoom2u may pay, suffer, incur or are liable for, in relation to any act the Customer does or causes to be done, in breach of these Customer Terms; and
- To the extent permitted by law, Zoom2u will not be responsible and will be excluded from all liability, for any loss or damage whatsoever (including personal injury, loss of life and damage to property and damage or loss to the consignment) that the Customer or another person may suffer in connection with the offer or supply of (or default in supplying) the Delivery service provided by a Driver pursuant to a booking made by the Customer.

### 9.4.1.2 Services Agreement

Zoom2u contracts with some of its enterprise Customers via its standard services agreement (**Services Agreement**).

Key provisions of the Services Agreement are set out below:

- The agreement sets out a fixed initial term and a fixed subsequent term;
- If either party wishes to cease providing or receiving the services at the end of the initial term, it must notify the other party at least 30 days before the end of the initial term that the services will cease at that time. If no such notice is provided, the agreement will automatically be extended on a month to month basis until either party gives at least 30 days' notice that it wishes to cease providing or receiving the services. Notwithstanding this, either party may terminate the agreement without cause by giving 90 days written notice to the other party;
- Either party is entitled to terminate the agreement if the other party has a liquidation event and the Customer is entitled to immediately terminate the agreement by notice in writing to Zoom2u where Zoom2u is fails to remedy its breach of any of its obligations under the agreement or breaches any material provision of the agreement;
- Zoom2u provides platform services to the Customer whereby Zoom2u grants the Customer access to the Platform. In consideration for Zoom2u providing such platform services, the Customer must pay to Zoom2u the platform service fee;
- In addition to the platform services fee, the Customer must pay each invoice sent by Zoom2u to the Customer on behalf of the relevant Driver;
- Nothing in the agreement obliges the Customer to make use of any specific volume of usage in respect of the services, or binds the Customer to pay Zoom2u any minimum platform services fee or delivery services fee; and
- The agreement establishes an independent contractual relationship between Zoom2u and the Customer and does not establish a relationship of employer and employee between the parties or any third-party.

### 9.4.2 Contracts with material enterprise Customers

#### 9.4.2.1 Greencross Agreement

Greencross Pty Limited (ACN 119 778 862) (**Greencross**) has contracted with Zoom2u by way of accepting the Customer Terms on or around 1 May 2020. Nothing in this agreement obliges Greencross to make use of any specific volume of usage in respect of the services, or binds Greencross to pay Zoom2u any minimum fees.

The Company understands that Greencross is putting its logistics work to tender. As a result, the services provided by the Company will be subject to that tender process and as such there is no guarantee that this contract will remain on foot moving forward if the Company is unsuccessful in the tender process.

#### 9.4.2.2 DHL Express Contract

Zoom2u entered into a services agreement with DHL Express (Australia) Pty Ltd (ABN 62 001 112 929) (**DHL Express**) on 14 April 2021 (**DHL Express Contract**). The DHL Express Contract has an initial term of 2 years which DHL can terminate immediately if Zoom2u undergoes a liquidation event or if Zoom2u fails to remedy of a breach of its obligations under the DHL Express Contract or breaches any material provision of the DHL Express Contract. DHL may also terminate the DHL Express Contract without cause by giving 90 days written notice to Zoom2u. Under the DHL Express Contract, Zoom2u must give access to the Platform to DHL Express as a Customer and DHL Express will pay fees for deliveries completed by Drivers. Nothing in the DHL Express Contract obliges DHL Express to make use of any specific volume of usage of the Platform or pay to Zoom2u any minimum amount of fees.

#### 9.4.2.3 Nestlé Agreement

Zoom2u has entered into a services agreement with Nestlé Australia Limited (ABN 77 00 011 316) (**Nestlé**) (**Nestlé Agreement**). Pursuant to the Nestlé Agreement, Zoom2u will grant Nestlé access to the Platform with the aim that Zoom2u facilitates Nespresso's hyperlocal store to consumer Same Day deliveries. The initial term of the Nestlé Agreement has expired and will continue until terminated. It is noted that Nestlé can terminate the Nestlé Agreement immediately if the Company: undergoes a liquidation event, fails to remedy breach of any of its obligations under the Nestlé Agreement which is capable of remedy, breaches any of its obligations under the Nestlé Agreement or fails to meet its key performance indicators (which relate to ensuring legislative compliance in connection with the services, achieving agreed standards relating to, the timing of pickups/deliveries, and losses and damages to goods). Nestlé may also terminate the Nestlé Agreement at any time for convenience on giving three months notice. Nestlé does not guarantee to Zoom2u any minimum amount of volumes of bookings through the Platform or payment of any minimum amount of fees.

### 9.4.3 Contracts with Drivers

Zoom2u provides Drivers a licence to use the Platform pursuant to its standard Carrier Terms and Conditions (which are available on Zoom2u's website at [www.zoom2u.com.au/carrier-terms](http://www.zoom2u.com.au/carrier-terms)) (**Driver Terms**).

The Driver Terms are effective from 5 February 2021 and cover the grant of licence, bookings, fees, ownership of IP, insurance, vehicles, assignment, Drivers' warranties, privacy, health and safety, terms of use, indemnity and liability, termination and other standard terms.

Key provisions of the Driver Terms are set out below:

- The Driver acknowledges and agrees that Zoom2u does not employ the Driver or contract with the Driver other than pursuant to the licence arrangements contemplated by the Driver Terms;
- By completing the on-boarding process, the Driver accepts and agrees to be bound by the Driver Terms, which commences on the date Zoom2u notifies the Driver in writing that it has successfully completed the on-boarding process and continues in force unless and until terminated in accordance with the Driver Terms;
- On completion of the on-boarding process by the Driver, Zoom2u grants to the Driver a revocable, non-exclusive licence to use and access the Platform for the permitted use of accepting booking requests and providing delivery services;
- In consideration of the grant of the licence to the Driver, the Driver must pay the Licence Fee to Zoom2u on each relevant processing date;
- The Driver acknowledges that it is only entitled to receive the Delivery Fee, which is to be collected by Zoom2u on its behalf, in consideration of the completion of the Delivery;
- The Driver must register for GST and set up a user account in order to accept a booking request on the platform; and
- The Driver acknowledges and agrees that he, she or it will be liable for any loss or damage caused to any consignment whilst in the possession, or under the control, of the Driver.

## 9 Additional Information Continued

### 9.4.4 End-user License Agreement

Locate2u contracts with its clients through its standard End-User License Agreement (**End-User License Agreement**), under which Locate2u grants to its clients a non-exclusive licence of the software and other technological products and services for the purpose of delivery and field service management provided by Locate2u (**Locate2u Platform**) in consideration for fees that are described in Section 3.3.3.1.

The term of the End-User License Agreement depends on the particular products/services subscribed for by the client. The applicable licence term will expire automatically at the conclusion of the licence term, unless terminated earlier.

The intellectual property rights in the Locate2u Platform and all documents, instructions, specifications, codes, requirements, samples, measurements and other information and materials provided by Locate2u to the client are owned by Locate2u, will remain the property of Locate2u, and nothing in the agreement will transfer that ownership.

### 9.4.5 Other key contractual relationships

Zoom2u contracts with Open Door Logistics, which provides a non-exclusive, non-transferrable and non-sublicensable and perpetual licence to Zoom2u to use a software program that allows for the tracking of vehicles in real time. The licence granted by Open Door Logistics is terminable by either party on the provision of one month's written notice.

Zoom2u has also entered into a number of agreements with its other key payment services and IT suppliers, including Braintree, Stripe, Split Payments, Microsoft Azure, Google, Zwillio, WP Engine, FullCalendar and Github. All of these agreements are on standard terms and conditions, and are current (not expired).

## 9.5 Debt financing arrangement

The Group's debt arrangement comprises a secured uncommitted revolving loan facility with a credit limited of \$500,000 provided by Tradeplus24 Australia Pty Limited to Zoom2u. The interest rate is calculated as the sum of the 30 day/1 month BBSW bid rate at the first date of each month (**Base Rate**) and the margin, being 8.23% per annum. A floor of 0% will apply to the Base Rate. A facility fee accrues on and from the first drawdown date at a rate of 2.5% per annum paid monthly in arrears. This debt facility is available until 31 December 2021. The facility documents for this debt facility contain standard lender friendly terms. Currently, there is no amount owing under this facility.

## 9.6 Offer Management Agreement

The Company has appointed Foster to act as lead manager to the Offer pursuant to an offer management agreement dated 2 August 2021 between the Company and Foster (**Offer Management Agreement**).

The Offer Management Agreement is subject to a number of conditions precedent and sets out a number of circumstances under which Foster may terminate the Offer Management Agreement.

### 9.6.1 Fees, costs and expenses

The Company has agreed to pay Foster a distribution fee of 4% of the gross proceeds of the Offer (ex GST), a management fee of 1% of the gross proceeds of the Offer (ex GST) and an incentive fee of 1% of the gross proceeds of the Offer (ex GST). The Company has agreed to reimburse Foster for all reasonable out-of-pocket expenses reasonably incurred in connection with the Offer including legal fees (capped at \$30,000 (ex GST)), travel costs and other customary expenses associated with an offer such as the Offer, subject to certain limits and approval requirements.

The Company has also agreed to issue to Foster (or its nominee) a total of 2 million unlisted options with an exercise price of \$0.30 per Share, equal to a 50% premium to the Offer Price, and with an expiry date of 3 years from the Listing Date (**Lead Manager Options**). The other terms of the Lead Manager Options are as follows:

#### (a) Entitlement

Each Lead Manager Option shall entitle the holder of that Lead Manager Option the right to subscribe (in cash) for one Share.

#### (b) Vesting Date

The Lead Manager Options will vest on the date the Company successfully lists on the ASX (**Vesting Date**).

#### (c) Expiry

The Lead Manager Options will expire at 5.00pm (Sydney time) on the date that is 3 years after the Company successfully lists on the ASX (**Expiry Date**). Subject to paragraph (g) below, Lead Manager Options may be exercised at any time from the Vesting Date and prior to the Expiry Date and Lead Manager Options not vested or exercised shall automatically expire on the Expiry Date.

#### (d) Ranking of Share allotted on exercise of Lead Manager Option

Each Share allotted as a result of the exercise of any Lead Manager Option will, subject to the constitution of the Company, rank in all respects equally with the then existing Shares.

#### (e) Voting

A registered owner of a Lead Manager Option (**Lead Manager Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being a Lead Manager Option Holder, a Shareholder.

#### (f) Transfer of Lead Manager Options and Shares

Lead Manager Options are not transferable at any time prior to the Expiry Date without the prior written consent of the Company. Each Lead Manager Option Holder's ability to transfer or otherwise dispose of their interest in the Lead Manager Options and any Shares issued to them on exercise of the Lead Manager Options is subject to any restrictions on the transfer of such Lead Manager Options and such Shares (as the case may be) that may be imposed by the ASX in circumstances where the Company is listed on the ASX.

#### (g) Method of exercise of a Lead Manager Option

Lead Manager Options may be exercised by the Lead Manager Option Holder by completing a notice of exercise and forwarding the same to the Company secretary to be received prior to the Expiry Date. The notice of exercise must state the number of Lead Manager Options exercised and the consequent number of Shares in the capital of the Company to be allotted; which number of Lead Manager Options must be a multiple of 100,000 if only part of the Lead Manager Option Holder's total Lead Manager Options are exercised, or if the total number of Lead Manager Options held by an Lead Manager Option Holder is less than 100,000, then the total of all Lead Manager Options held by that Lead Manager Option Holder must be exercised. The notice of exercise by a Lead Manager Option Holder must be accompanied by payment in full for the relevant number of Shares being subscribed, being an amount of \$0.30 per Share. Within 14 days from the date the Lead Manager Option Holder properly exercises Lead Manager Options held by the Lead Manager Option Holder, the Company shall issue and allot to the Lead Manager Option Holder that number of Shares in the capital of the Company so subscribed for by the Lead Manager Option Holder. The Company will within 3 business days from the date of issue and allotment of Shares pursuant to the exercise of a Lead Manager Option, apply to the ASX for, and use its best endeavours to obtain, official quotation of all such Shares, in accordance with the Corporations Act and the ASX Listing Rules.

## 9 Additional Information Continued

### (h) Quotation

The Company will not apply for quotation of the Lead Manager Options on the ASX.

### (i) Reorganisation

In the event of a reorganisation (including a consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Lead Manager Option Holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reorganisation of capital, at the time of the reorganisation.

### (j) Participation in new Share issues

There are no participating rights or entitlements inherent in the Lead Manager Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the expiry date unless and until the Lead Manager Options are exercised.

### (k) No change of Lead Manager Options exercise price or number of underlying Shares

The exercise price and the one-for-one exercise ratio are fixed for the life of the Lead Manager Options, subject to paragraph (i) and the ASX Listing Rules.

### (l) Escrow

If the ASX determines that the Lead Manager Options or any Shares issued on exercise of Lead Manager Options are "Restricted Securities" (as defined in the ASX Listing Rules), the Lead Manager Option Holder must, upon request by the Company, deliver to the Company a restriction deed (in the form of Appendix 9A of the ASX Listing Rules) in relation to the Lead Manager Options and/or the Shares allotted on exercise of the Lead Manager Options (as applicable) duly executed by all parties to that restriction deed other than the Company, and the Lead Manager Option Holder acknowledges and agrees that its continued compliance with the terms of such restriction deed is an essential term of this document.

## 9.6.2 Indemnity

The Company has agreed to indemnify Foster and their related bodies corporate and affiliates and each of their respective affiliates, directors, officers, partners, employees, contractors, agents, advisers and representatives (**Indemnified Parties**) against all losses, damages, costs, expenses and liabilities directly or indirectly suffered or incurred by them in connection with the Offer, including (but not limited to) losses in connection with:

- the distribution of the Prospectus or other document relating to the Offer (**Offer Documents**), undertaking the roadshow, and the making of the Offer and the conduct of the bookbuild;
- the subscription for and the allotment and issue of Shares;
- the Offer Documents;
- a breach by the Company of its obligations under the Offer Management Agreement or any other binding obligations in respect of any Offer Document or the Offer, including any of the representations and warranties by the Company contained in the Offer Management Agreement not being true and correct;
- any claims that an Indemnified Party has any liability under the Corporations Act and any other applicable law in relation to the Offer;
- any review, enquiry or investigation undertaken by ASIC, ASX, the Australian Taxation Office, any state or territory regulatory office or any other regulatory or governmental agency in relation to the Offer or the Offer Documents, whether commenced or threatened, and any matter incidental to it, including preparation for, defence of, or settlement, judgment or determination made in respect of it; or
- any advertising, publicity, statements, presentations or promotional materials relating to the Offer or the Offer Documents issued by, or on behalf of, or authorised by or issued with the concurrence of the Company,

except to the extent that the loss, damage, cost, expense or liability:

- relate to matters disclosed in the Prospectus or due diligence materials;
- are caused by a criminal penalty or fine which that Indemnified Party is required to pay for any contravention by it of the Corporations Act or any other applicable law;
- result directly from the breach of agreement, negligence, fraud, recklessness or misconduct of any Indemnified Party; or
- represent any amount in respect of which the indemnity would be illegal, void or unenforceable under any applicable law.

### 9.6.3 Warranties

The Offer Management Agreement contains certain representations, warranties, and undertakings provided by the Company to Foster relating to matters such as its powers, its conduct (including in respect of disclosure and compliance with applicable laws and the ASX Listing Rules), information provided and the conduct of the Offer.

The Company's undertakings include that it will not, for 90 days following Completion of the Offer, issue or agree to issue any equity securities or securities that are convertible or exchangeable into equity without the consent of Foster, other than pursuant to stated exceptions including under the Offer or as contemplated under the Prospectus, or under any director or employee incentive plan or as is otherwise approved by shareholders at a general meeting.

### 9.6.4 Termination events

The Offer Management Agreement is subject to customary termination events. Foster may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Offer Management Agreement at any time prior to 4:00pm on the Offer Settlement Date without cost or liability and be released from its obligations under it on the occurrence of certain events set out in the Offer Management Agreement, including (but not limited to) those set out below.

- The Prospectus does not comply with the Corporations Act (including if a statement in the Prospectus is or becomes misleading or deceptive, or a matter required to be included is omitted from the Prospectus), the ASX Listing Rules, or any other applicable law or regulation and cannot be adequately corrected or rectified through the issue of a supplementary prospectus.
- The Company fails to issue a supplementary or replacement prospectus where Foster reasonably forms the view that one is required to comply with section 719 of the Corporations Act.
- The S&P/ASX 200 Index at any time falls to a level that is 10% or more below the level of the index at the close of trading on the trading day immediately prior to the date of the Prospectus for a period of at least two consecutive business days, or on the business day immediately prior to the Offer Settlement Date or on the Offer Settlement Date.
- ASX approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
  - the Company's admission to the Official List on or before the date prior to the Listing; or
  - the quotation of the Shares on ASX prior to the Offer Settlement Date; or
  - if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld.



## 9 Additional Information Continued

- Any of the following notifications are made in respect of the Offer:
  - ASIC issues an order (including an interim order) under section 739 of the Corporations Act;
  - an application is made by ASIC for an order under Part 9.5 in relation to the Prospectus;
  - ASIC issues a notice of its intention to hold a hearing or investigation in relation to the Offer or an Offer document under the Corporations Act, the *Australian Securities and Investments Commission Act 2001* (Cth) or any other applicable law;
  - ASIC applies for an order under sections 1324B or 1325 Corporations Act in relation to any Offer document;
- ASIC does any of the following:
  - prosecutes or gives notice of an intention to prosecute; or
  - commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Offer or any Offer document; or
  - a person (other than Foster) gives a notice to the Company under section 73 Corporations Act.
- Any person (other than Foster seeking to terminate) who has previously consented to the inclusion of its name in the Prospectus withdraws that consent.
- The Company withdraws the Prospectus or the Offer.
- The Company or any other member of the Group is or becomes insolvent or there is an act or omission which may result in the Company or any other member of the Group becoming insolvent.
- There has been, after the date of the Offer Management Agreement, a material adverse change or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the assets and liabilities, financial position and performance, profits and losses or prospects of the Group from that described in the Prospectus.
- Any event specified in the timetable for the Offer is delayed for more than two Business Days without the prior written consent of Foster (which must not be unreasonably withheld or delayed).
- There is:
  - a material adverse change or disruption to political or economic conditions or financial markets of Australia, the United Kingdom, the European Union, or the United States of America or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions; or
  - a general moratorium on commercial banking activities declared in Australia, the United Kingdom, or the United States of America.
- Trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading.
- Any of the Directors, chief executive officer or chief financial officer of the Company is disqualified under the Corporations Act from managing a corporation, charged with an offence relating to any financial or corporate matter under any law; or removed from office or replaced without the written consent of Foster.
- Any material contract (as defined in the Offer Management Agreement) is terminated, rescinded or amended without the prior written consent of Foster (that consent not to be unreasonably withheld or delayed, or found to be void or voidable).

## 9.7 Capital Structure

The Company's capital structure on Completion will be as follows:

	Shares	Options
Number of Securities on issue prior to Completion	133,332,932 <sup>1</sup>	-
Lead Manager Options to be issued on Completion		2,000,000 <sup>2</sup>
ESOP Options to be issued		21,237,510
Shares to be issued under the Offer	40,000,000	
<b>TOTAL</b>	<b>173,332,932</b>	<b>23,237,510</b>

### Notes:

1. As at the Prospectus Date, the Company has 116,666,278 Shares on issue and on receipt of conditional approval from ASX to admission to the Official List of the ASX, a further 16,666,654 Shares will be issued upon conversion of the Convertible Notes as described in Section 9.8.
2. The Lead Manager Options will be issued on Completion pursuant to the terms of the Offer Management Agreement as described in Section 9.6.

The Company anticipates its free float on admission to be no less than 20%.

## 9.8 Convertible Notes

As at the Prospectus Date, the Company has 2.5 million convertible notes on issue with an aggregate face value of \$2.5 million (**Convertible Notes**). The Convertible Notes were issued as a result of the Company's pre-IPO capital raise to 33 Noteholders, including but not limited to entities associated with Steve Orenstein and Michael Gayst, and Perennial Private to Public Opportunities Fund No. 3 Foundation Class.

Under the terms of the Convertible Notes, no interest is payable in relation to the Convertible Notes.

The Convertible Notes will convert into Shares on:

- receipt by the Company of all Application Monies and accompanying Application forms in accordance with the requirements of the Prospectus and the depositing of those monies into a trust account in accordance with section 722 of the Corporations Act;
- receipt by the Company of a confirmation from the ASX which approve the Listing subject only to customary conditions; and
- serving of a written notice by the Company on the Noteholders confirming that (a) or (b) above have been fulfilled and the Company is able to satisfy, and will satisfy, the conditions set out in the confirmation from the ASX as mentioned in (b) above by the date required by the ASX.

If the conversion occurs pursuant to an IPO of the Company on or before 17 March 2022 for Perennial Private to Public Opportunities Fund No. 3 Foundation Class and 20 February 2022 for the other Noteholders, being within 9 months of their respective subscription date, the conversion price for the Convertible Notes will be \$0.15 per Share, being 75% of the Offer Price. Based on the indicative timetable in this Prospectus, conversion is expected to occur on or prior to Tuesday, 7 September 2021, which is the expected date for issue and allotment of Shares. As such, the Company expects to issue 16,666,654 Shares on conversion of the Convertible Notes.

## 9 Additional Information Continued

### 9.9 Escrow arrangements

Subject to the Company being admitted to the Official List of the ASX, the Company anticipates that certain Shares and Options will be classified by ASX as restricted securities and will be required to be held in escrow for up to 24 months from the date of the Quotation. During the period in which these Shares (if any) are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner. The Company will announce to the ASX full details (quantity and duration) of the Shares and Options (if any) required to be held in escrow prior to the Shares commencing trading on ASX.

The Company has obtained in-principle confirmation as to how certain holders will be treated with respect to mandatory escrow arrangements including the availability of cash formula relief to certain categories of holders.

It is expected that the following securities will be classified by the ASX as restricted securities:

Securityholder	Number of restricted securities held at Completion	Escrow period
Anthony Klok and Kerry Ryan ATF Klok Ryan Family Superannuation Fund	5,086,483 Shares	24 months from date of quotation
Gayst Super Pty Ltd ACN 160 907 880 ATF the Gayst Superannuation Fund	105,886 Shares	24 months from date of quotation
Gemlode Pty Limited (ACN 159 238 267) ATF Gemlode Trust	12,370 Shares	24 months from date of quotation
Paul and Mary Orenstein ATF Orenstein Superannuation Fund	4,777,903 Shares	24 months from date of quotation
Super Monkeys Pty Ltd (ACN 607 921 844) ATF Super Monkeys Super Fund	162,816 Shares	24 months from date of quotation
S.M.O Funds Pty Limited (ACN 142 982 198) ATF the SMO Funds Trust	42,396,770 Shares	24 months from date of quotation
SMO SMSF Pty Ltd ATF SMO Superannuation Fund	433,333 Shares	24 months from date of quotation
Mainstream Fund Services Pty Limited as custodian for Perennial Private to Public Opportunities Fund No. 3 Foundation Class	666,666 Shares	12 months from 17 June 2021
Other Noteholders <sup>1</sup>	3,341,655 Shares	12 months from 20 May 2021
<b>Total</b>	<b>56,983,882 Shares</b>	
All Directors	13,829,076 ESOP Options	24 months from date of quotation
Lead Manager	2,000,000 Lead Manager Options	24 months from date of quotation
<b>Total</b>	<b>15,829,076 Options</b>	

**Note:**

- These are Noteholders other than SMO SMSF Pty Ltd ATF SMO Superannuation Fund, which is an entity controlled by Steve Orenstein, Gayst Super Pty Ltd ACN 160 907 880 ATF the Gayst Superannuation Fund, which is an entity controlled by Michael Gayst, and Mainstream Fund Services Pty Limited as custodian for Perennial Private to Public Opportunities Fund No. 3 Foundation Class.

None of the Shares issued pursuant to the Offer will be subject to any ASX imposed restrictions.

At Completion, it is expected that at least approximately 56,983,882 Shares, representing 32.88% of the total issued capital of the Company on an undiluted basis, will be subject to ASX escrow arrangements.

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## 9.10 Costs of the offer

The total cost of the Offer and Listing is approximately \$1,625,000 (including GST). This includes legal, audit, investigating accountant and taxation advisor fees, listing and administrative fees, the Lead Manager's fees and the value of the Lead Manager Options, project management fees, prospectus design and printing, investor relations, Share Registry, IPO bonuses paid to certain key members of Management and a former Non-Executive Director and other expenses. The cash component of these costs, being approximately \$1,500,000, have been, or will be, borne by the Company from the proceeds of the Offer described in Section 7.2.

## 9.11 Litigation and claims

The Company may, from time to time, be party to litigation and other claims and disputes incidental to the conduct of its business, including employment disputes, contractual disputes, indemnity claims and occupational and personal claims. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could materially adversely affect the Company's business, operating and financial performance.

As far as the Directors are aware, however, there is no current or threatened civil litigation, arbitration proceeding or administrative appeal, or criminal or Governmental prosecution of a material nature in which a Group Company is directly or indirectly concerned which is likely to have a material adverse impact on the business or financial position of the Group.

## 9.12 Ownership restrictions

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 9.12 contains a general description of these laws.

### 9.12.1 Corporations Act

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of shares in listed companies, and unlisted companies with more than 50 members, if the acquirer's (or another party's) voting power would increase to above 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having voting power of 5% or more in the Company either themselves or through an associate.

### 9.12.2 *Foreign Acquisitions and Takeovers Act 1975 (Cth)* and Federal Government Foreign Investment Policy

Generally, the *Foreign Acquisitions and Takeovers Act 1975 (Cth)* (**FATA**) applies to acquisition of shares and voting power in a company of 20% or more by a single foreign person and its associates (**Substantial Interest**), or 40% or more by two or more unassociated foreign persons and their associates (**Aggregate Substantial Interest**), where the acquisition meets a threshold value (which varies by investor type and industry). Where a foreign person holds a Substantial Interest in a company or foreign persons hold an Aggregate Substantial Interest in a company, it will be a 'foreign person' for the purposes of FATA.

In addition, FATA applies to acquisitions of a direct interest in an Australian company by foreign governments and their related entities irrespective of the acquisition value. A 'direct interest' is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity or the investor in a position to influence or participate in the management and control or policy of the entity. There are exemptions which can apply to certain acquisitions.

## 9 Additional Information Continued

Where FATA applies to an acquisition, the acquisition may not occur unless notice of it has been given to the Federal Treasurer and the Federal Treasurer has either notified that there is no objection to the acquisition (with or without conditions) or a statutory period has expired without the Federal Treasurer objecting.

An acquisition to which the FATA applies may be the subject of a divestment order by the Federal Treasurer unless the process of notification, and either a non-objection notification or expiry of a statutory period without objection, has occurred. Criminal offences and civil penalties can apply for failing to give notification of certain acquisitions, undertaking certain acquisitions without no objection notification or contravening a condition in a no objection notification.

### 9.13 Regulatory relief

#### 9.13.1 ASIC exemptions and relief

As at the date of the Prospectus, the Company has not applied to ASIC to seek any exemption or form of relief.

#### 9.13.2 ASX waivers and confirmation

ASX has, prior to the Prospectus Date, confirmed the Company's suitability for admission to the Official List of ASX as an ASX Listing under ASX Listing Rules 1.1, condition 1 and 1.19.

ASX has, prior to the Prospectus Date, provided in-principle advice confirming that ASX would be likely to:

- grant the Company a waiver from ASX Listing Rule 9.1(b) to the extent necessary to permit the Company to apply the restrictions in items 1 and 2 of Appendix 9B to Shares issued to the shareholders of Zoom2u Pty Ltd, provided ASX is satisfied with evidence submitted to substantiate the cash amounts paid to Zoom2u; and
- agree with the Company's submission on escrow treatments of the Existing Shareholders, Noteholders and holders of ESOP Options regarding the mandatory escrow provisions in Chapter 9 of the ASX Listing Rules.

The anticipated escrow arrangements are set out in Section 9.9.

### 9.14 Australian Taxation considerations

This Section provides a general overview of the Australian tax and stamp duty consequences for investors who acquire Shares through the Offer under this Prospectus. The comments in this Section are based on the Australian taxation laws (including established interpretations of those laws) as at the date of this Prospectus, which may change.

This Section is general in nature and is not intended to be an authoritative or a complete statement of the Australian taxation laws. It should be noted that the Australian taxation laws are complex and the investor's own circumstances will affect the taxation outcomes of making an investment in Shares through the Offer. It is therefore recommended that investors seek independent professional advice, having regard to their own specific circumstances, in considering an investment in Shares through the Offer.

The categories of investors considered in this summary are limited to individuals, complying superannuation entities and certain companies, trusts or partnerships, each of whom holds their shares on capital account. This Section is also limited to Australian income tax, GST and stamp duty. This summary does not cover any non-Australian taxes or duties.

This summary does not consider the consequences for investors who are insurance companies, banks, investors that hold their shares on revenue account or carry on a business of trading in shares, investors who acquired (or acquire) shares in connection with an employee share/incentive plan/scheme (including, without limitation, under the Employee Incentive Plan), or investors who are exempt from Australian tax.

This summary also does not cover the consequences for investors who are subject to Division 230 of the *Income Tax Assessment Act 1997* (the Taxation of Financial Arrangements or TOFA regime). Both resident and non-resident investors should seek professional advice to determine if Shares are held in this capacity (and the corresponding income tax implications should this apply).

BDO Tax, a registered tax agent, has provided the tax comments below. BDO Tax is not licensed under Chapter 7 of the Corporations Act to provide financial product advice. Taxation issues, such as those covered by this Section, are only some of the matters you need to consider when making a decision about a financial product. You should consider taking advice from someone who holds an AFSL before making such a decision.

### **9.14.1 Dividends on a Share - Australian tax residents**

Dividends may be paid to Shareholders in respect of their Shares. 'Franking credits' may be attached to such dividends. Franking credits broadly represent the extent to which a dividend is paid out of profits that have been subject to Australian income tax. It is possible for a dividend to be fully franked, partly franked or unfranked.

Australian tax resident Shareholders will be required to include dividends in their assessable income in the income year in which the dividends are paid. To the extent that the dividends are franked, subject to the comments below, the associated franking credits should also be included in the Australian tax resident Shareholder's assessable income (i.e., the dividends are required to be 'grossed-up'). In such circumstances, Shareholders are subject to tax at their applicable rate of tax on the grossed-up dividends received (but may be entitled to a tax offset for the associated franking credits as discussed below).

To the extent that the dividends are unfranked, there is no gross-up (or tax offset) and Australian tax resident Shareholders are subject to tax at their applicable rate of tax on the unfranked dividends received.

The distribution statement for the dividends paid should advise of the franking status of the dividends.

### **9.14.2 Australian resident individuals and complying superannuation entities**

To the extent that the franking credits received by Shareholders that are Australian tax resident individuals or complying superannuation entities exceeds the amount of total income tax payable, those Shareholders should be entitled to a refund from the ATO of any excess franking credits over and above total income tax payable in an income year. Where the franking credits are less than the tax payable on the dividends, those Shareholders will need to pay an additional amount of tax.

### **9.14.3 Trusts and partnerships**

In relation to Shareholders that are trusts (other than trustees of complying superannuation entities or trusts treated as companies for tax purposes) or partnerships, such Shareholders should include any franking credits in determining the net income of the trust or partnership. The relevant beneficiary or partner may then be entitled to a corresponding tax offset, subject to certain requirements being satisfied.

Note if trustees are assessed on an Australian resident beneficiary's share of trust income, the trustee will also be entitled to a refund of excess franking credits per Section 9.14.2 above (if applicable).

In relation to trusts or partnerships, including limited partnerships, the rules surrounding the taxation of dividends are complex and advice should be sought to confirm the appropriate taxation considerations and treatment.

#### **9.14.3.1 Corporate Shareholders**

Shareholders that are Australian tax resident companies (including those which are deemed to be companies) are also entitled to a tax offset equal to the amount of franking credits received, however unlike non-corporate Shareholders, they are unable to claim refunds for excess franking credits. Where excess franking credits exist, a corporate Shareholder should be entitled to have the surplus credits converted into carry forward tax losses.

Corporate Shareholders (including those which are deemed to be companies) should also be entitled to a franking credit in their franking accounts equal to the franking credits received in respect of the dividends. A corporate Shareholder may be able to then use the credits to make franked distributions to its Shareholders.

## 9 Additional Information Continued

### 9.14.3.2 Qualified person rules

There are certain limitations imposed by the Australian taxation law which may prevent a Shareholder from obtaining the benefit of any franking credits. In this regard, Shareholders seeking to claim tax offsets for franking credits must be 'qualified persons' in respect of the relevant dividends.

In broad terms, Shareholders who have held their Shares 'at risk' for at least 45 days (excluding the dates of acquisition and disposal) should be qualified persons and should be able to claim a tax offset for the amount of franking credits received.

Special rules apply to arrangements which involve the making of related payments to pass on the benefit of any dividends paid, or in the context of franked dividends received via trusts or partnerships. Under the related payment rule, a different testing period applies where an investor or an associate of the investor has made, or is under an obligation to make, a related payment in relation to a dividend. A related payment is one where an investor or their associate effectively passes on the benefit of the dividend to another person.

Individual Australian Shareholders whose total franking tax offsets (for all franked distributions received in the income year) do not exceed \$5,000 for the income year should generally be deemed to be qualified persons (provided also that no related payments are made with respect to the dividend).

Investors should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

### 9.14.3.3 Integrity rules

A specific integrity rule prevents taxpayers from obtaining a tax benefit from franking credits where dividends are received as a result of 'dividend washing'. Dividend washing is a practice through which taxpayers seek to claim two sets of franking credits by selling shares held on the ASX ex-dividend and then effectively re-purchasing a substantial equivalent parcel of shares cum-dividend on a special ASX trading market.

Shareholders should consider the impact of these provisions (and other dividend tax integrity provisions) having regard to their own personal circumstances.

### 9.14.4 Dividends on a Share – non-Australian tax residents

Generally, unfranked dividends paid to Shareholders that are non-Australian tax residents should be subject to dividend withholding tax. To the extent that distributions to non-residents include unfranked dividends (which are not declared to be conduit foreign income – see below), there is a requirement for the payer to withhold tax at the rate applicable to each non-Australian tax resident Shareholder. Australian dividend withholding tax is levied at a flat rate of 30% on the gross amount of the dividends unless a Shareholder is a tax resident of a country that has an applicable double tax treaty with Australia. In these circumstances, the withholding tax may be reduced (usually to 15%), although in certain cases, depending on the Shareholder's country of residence and the size of their shareholding, the rate may be reduced further.

Fully franked dividends are not subject to Australian dividend withholding tax. No other Australian tax is applicable.

It is recommended that non-Australian tax resident Shareholders consider the tax implications of receiving dividends in respect of shares paid in Australia under their local tax regimes, including if a credit is available for any dividend withholding tax.

#### 9.14.4.1 Conduit foreign income

To the extent that unfranked dividends are declared in the distribution statement for the dividends to be conduit foreign income, the unfranked dividends paid to non-Australian tax resident Shareholders should not be subject to Australian dividend withholding tax. Conduit foreign income is broadly foreign income paid to the Australian company where that foreign income is exempt from Australian income tax, such as certain branch profits, dividends and interest from subsidiaries.

Unfranked dividends declared to be conduit foreign income should be subject to tax in the same manner as other unfranked dividends for Australian tax resident Shareholders.

It is noted that, based on present activities, future unfranked dividends paid by the Company may be declared to be conduit foreign income (particularly as a result of continued business expansion into foreign jurisdictions in the future).

#### 9.14.5 Dividend Reinvestment Plan (DRP)

The comments in this Section do not consider the taxation implications of Shareholders participating in a DRP. If a DRP is activated at a future time, Shareholders are advised to seek advice prior to participating in the DRP.

#### 9.14.6 Taxation of Share disposals – Australian tax resident

Australian tax resident Shareholders who hold their Shares on capital account will be required to consider the impact of the CGT provisions in respect of the disposal of their Shares.

Where the capital proceeds received on the disposal of the Shares exceed the CGT cost base of those Shares, Australian tax resident Shareholders will derive a capital gain. The CGT cost base of the Shares should generally be equal to the issue price or acquisition price of the Shares plus, amongst other things, incidental costs associated with the acquisition and disposal of the Shares. In respect of the CGT cost base of the Shares, this amount may be reduced as a result of receiving non-assessable distributions from the Company, such as returns of capital.

Conversely, Australian tax resident Shareholders may recognise a capital loss on the disposal of Shares where the capital proceeds received on disposal are less than the reduced CGT cost base of the Shares.

All capital gains and losses recognised by an Australian tax resident Shareholder for an income year are aggregated.

To the extent that a net gain exists, such Shareholders should be able to reduce the net gain by any amount of unapplied net capital losses or revenue losses carried forward from previous income years (provided the relevant loss recoupment tests are satisfied) or current year revenue or capital losses. Any remaining net gain (after the application of any carried forward tax losses or current year revenue losses) will then be required to be included in the Australian tax resident Shareholder's assessable income (subject to comments below in relation to the availability of the CGT discount concession) and taxable at the Shareholder's applicable rate of tax. Where a net capital loss is recognised, the loss should only be deductible against capital gains and are capable of being carried forward indefinitely, provided the relevant loss recoupment tests are satisfied.

Non-corporate Shareholders may be entitled to a concession which discounts the amount of capital gain that is assessed. Broadly, the concession is available where the Shares have been held for 12 months or more prior to disposal. The concession results in a 50% reduction in the assessable amount of a capital gain for an individual Shareholder and a one-third reduction of a capital gain for an Australian tax resident complying superannuation entity Shareholder (including generally where a flow through trust or partnership distributes to such shareholders), after offsetting any current or carried forward losses.

The concession is not available to corporate Shareholders (including those deemed to be companies).

In relation to trusts or partnerships including limited partnerships, the rules surrounding capital gains and the CGT discount are complex, but the benefit of the CGT discount may flow through to relevant beneficiaries or partners, subject to certain requirements being satisfied.

Australian tax resident investors who hold Shares on revenue account should seek separate independent professional advice.



## 9 Additional Information Continued

### 9.14.7 Taxation of Share disposals – non-Australian tax residents

Non-Australian tax resident Shareholders who hold their Shares on capital account should not generally be subject to the Australian CGT regime upon disposal of their Shares except in limited circumstances, for example where the Shares relate to a business carried on by the foreign resident through a permanent establishment in Australia or where the Shares are 'indirect Australian real property interests'. The Shares should be indirect Australian real property interests to the extent that, broadly, the following two requirements are satisfied:

- the Company is considered 'land rich' for Australian income tax purposes (i.e., greater than 50% of the market value of the Company's underlying assets is principally derived from Australian real property or certain interests in relation to Australian minerals); and
- the non-resident Shareholder has an associate-inclusive interest of at least 10% in the Company (either at the time of disposal or throughout a 12 month period that began no earlier than 24 months before the disposal).

Relevant non-resident Shareholders will need to determine if the above requirements are met at the time of disposal of their Shares.

It is noted that it is unlikely that the Company is considered 'land rich' for Australian income tax purposes as at the Prospectus Date but this analysis is required to be undertaken at the time of disposal.

Non-Australian resident investors who hold Shares on revenue account should seek separate independent professional advice.

### 9.14.8 Non-resident CGT withholding

Rules can apply to the disposal of certain taxable Australian property, whereby, a 12.5% non-final withholding tax may be applied. However, the rules should not apply to the disposal of a Share on the ASX (in accordance with a specific exemption).

### 9.14.9 Tax File Number (TFN) and Australian Business Number (ABN)

An Australian tax resident Shareholder is not obliged to quote a TFN, or where relevant, ABN, to the Company. However, if a TFN or ABN is not quoted and no exemption is applicable, income tax is required to be deducted by the Company at the highest marginal rate (currently 45% plus Medicare levy of 2%) from certain dividends paid. Australian tax resident Shareholders may be able to claim a tax credit/rebate (as applicable) in respect of any tax withheld on dividends in their income tax returns.

No withholding requirement applies in respect of fully franked dividends paid in respect of the Shares or to unfranked dividends paid to non-Australian tax residents (as described above, the dividend withholding tax regime should instead apply in this situation).

### 9.14.10 Stamp duty

No stamp duty should be payable by a Shareholder on the acquisition or disposal of Shares. Further, under current stamp duty legislation, stamp duty should not ordinarily be payable on any subsequent acquisition of Shares by a Shareholder provided the Company remains listed on the ASX (and provided the acquisition is less than 90% of the Shares in the Company).

### 9.14.11 Goods and services tax (GST)

GST is not applicable to the acquisition or disposal of Shares. The ability of Shareholders to recover any GST incurred as an input tax credit in relation to costs associated with the Offer (such as costs relating to professional advice obtained by Shareholders regarding the Offer) would vary according to individual circumstances and as such this should be reviewed by Shareholders prior to making any claim.

No GST should be payable by Shareholders on receiving dividends (or other distributions) paid by the Company.

## 9.15 Selling restrictions

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

### 9.15.1 Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (**SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Shares offered under the Offer have not been and will not be offered or sold in Hong Kong other than to “professional investors” (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares offered under the Offer has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to new Shares offered under the Offer that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted new Shares offered under the Offer may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

### 9.15.2 New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (**FMC Act**). The new Shares offered under the Offer are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

### 9.15.3 Singapore

This Prospectus and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to you on the basis that you are (i) an “institutional investor” (as defined in the SFA) or (ii) an “accredited investor” (as defined in the SFA). If you are not an investor falling within one of these categories, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

## 9 Additional Information Continued

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares offered under the Offer. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

### 9.16 Consents to be named and statement of disclaimers of responsibility

Each of the parties listed below in this Section 9.16, each a consenting party, to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility, for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the parties listed below has given and has not, at the time of lodgement of this Prospectus with ASIC, withdrawn its written consent to the inclusion of statements in this Prospectus that are specified below in the form and context in which the statements appear:

- Foster has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the lead manager to the Offer in the form and context in which it is named;
- Frost & Sullivan has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as independent market expert to the Company in the form and context in which it is so named, and to the inclusion of its industry report as set out in Section 2;
- Thomson Geer has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal advisor (other than in relation to taxation and stamp duty matters) to the Company in relation to the Offer in the form and context in which it is named;
- Happy Paws Pet Food has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus in relation to the case study in Section 3.3.2.3 in the form and context in which it is named and to the inclusion of these statements made by its representative on its behalf in that Section in the form and context in which they are included;
- PKF(NS) Audit & Assurance Limited Partnership has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the auditor of the Company's consolidated financial statements for FY19 and FY20 in the form and context in which it is so named;
- BDO Audit has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as the party who has reviewed Interim Financial Statements in the form and context in which it is so named;
- BDO Corporate Finance has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as investigating accountant to the Company in relation to the Financial Information in the form and context in which it is named and to the inclusion of its Independent Limited Assurance Report on the Financial Information set out in Section 8 in the form and context in which it appears in this Prospectus;
- BDO Tax has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as tax advisor to the Company in the form and context in which it is so named;

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- Automic Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as share registry of the Company in the form and context in which it is named; and
  - M&M has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as a consultant to the Company in the form and context in which it is named.

## 9.17 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications and bids under the Prospectus are governed by the laws applicable in New South Wales, Australia and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

## 9.18 Statement of directors

This Prospectus is authorised by each Director who consents to its lodgement with ASIC and its issue, and has not withdrawn that consent.

# Annexures



**Martin Quick**

**Driving**

17% 

ETA

10:30 AM | SEP 10, 2021



# Annexure A Significant Accounting Policies

## Basis of Preparation

The principal accounting policies adopted in the preparation of the Financial Information included in Section 4 of this Prospectus are set out below. These accounting policies are consistent with the latest statutory general purpose financial statements of Zoom2u Technologies Pty Limited (the 'Company') for the half-year ended 31 December 2020.

## Going concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The ability of the Company to continue as a going concern has not been impacted by the outbreak of the COVID-19 pandemic.

## Revenue and other income

### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

### Other income

Other income is recognised on an accruals basis when the Group is entitled to it. All revenue is stated net of the amount of goods and services tax (GST).

## Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

# Annexure A Significant Accounting Policies ..... >

Continued

## Basis for consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

## Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of Management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the consolidated statement of profit or loss and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

### Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

The estimated useful lives used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Useful life</b>
Plant and Equipment	10-33%
Motor Vehicles	10%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

## Cash and cash equivalents

Cash and cash equivalents comprises deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

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## Trade receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore, all are 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 of collecting contractual cash flows and therefore, measures them subsequently at amortised cost using the effective interest method.

## Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

## Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

## Convertible notes

Convertible notes are separated into the host liability and embedded derivative components based on the terms of the agreement. On issuance of the convertible notes, the liability component of hybrid financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The embedded derivative component is initially recognised at fair value. The host debt is carried at amortised cost using the effective interest method until it is extinguished on conversion or redemption. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years.

## Embedded Derivative

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. The embedded derivative is separated from the host contract and accounted for as a derivative if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract. The embedded derivative is measured at fair value with changes in value being recorded in profit or loss.

## De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.



# Annexure A Significant Accounting Policies ..... >

Continued

## Intangible assets

### Intellectual property

Intellectual property is recorded in the financial statements at acquisition cost and is deemed to have an indefinite useful life.

### Goodwill

Goodwill is calculated as the excess of the sum of:

- the consideration transferred;
- any non-controlling interest;
- the acquisition date fair value of any previously held equity interest; and

Over the acquisition date fair value of net identifiable assets acquired in a business combination.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available.

## Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time at 30 June 2020, the adoption of these standards caused material adjustments to the reported financial position, performance or cash flow of the Group.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Company include:

### AASB 16 Leases

The Group has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 July 2019 and therefore the comparative information for the year ended 30 June 2019 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

### Impact of adoption of AASB 16

The impact of adopting AASB 16 is described below:

#### The Group as a lessee

Under AASB 117, the Group assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Group or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Group has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight-line basis.

## Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

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The significant estimates and judgements made have been described below.

### **Key estimates - Impairment of Intangible assets - Goodwill**

The recoverable amount of intangible assets was assessed by reference to the intangibles value-in-use. Value-in-use is calculated based on site traffic generated through each of the acquired intangible assets.

Management believes that any reasonable possible change in key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount of intangible assets to exceed its recoverable amount.

### **Key estimates - provisions**

As described in the accounting policies, provisions are measured at Management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

# Annexure B Glossary

<b>Term</b>	<b>Meaning</b>
<b>2u Enterprises</b>	2u Enterprises Pty Ltd (ACN 628 187 020) or the businesses it operates including without limitations the business under the “Shred2u” brand, as the context requires
<b>AAS</b>	Australian Accounting Standards
<b>AASB</b>	Australian Accounting Standards Board
<b>Active Customer</b>	means a Customer that has placed at least one booking in the 12 months to 30 June 2021
<b>AEST</b>	Australian Eastern Standard Time
<b>AEDT</b>	Australia Eastern Daylight Time
<b>Aggregate Substantial Interest</b>	Has the meaning given in Section 9.12.2
<b>AI</b>	Artificial intelligence
<b>Anti-bribery and corruption policy</b>	Has the meaning given in Section 6.10.6
<b>ANZ</b>	Australia and New Zealand
<b>API</b>	Application programming interface
<b>Applicant</b>	A person who submits an Application
<b>Application</b>	An application made to subscribe for Shares offered under this Prospectus
<b>Application Form</b>	The application form attached to or accompany this Prospectus (including the electronic form provided by an online application facility)
<b>Application Monies</b>	The amount of money accompanying an Application Form submitted by an Applicant
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Securities Exchange
<b>ASX Corporate Governance Principles</b>	The fourth edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations as revised in 2019
<b>ASX Listing Rules</b>	The rules of the ASX that govern the admission, quotation and removal of securities from the Official List
<b>ASX Settlement Operating Rules</b>	The settlement rules of ASX as amended, varied or waived from time to time
<b>ATO</b>	Australian Tax Office

<b>Term</b>	<b>Meaning</b>
<b>Audit and Risk Committee</b>	The committee described in Section 6.9.3
<b>Australian Accounting Standards</b>	Australian Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board and Urgent Issues Group interpretations
<b>B2B</b>	Business-to-business
<b>B2C</b>	Business-to-consumer
<b>Base Price</b>	Has the meaning given in Section 6.7
<b>Base Rate</b>	Has the meaning given in Section 9.5
<b>BBSW</b>	Bank Bill Swap Rate published by the ASX
<b>BCT</b>	Business continuity test
<b>BDO Audit</b>	BDO Audit Pty Ltd (ABN 33 134 022 870)
<b>BDO Corporate Finance</b>	BDO Corporate Finance (East Coast) Pty Ltd (ABN 70 050 038 170)
<b>BDO Tax</b>	BDO Services Pty Ltd (ABN 45 134 242 434)
<b>Board or Board of Directors</b>	The board of directors of the Company
<b>Board Charter</b>	Has the meaning given in Section 6.9.1
<b>Booking Fee</b>	A fee payable by a Customer for a Delivery booked through the Platform
<b>Broker</b>	Any ASX participating organisation selected by the Lead Manager and the Company to act as a Broker to the Offer
<b>Broker Firm Application Form</b>	Means the application form for the Broker Firm applicant for the Offer
<b>Broker Firm Offer</b>	The offer of Shares under this Prospectus to Australian and New Zealand resident retail clients of Brokers who have received a firm allocation from their Broker
<b>Broker Firm Offer Applicant</b>	A person who submits an Application under the Broker Firm Offer
<b>Business</b>	The business carried on by the Group
<b>CAGR</b>	Compound Annual Growth Rate
<b>Carrier</b>	Means a Driver
<b>CEO</b>	Chief Executive Officer

# Annexure B Glossary Continued

Term	Meaning
<b>CFO</b>	Chief Financial Officer
<b>CGT</b>	Capital Gains Tax
<b>Chair or Chairman</b>	The chairman of the Company
<b>CHESS</b>	Clearing House Electronic Subregister System, operated in accordance with the ASX Listing Rules and the ASX Settlement Operating Rules
<b>Clearing and Settlement Facility</b>	has the same meaning given in section 768A of the Corporations Act
<b>Closing Date</b>	The date on which the Broker Firm Offer and the Priority Offer are expected to close, being Monday, 23 August 2021, which may be varied without prior notice
<b>C2C</b>	Consumer-to-consumer
<b>Code of Conduct</b>	Has the meaning given in Section 6.10.3
<b>Company</b>	Zoom2u Technologies Limited (ACN 636 364 246)
<b>Company Secretary</b>	The company secretary of the Company
<b>Completion</b>	The Completion of the Offer, being the date upon which Shares are issued or transferred to Successful Applicants in accordance with the terms of the Offer
<b>Constitution</b>	The proposed constitution of the Company
<b>Convertible Note</b>	Each of the convertible notes, which are, as at the Prospectus Date, on issue in the Company with an aggregate face value of \$2.5 million
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth)
<b>Corporations Regulations</b>	<i>Corporations Regulations 2001</i> (Cth)
<b>Cost of Sales</b>	Comprised of payment costs (paid to third party secure payment service providers to process credit card payments) and costs related to a provider of credit information on customers
<b>COT</b>	Continuity of ownership test
<b>COVID-19</b>	The virus formally known as severe acute respiratory syndrome coronavirus 2
<b>Customer</b>	A person or a business who has made at least one booking request for a delivery service on the Platform
<b>Customer Terms</b>	Zoom2u's standard Customer Terms and Conditions (which are available on Zoom2u's website at <a href="http://www.zoom2u.com.au/customer-terms">www.zoom2u.com.au/customer-terms</a> ) as described in Section 9.4.1.1

<b>Term</b>	<b>Meaning</b>
<b>Customer Terms and Conditions</b>	Zoom2u's standard Customer Terms and Conditions as described in Section 9.4.1.1
<b>CRM</b>	Customer relationship management
<b>CRN</b>	Customer reference number
<b>CSF Rules</b>	The rules of the Clearing and Settlement Facility
<b>Delivery</b>	A delivery that has been completed by Drivers pursuant to a delivery request using the Platform. In Section 4, this term means a delivery completed by Drivers through the Platform in a given financial period
<b>Delivery Fee</b>	the price quoted to a Customer for a Delivery on the Marketplace or a price set by a Customer and accepted by a Driver for a Delivery (inclusive of GST, if the Driver is registered for GST)
<b>Delivery Price</b>	Means the price for a Delivery on the Marketplace (inclusive of GST if the Driver is registered for GST)
<b>DHL Express</b>	DHL Express (Australia) Pty Ltd (ABN 62 001 112 929)
<b>DHL Express Contract</b>	The services agreement between DHL Express and Zoom2u dated 14 April 2021 as described in Section 9.4.1.2
<b>Directors</b>	A director of the Company
<b>Diversity Policy</b>	Has the meaning given in Section 6.10.4
<b>Driver</b>	A business comprised of one or more drivers or riders that has been on-boarded to the Zoom2u Platform and is in the business of providing delivery services to Customers
<b>Driver Terms</b>	Zoom2u's standard Carrier Terms and Conditions (which are available on Zoom2u's website at <a href="http://www.zoom2u.com.au/carrier-terms">www.zoom2u.com.au/carrier-terms</a> ) as described in Section 9.4.3
<b>DRP</b>	Dividend Reinvestment Plan
<b>EBIT</b>	Earnings before interest and tax
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortisation
<b>Employee</b>	Means an employee of the Company
<b>End-User License Agreement</b>	Locate2u's standard End-User License Agreement as described in Section 9.4.4
<b>Enterprise Value</b>	The sum of market capitalisation at the Offer Price and pro forma net debt
<b>ESG</b>	Environmental, social and governance

# Annexure B Glossary Continued

Term	Meaning
<b>ESOP</b>	The Company's a new umbrella equity-based long-term employee option plan as described in Section 6.6
<b>ESOP Options</b>	Has the meaning given in Section 6.6.2
<b>ESOP Rules</b>	The rules in respect of the ESOP, as amended from time to time and includes all addendums and schedules to these rules
<b>ETA</b>	Estimated time of arrival
<b>Existing Shareholder</b>	A Shareholder as at the Prospectus Date
<b>Exposure Period</b>	The seven-day period after the Prospectus Date, which may be extended by ASIC for up to an additional seven days
<b>FATA</b>	<i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth)
<b>Federal Treasurer</b>	Has the meaning given in the FATA
<b>Financial Information</b>	Has the definition given in Section 4.1
<b>First Time Customer</b>	A Customer that has only had one delivery completed on the Platform
<b>FMC Act</b>	Financial Markets Conduct Act 2013
<b>Forecast Financial Information</b>	Has the meaning given in Section 4.1
<b>Foster</b>	Foster Stockbroking Pty Ltd (ACN 088 747 148)
<b>Frost &amp; Sullivan</b>	Frost & Sullivan Australia Pty Ltd (ACN 096 869 108)
<b>FY</b>	Financial year
<b>FY15</b>	The financial year ended 30 June 2015
<b>GMV or Gross Marketplace Value</b>	represents 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
<b>GPS</b>	Global Positioning System
<b>Greencross</b>	Greencross Pty Limited (ACN 119 778 862)
<b>Gross Profit</b>	Represents revenue after Cost of Sales
<b>Gross Profit Margin</b>	Represents the Gross Profit expressed as a percentage of revenue
<b>Group</b>	The Company and all of its Subsidiaries
<b>Group Company</b>	Any one of the entities in the Group
<b>GST</b>	Goods and services tax

<b>Term</b>	<b>Meaning</b>
<b>Happy Paws Pet Food</b>	Scon Australia Pty Ltd (ACN 630 875 124) or the business it operates under the business name "Happy Paws Pet Food", where the context requires.
<b>HFY</b>	Half Financial Year
<b>HIN</b>	Holder Identification Number
<b>Historical Financial Information</b>	Has the meaning given in Section 4.1
<b>IASB</b>	International Accounting Standards Board
<b>IFRS</b>	International Financial Reporting Standards
<b>Independent Limited Assurance Report</b>	The Independent Limited Assurance Report prepared by the Independent Accountant
<b>Independent Market Expert</b>	Frost & Sullivan
<b>Institutional Investor</b>	<p>Investors who are:</p> <ul style="list-style-type: none"> <li>• persons in Australia who are wholesale clients under section 761G of the Corporations Act and either 'professional investors' or 'sophisticated investors' under sections 708(11) and 708(8) of the Corporations Act; and</li> <li>• institutional or professional investors in Hong Kong, New Zealand, and Singapore, as agreed by the Company and the Lead Manager to whom offers of Shares may lawfully be made without the need for a lodged or registered prospectus or other form of disclosure document or filing with, or approval by, any governmental agency, and in particular: <ul style="list-style-type: none"> <li>(a) in Hong Kong, it (and any person for whom it is acting) is a 'professional investor' as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;</li> <li>(b) in New Zealand, it (and any person for whom it is acting) is a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act, (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);</li> <li>(c) in Singapore, it (and any person for whom it is acting) is an 'institutional investor' or an 'accredited investor' (as such terms are defined in SFA)</li> </ul> </li> </ul>
<b>Institutional Offer</b>	The invitation to Institutional Investors under this Prospectus to acquire Shares, as described in Section 7.10
<b>Institutional Offer Applicants</b>	A person who submits an Application under the Institutional Offer
<b>Interim Financial Statements</b>	has the meaning defined in Section 4.2.2



# Annexure B Glossary Continued

<b>Term</b>	<b>Meaning</b>
<b>Investigating Accountant</b>	BDO Corporate Finance
<b>Investigative Accountant's Report</b>	The Investigating Accountant's report as set out in Section 8
<b>IP</b>	Intellectual Property
<b>IPO</b>	Initial public offering
<b>Issuer</b>	The Company
<b>Lead Manager</b>	The lead manager to the Offer, being Foster
<b>Lead Manager Options</b>	Has the meaning given in Section 9.6
<b>Legal Advisor</b>	Thomson Geer
<b>Listing</b>	Admission of the Company to the official list of the ASX
<b>Listing Date</b>	the date on which the Listing takes place
<b>Locate IP</b>	Locate IP Pty Ltd (ACN 636 391 636)
<b>Locate2u</b>	Locate2u Pty Ltd (ACN 636 392 035) or the business it operates under the "Locate2u" brand, as the context requires
<b>Locate2u Platform</b>	Has the meaning given under Section 9.4.4
<b>LSPs</b>	Logistics services providers
<b>M&amp;M</b>	M&M Gayst Consulting Pty Ltd (ACN 128 439 636)
<b>Management</b>	The executive management team of the Company
<b>Marketplace</b>	The marketplace for delivery services in Australia facilitated by the Platform
<b>Monetary Authority of Singapore</b>	Monetary Authority of Singapore established under the Monetary Authority of Singapore Act, Chapter 186 of Singapore
<b>Nestlé</b>	Nestlé Australia Limited (ABN 77 00 011 316)
<b>Nestlé Agreement</b>	The services agreement between Nestlé and Zoom2u as described in Section 9.4.2.3
<b>Next Day</b>	A delivery service collected and delivered on the next day
<b>Non-Executive Chairman</b>	A member of the Board who does not form part of Management but acts as Chairman
<b>Non-Executive Director or NED</b>	A member of the Board who does not form part of Management

<b>Term</b>	<b>Meaning</b>
<b>Noteholder</b>	A holder of a Convertible Note
<b>NPAT</b>	Net profit after tax
<b>Offer</b>	The offer by the Company of 40,000,000 Shares under this Prospectus at the Offer Price to raise \$8 million
<b>Offer Information Line</b>	+61 2 9698 5414 (within Australia) or 1300 288 664 (outside Australia) between 8:30am and 5:30pm (Sydney Time), Monday to Friday
<b>Offer Management Agreement</b>	the offer management agreement dated 2 August 2021 entered into between the Company and Foster, the terms of which are summarised in section 9.6.
<b>Offer Period</b>	The period from the Opening Date and ending on the Closing Date
<b>Offer Price</b>	\$0.20 per Share
<b>Offer Settlement Date</b>	The date on which settlement of the Shares subject of the Offer occurs, being Monday, 6 September 2021, which may be varied without prior notice
<b>Official List</b>	The official list of the ASX
<b>OHSE</b>	Occupational health, safety and environment
<b>Opening Date</b>	The date on which the Broker Firm and the Priority Offer are expected to open, being Tuesday, 10 August 2021, which may be varied without prior notice
<b>Option</b>	An option to acquire Share(s)
<b>Pact Group</b>	Pact Group Holdings (Australia) Pty Ltd (ACN 107 959 900)
<b>PEP</b>	Phantom Equity Plan of the Company
<b>Perennial</b>	Perennial Investment Management Limited (ACN 108 747 637)
<b>Perennial Fund</b>	Perennial Private to Public Opportunities Fund No. 3 Foundation Class
<b>Phantom Share</b>	Has the meaning given in Section 6.7
<b>Platform</b>	the online platform which Zoom2u operates to connect Drivers and Customers
<b>Platform Fee</b>	A fee payable by a Driver for a Delivery obtained through the Platform
<b>Price Increase</b>	Has the meaning given in Section 6.7
<b>Priority Offer</b>	The component of the Offer under which investors who have received a Priority Offer Invitation are invited to apply for Shares, as described in Section 7.8
<b>Priority Offer Application Form</b>	An application form relating to the Priority Offer
<b>Priority Offer Applicant</b>	A person who submits an Application under the Priority Offer

# Annexure B Glossary Continued

<b>Term</b>	<b>Meaning</b>
<b>Priority Offer Invitation</b>	The invitation under this Prospectus to selected investors in Australia to participate in the Offer on a firm basis up to the allocation of Shares determined by the Company
<b>Product Review</b>	Means the website at <a href="http://www.productreview.com.au">www.productreview.com.au</a>
<b>Pro Forma Financial Information</b>	Has the meaning given in Section 4.1
<b>Pro Forma Forecast Cash Flows</b>	Has the meaning given in Section 4.1
<b>Pro Forma Forecast Financial Information</b>	Has the meaning given in Section 4.1
<b>Pro Forma Forecast Results</b>	Has the meaning given in Section 4.1
<b>Pro Forma Historical Cash Flows</b>	Has the meaning given in Section 4.1
<b>Pro Forma Historical Financial Information</b>	Has the meaning given in Section 4.1
<b>Pro Forma Historical Financial Results</b>	Has the meaning given in Section 4.1
<b>Pro Forma Historical Statement of Financial Position</b>	Has the meaning given in Section 4.1
<b>Proper ASTC transfer</b>	Has the meaning given in the Corporations Regulations
<b>Prospectus</b>	This document and its annexures (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document
<b>Prospectus Date</b>	The date on which this Prospectus was lodged with ASIC, being 2 August 2021
<b>Prospectus Expiry Date</b>	The date which is 13 months after the Prospectus Date
<b>Quotation</b>	The date on which Shares commence trading on the ASX
<b>Related Body Corporate</b>	Has the meaning given in the Corporations Act
<b>Relevant Law</b>	Has the meaning given in Section 7.15.2
<b>Relevant Period</b>	Has the meaning given in Section 6.7
<b>Returning Customer</b>	A Customer that has previously had a delivery completed on the Platform
<b>SaaS</b>	Software as a service

<b>Term</b>	<b>Meaning</b>
<b>Same Day</b>	A delivery service collected and delivered on the same day
<b>SAP</b>	Significant Accounting Policies
<b>Section</b>	A section of this Prospectus
<b>Securities Trading Policy</b>	The Company's securities trading policy, as adopted by the Board
<b>Service Provider Users</b>	Has the meaning given in Section 5.2.5
<b>Services Agreement</b>	Zoom2u's standard services agreement as described in Section 9.4.1.2
<b>SFA</b>	Securities and Futures Act, Chapter 289 of Singapore
<b>SFO</b>	Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong
<b>Share</b>	A fully paid ordinary share in the capital of the Company
<b>Shareholder</b>	A holder of a Share
<b>Share Registry</b>	Automic Pty Ltd (ACN 152 260 814)
<b>Shred2u</b>	The business operated by 2u Enterprises to facilitate secure document shredding services
<b>SME</b>	Small and medium-sized enterprise
<b>SMS</b>	Short message service
<b>SRN</b>	Securityholder Reference Number
<b>Statutory Financial Information</b>	Has the meaning given in Section 4.1
<b>Statutory Forecast Cash Flows</b>	Has the meaning given in Section 4.1
<b>Statutory Forecast Financial Information</b>	Has the meaning given in Section 4.1
<b>Statutory Forecast Result</b>	Has the meaning given in Section 4.1
<b>Statutory Historical Cash Flow</b>	Has the meaning given in Section 4.1
<b>Statutory Historical Financial Information</b>	Has the meaning given in Section 4.1
<b>Statutory Historical Results</b>	Has the meaning given in Section 4.1

# Annexure B Glossary Continued

<b>Term</b>	<b>Meaning</b>
<b>Statutory Historical Statement of Financial Position</b>	Has the meaning given in Section 4.1
<b>Subsidiaries</b>	Has the meaning given in the Corporations Act
<b>Substantial Interest</b>	Has the meaning given in Section 9.13.2
<b>Successful Applicant</b>	An Applicant who is issued or transferred Shares under the Offer
<b>Sustainability Committee</b>	The committee described in Section 6.9.4
<b>Take Rate</b>	Represents Zoom2u's revenue in a given financial period, expressed as a percentage of Zoom2u's GMV in the same period
<b>TFN</b>	Tax file number
<b>Third Party Report</b>	A report prepared by a third party
<b>TOFA</b>	Taxation of Financial Arrangements
<b>US Securities Law</b>	US Securities Act of 1933
<b>Valid Applications</b>	An application made to subscribe for Shares offered under this Prospectus.
<b>Whistle-blower Policy</b>	Has the meaning given in Section 6.10.5
<b>YTD</b>	Year to date
<b>Zoom2u</b>	Zoom2u Pty Ltd (ACN 169 869 327) or the business it operates under the "Zoom2u" brand, as the context requires
<b>Zoom2u Customer App</b>	A mobile application developed by Zoom2u for Customers to access the Platform
<b>Zoom2u Driver App</b>	A mobile application developed by Zoom2u for Drivers to access the Platform
<b>Zoom2u Technologies</b>	The Company

# Corporate Directory

## Directors

Drew Kelton  
*Non-Executive Chairman*

Steve Orenstein  
*Managing Director*

Michael Gayst  
*Executive Director*

Mike Rosenbaum  
*Non-Executive Director*

## Joint Company Secretaries

Marika White and Hasaka Martin

## Company's Registered Office

### Zoom2u Technologies Limited

Level 4  
55 Miller Street  
Pyrmont NSW 2009

## Lead Manager

### Foster Stockbroking Pty Ltd

Level 25  
52 Martin Place  
Sydney NSW 2000

## Australian Legal Advisor

### Thomson Geer

Level 14  
60 Martin Place  
Sydney NSW 2000

## Offer Information Line

Toll free within Australia  
1300 288 664

Outside Australia  
+61 9698 5414

Between 8:30am and 5:00pm (Sydney time),  
Monday to Friday

## Offer website

[www.zoom2u.com.au/investors/ipo](http://www.zoom2u.com.au/investors/ipo)

## Company website

[www.zoom2u.com.au/investors](http://www.zoom2u.com.au/investors)

## Share Registry

### Automatic Pty Ltd

Level 5  
123 Phillip Street  
Sydney NSW 2000

## Tax Advisor

### BDO Services Pty Ltd

Level 11  
1 Margaret Street  
Sydney NSW 2000

## Investigating Accountant

### BDO Corporate Finance (East Coast) Pty Ltd

Level 11  
1 Margaret Street  
Sydney NSW 2000



[www.zoom2u.com.au/investors](http://www.zoom2u.com.au/investors)