Zoom2u Technologies

FY24 Annual Report

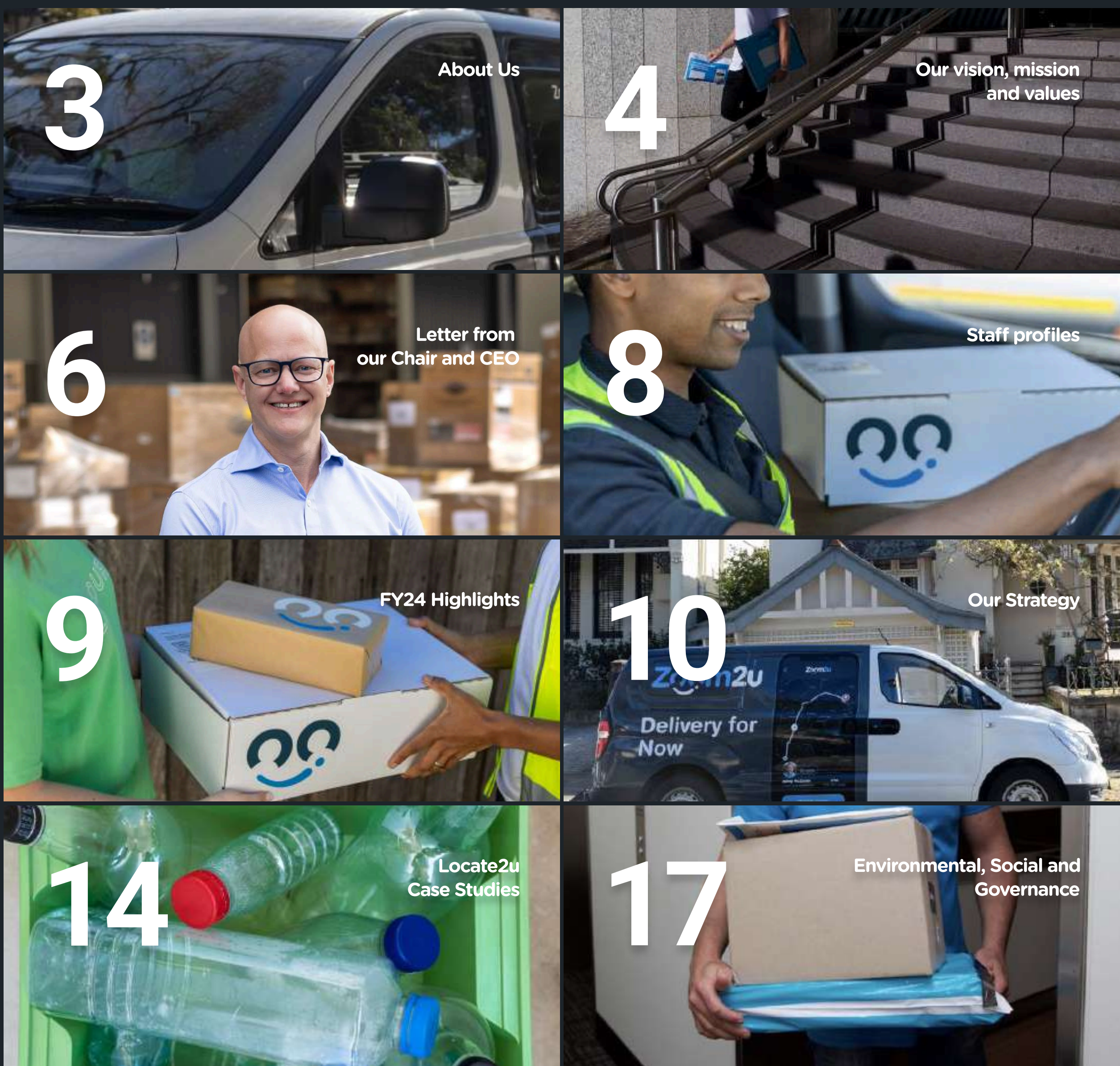
Locate2u

ASX:Z2U

Zoom2u Technologies Limited

Zoom2u

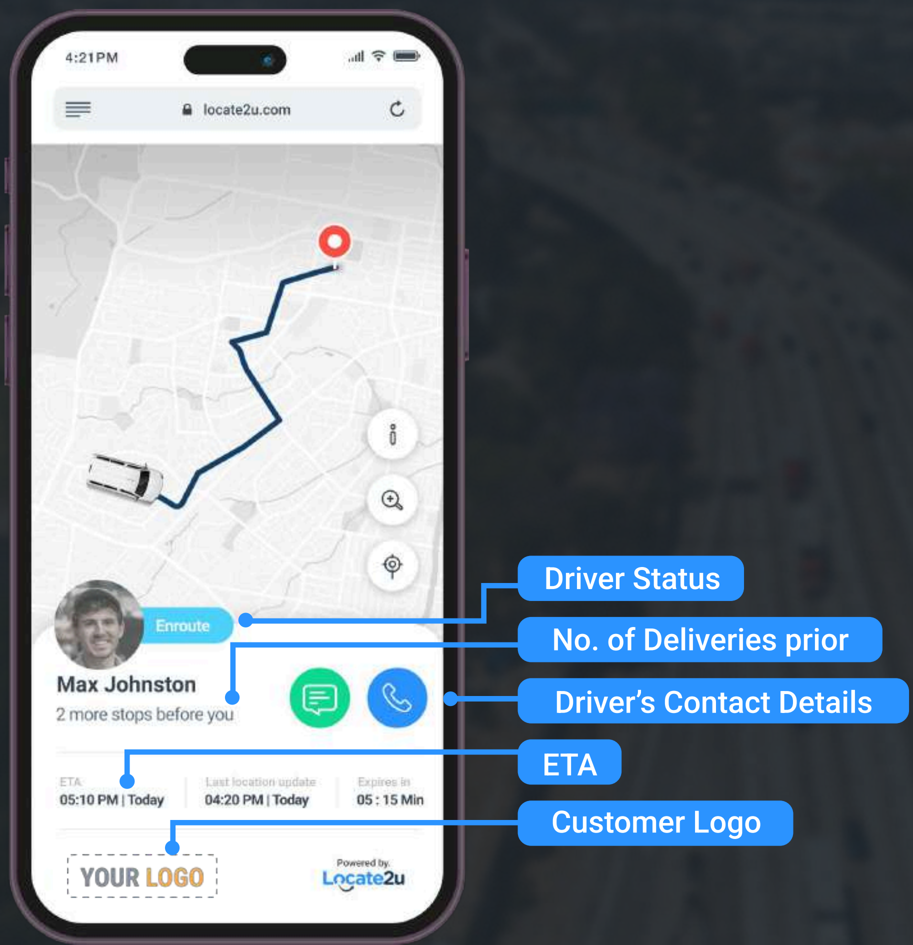
Contents



3
About Us
4
Our vision, mission and values
6
Letter from our Chair and CEO
8
Staff profiles
9
FY24 Highlights
10
Our Strategy
Delivery for Now
14
Locate2u Case Studies
17
Environmental, Social and Governance

Our Goal:

To let everyone know, at all times, where their delivery is.



About us

As a founder-led technology-driven company, Zoom2u Technologies is at the forefront of innovation in logistics. With a global team of passionate professionals, our mission is to revolutionise the last mile of delivery by providing customer-centric solutions.

We are committed to enhancing the speed, efficiency, and customer experience of the last mile. Our research and development efforts are dedicated to creating solutions that empower our customers to thrive, making every delivery smarter, faster, and more sustainable.

Our Group is made up of the Zoom2u, Locate2u and 2u Enterprises businesses.

Locate2u

Locate2u is our SaaS product, enabling businesses managing their own fleet of drivers to manage the delivery experience end to end. This includes booking management, GPS tracking, route optimisation, driver app, proof of delivery and billing for customers and drivers.

Locate2u is a global product designed for retailers, e-commerce and transport companies of all sizes. Enterprise businesses using Locate2u include Amart Furniture, Bing Lee, Western Australia Return Recycle Renew, Mayo Clinic and many other large and small businesses.

Zoom2u

Zoom2u provides a platform for customers to book a fast same-day delivery across Australia. The platform was launched in 2014 and has made over 3.9 million deliveries to date. The platform connects customers with local couriers, who are licensed to use the platform. Zoom2u services enterprise customers including DHL, Nespresso and Bunnings Warehouse together with a long tail of SMEs.

The 2u Enterprises business is used to test new ideas and concepts broadly related to the Zoom2u and Locate2u businesses. Today it runs the Shred2u secure document destruction business that operates across Sydney and Melbourne and utilises the Locate2u product to manage the deliveries for its customers. Running a delivery business using our own software platform provides us with insights to make product enhancements. 2u Enterprises also offers marketing services to a range of customers.

Our vision, mission and values

Vision

To let everyone know, at all times, where their delivery is.

Mission

Our mission is to revolutionise the last mile of delivery by providing customer-centric solutions

Our Values

Our values drive us and help to guide everything we do, from how we work as a team, our interactions with customers and other stakeholders, and how we develop our products.

Customer centricity

We ask first, what does the customer want? Then, we deliver.

Absolute transparency

We are open and honest with each other, and our customers.

Continuous innovation

Our speed keeps us ahead of competitors, allowing us to grow fast through continuous innovation.

2024 marked a year of transformative growth, driven by our focus on innovation, efficiency, and long-term value creation for our customers and shareholders.

Letter from our Chair and CEO

To our shareholders

2024 has been a remarkable year of growth and transformation for Zoom2u Technologies as we advance towards our primary financial goal: sustainable profitability. This year, we've seen significant milestones across the Group, and I'm excited to share the progress we've made.

Locate2u achieved revenue growth of 52% over 2023, whilst our Group revenue for 2024 increased by 24% over 2023. This growth, coupled with strategic reductions in staff and marketing costs, has driven an 80% reduction in our EBITDA loss from $4.3 million in 2023 to $0.8 million in 2024. While there's more work to be done, this reduction marks a crucial step towards our financial goal.

Locate2u: Expanding Horizon

In 2024, Locate2u revenue growth was driven by the addition of key customers such as Couriers by Demand, Western Australia Return Recycle Renew, Storage King and Ace Gutters. Following year end, Winning Group (Owners of Appliances Online), Designer Transport, and Roller Truck came on board. Additionally, existing customers like Amart Furniture and Beaumont Tiles increased their usage of Locate2u, reflecting their faith in our platform.

Our product development efforts have continued to allow us to deliver more functionality and win new customers. This year saw the release of major functionalities including a rates engine, customer invoicing, and driver pay features. Thanks to our new CTO, Steven Nagy, our development processes have become more agile, allowing us to deliver these enhancements rapidly. We continue to work closely with our customers in developing essential features for retailers, e-commerce businesses, and transport companies, setting the stage for faster onboarding of customers in the future.

Zoom2u: Steady Growth

The Zoom2u business, including 2u Enterprises, posted 9% revenue growth in 2024 over 2023. While our core Zoom2u courier platform showed modest growth, we believe there are opportunities for future growth of this business. 2u Enterprises, which operates the Shred2u secure document destruction service and offers marketing services, also experienced revenue growth in 2024.

Key highlights:
A transformational year with continued growth

~$3.5m
improvement in EBITDA

52%
Locate2u revenue growth in FY24

24%
Group revenue growth in FY24

84
Employee Net Promoter Score (e-NPS)

Building a Positive Workplace

Understanding and supporting our employees continues to be a key focus. In 2024, we conducted a global workforce survey and were pleased to report an employee Net Promoter Score (e-NPS) of 84 which was an impressive 38% improvement from the previous year. This score highlights the effectiveness of our efforts to foster a positive and inclusive workplace culture.

Looking Ahead

The reduction in our EBITDA loss is indeed transformational as we continue our march towards sustainable profitability. We see immense opportunities ahead for both of our core businesses. As we move forward, our commitment to innovation, customer satisfaction, and operational efficiency will remain the pillars of our strategy.

One final note: Although our share price is an important metric, we continue to focus on executing our long-term business plan of building great products for our customers.

We believe that building a great product will deliver long-term value for our company, and we encourage investors to take a long-term perspective.

Thank you for your continued trust and support in Zoom2u Technologies.

Faithfully,

Drew Kelton
Chair

Steve Orenstein
CEO and Founder

Visiting Locate2u customer Designer Transport's facility in Sydney

L-R: Drew Kelton (Chair), Gai Stephens (Company Secretary), Kara Nicholls (Non-Executive Director), Michael Gayst (CFO & Executive Director), Michael Rosenbaum (Non-Executive Director) & Steve Orenstein (CEO & Executive Director).

Staff profiles

Georgia Katos
Chief of Staff

Joining Zoom2u Technologies:
Following my entrepreneurial spirit
I started my career working for a transport company in Western Australia, before moving to Sydney and joining News Corp in marketing. I have always had an entrepreneurial spirit, having run my own side hustle e-commerce jewelry business, and when a role became available at Zoom2u Technologies I was interested. I was hired as an Executive Assistant to the CEO and within 2 years this role evolved into my current position as Chief of Staff, where I apply my experience in marketing and operations to help steer our Zoom2u and Locate2u businesses toward their ambitious goals.

Challenges and Rewards Over the Past Year
The last 12 months has brought its share of challenges, particularly in managing the onboarding of new Enterprise customers to the Locate2u product. We have been rapidly rolling out new functionality for these customers which will assist us in rounding out the complete product set.

It has been incredibly rewarding bringing innovative solutions to our customers' business needs and seeing the benefits they are achieving through streamlined operations.

Looking Forward: Excitement for the Next 12 Months
I'm excited about the opportunities for growth over the next 12 months as we have a number of major Enterprise prospects in the pipeline which will further enhance the credibility of our product.

The Unique Culture at Zoom2u Technologies
The most distinctive aspects of our culture are openness and inclusivity. The environment here is incredibly supportive, with a strong emphasis on collaboration and continuous learning.

Fostering Staff Engagement at Locate2u
Staff engagement is something I think about constantly. I believe in creating an environment where every team member feels valued and empowered to contribute their best. This involves clear communication, recognition of achievements and providing opportunities for growth. By maintaining high levels of engagement, we can ensure that our teams are aligned with our vision of letting everyone know, at all times, where their delivery is.

Mark Power
Chief of Product

My journey to Locate2u: A New Chapter of Innovation
My journey to Locate2u began when the software business I co-owned, Talcasoft, was acquired by Zoom2u Technologies in 2022. Whilst my business partner was seeking an exit the Talcasoft team and I were eager to find a new home that could harness our skills and take us to the next level. Locate2u provided that opportunity.

From Talcasoft to Locate2u: A Smooth Transition
Transitioning from Talcasoft to Locate2u was both challenging and rewarding. With prior experience in mergers, I approached this change cautiously but optimistically.

Thankfully, our talented team quickly adapted and began contributing to the Locate2u platform's growth from day one.

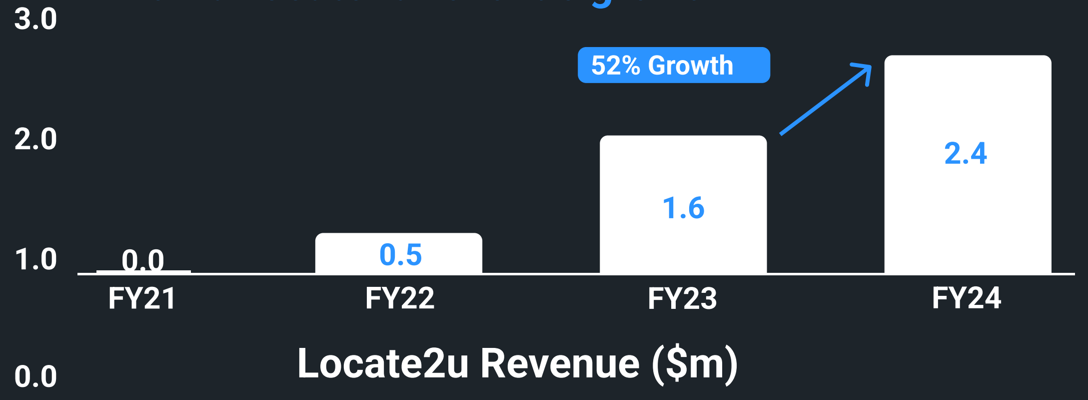
What Makes Locate2u Unique?
I believe that Locate2u stands out as it pursues a global SaaS vision. With a solid foundation in product development, customer support, and marketing, we're able to deliver a comprehensive solution that sets us apart from our competitors. I'm excited to be part of a team where these elements are in place, allowing me to focus on building and enhancing the product.

Why Now is the Time to Join Locate2u
Locate2u is at a unique point in its growth, offering a platform that integrates route optimization, delivery experience, and more. We provide customers with a unified solution that's more efficient than relying on multiple platforms. For those who enjoy building, innovating, and being part of a supportive team, Locate2U is the place to be.

FY24 highlights

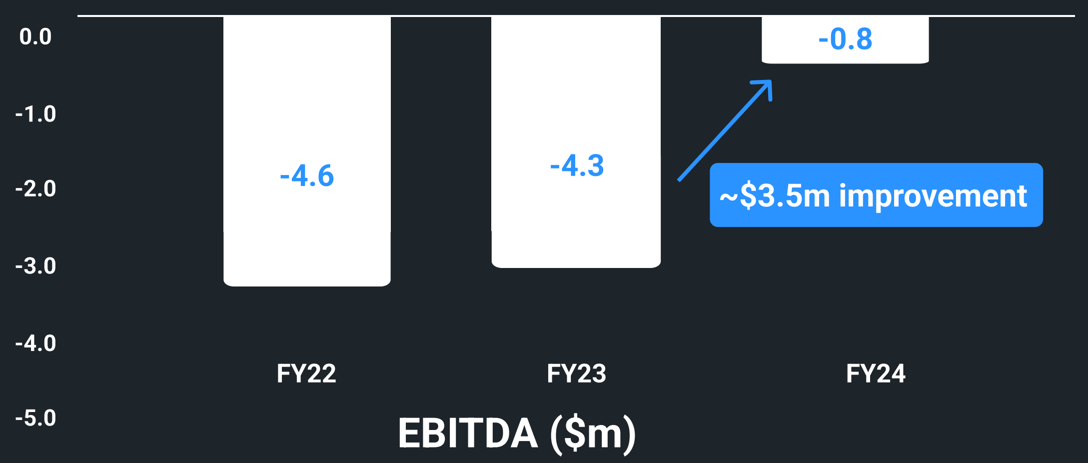
A transformational year with continued growth

52% Locate2u revenue growth in FY24



24% Group revenue growth in FY24

~$3.5 million improvement in EBITDA



Our strategy

Our strategy begins with our customers. We aim to help our customers deliver the best possible experience to their own customers. This focus on customer experience started with Zoom2u and continues to guide us in the evolution of Locate2u.

When we launched Zoom2u, our marketplace enabled customers in Australia to access fast, same-day deliveries across major metro areas. Over time, we expanded our offering by delivering our technology as a SaaS platform to companies worldwide under the Locate2u brand.

We began building Locate2u, a SaaS platform, in 2019, and we continue to enhance its capabilities. Our goal is to create a comprehensive, end-to-end platform that can manage logistics for businesses globally. This includes enabling businesses to manage their own fleets as well as integrating third-party providers for deliveries.

Collaborating closely with our customers has allowed us to refine our functionality, which ultimately strengthens the product for future sales. By prioritising customer needs and delivering innovative solutions, we believe we can not only help our current customers but also drive future revenue growth through new customer acquisitions.

We've intentionally slowed our sales efforts in order to complete key aspects of the software before ramping up our sales initiatives. While our current focus is on acquiring customers in Australia, over time we expect to also focus our efforts towards international markets.

.

While developing our product, we are also building out our distribution methods, believing that content is part of the future of distribution. This involves creating both written and video content.

In the past year, we have produced numerous written content pieces and videos, which have been shared on platforms such as Google, TikTok, YouTube, and LinkedIn.

Our organic content strategy takes time and effort but has lasting value, allowing us to build reusable organic content. This approach contrasts with paid media, where once the budget is spent, the impact is lessened.

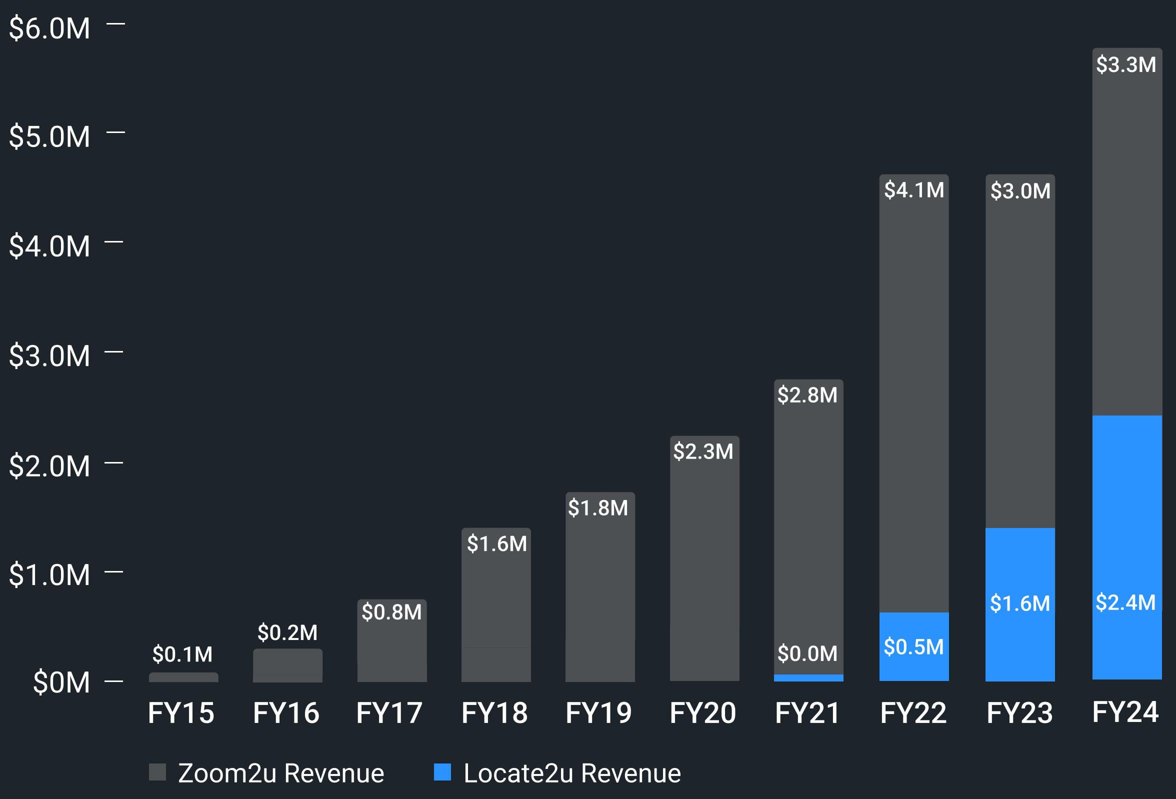
Our content focuses on business tips, logistics, and e-commerce news, alongside insights on optimising delivery operations for businesses.

This content strategy spans all business units, including Zoom2u, Locate2u, and Shred2u.

It serves as the foundation of our top-of-funnel marketing. Prospects are nurtured through additional marketing efforts, and once they make an inquiry, our sales team steps in.

As part of our growth strategy, we continue to explore M&A when it aligns with our goals, and can accelerate our expansion whilst also creating value for shareholders.

Group Revenue



Building our logistics platform

Over the past few years, we have transitioned from a marketplace model to a SaaS platform. This strategic shift has assisted our growth, resulting in FY24 revenue growth of 52% for the Locate2u business.

Our ambition is to create a seamless, end-to-end logistics engine that serves courier, retail, and ecommerce businesses globally.

PHASE 1
Marketplace Model

Our journey began by establishing the Zoom2u marketplace, which connected customers with drivers for fast, same-day deliveries. This initial phase laid the foundation for our business, focusing on delivering speed and reliability.

PHASE 2
Last Mile SaaS Platform

As Zoom2u expanded, we identified an opportunity to evolve from a marketplace into a SaaS platform. Our Locate2u technology now empowers courier, retail, and ecommerce businesses to manage their entire logistics operations. We've become an integral part of our customers' businesses, driving efficiency and scalability.

PHASE 3
Connected Logistics Platform

We are building a connected logistics platform that enables businesses to seamlessly send deliveries through third-party companies and couriers. This evolution will offer a fully integrated delivery experience, regardless of the size of the shipment or its destination.

Creating a logistic ecosystem

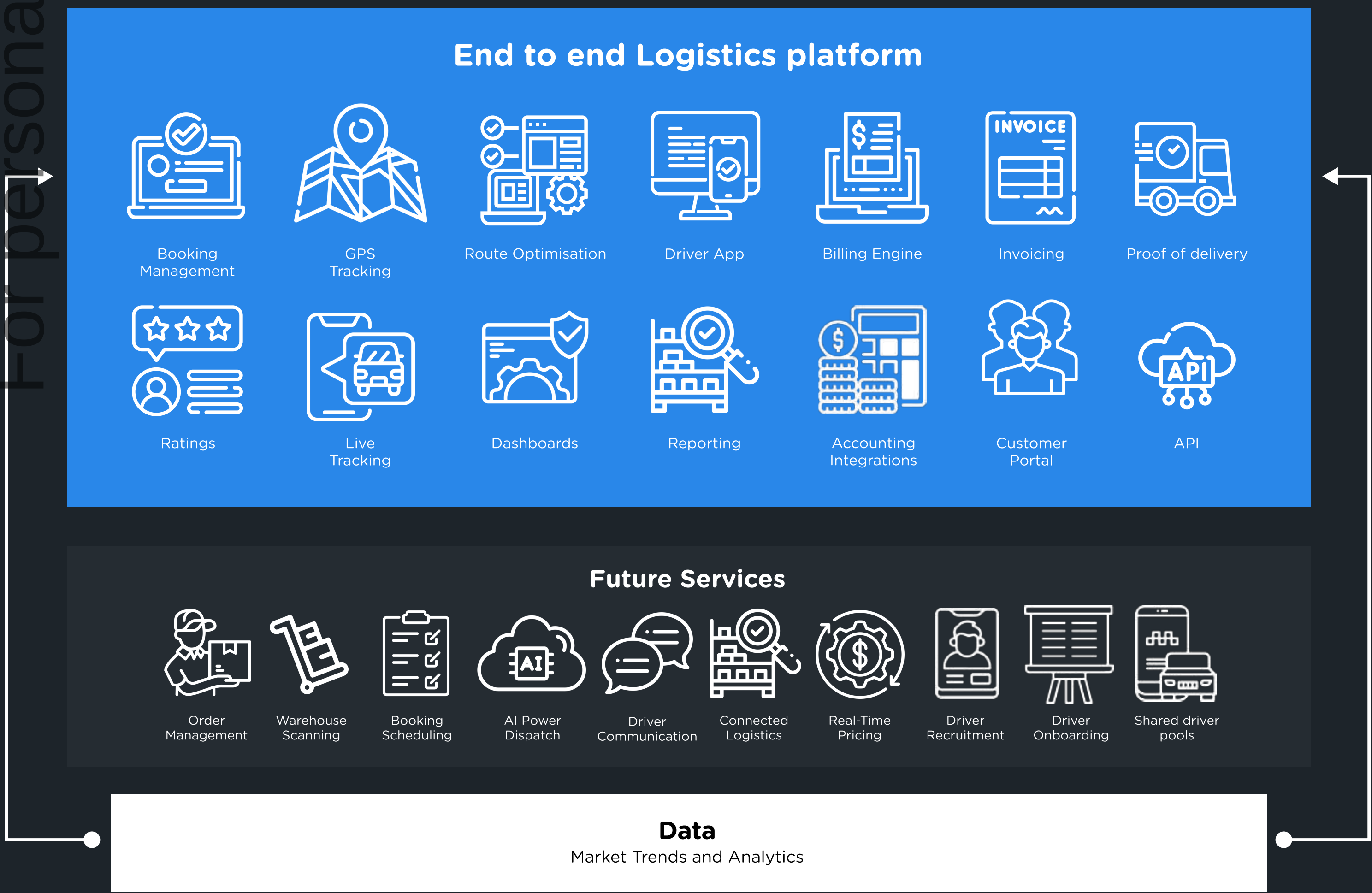
Since our beginnings in 2014, we have shifted from a marketplace connecting customers to drivers for same-day delivery to developing a logistics SaaS platform. We now support businesses globally in managing their deliveries and improving the experience for their customers.

Locate2u is used by companies managing their own fleet of drivers, helping them reduce costs and enhance their customer experience. With key features like route optimisation, businesses can efficiently streamline their bookings and deliveries at the click of a button.

As we continue to develop the platform, it is evolving into a connected logistics solution. This will allow customers to not only to manage their own fleet but also to integrate with third-party services like Zoom2u, Uber, Doordash, and others.

Since the launch of Locate2u, we have processed over 5.8 million deliveries.

In FY24, we introduced several key features, including a rates engine and invoicing capabilities. These enhancements have contributed to securing larger contracts with businesses that rely on Locate2u for their day-to-day operations.



Locate2u case studies

WARRRL and Locate2u - Partnering to make Western Australia litter-free

Western Australia Return Recycle Renew Limited (WARRRL) is a not-for-profit organisation that runs the Western Australia container deposit scheme, Containers For Change, empowering the community through its sustainability efforts to keep Western Australia litter-free. Containers for Change was established in 2020 to provide network points to the public across Western Australia.

Individuals and businesses in Western Australia can participate in the scheme via 3 main avenues: Public drop points, refund points throughout Western Australia or by booking a collection via the Containers Collect app.

The Containers Collect app encourages public participation by enabling individuals and businesses to book a collection at their homes or offices through the app or website, which is supported using Locate2u technology.

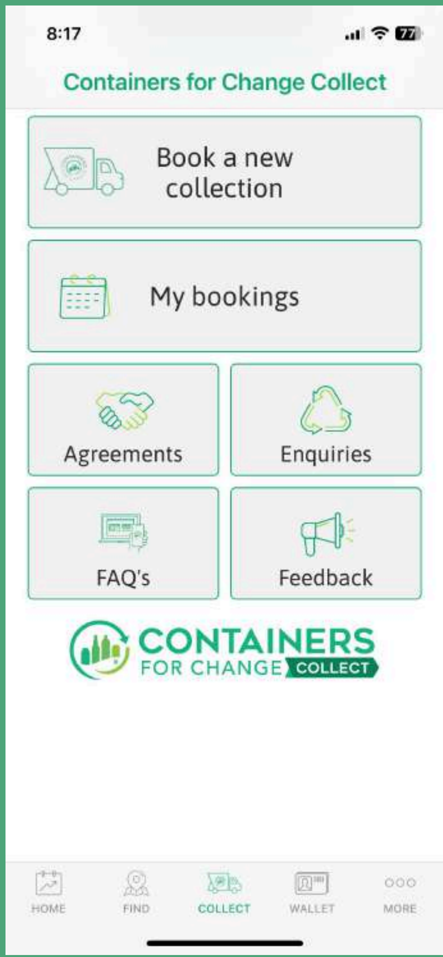
“We realised that because people are time-poor and there are so many competing priorities, we had to take the scheme to the community,” said WARRRL CEO Tim Cusack.

“Locate2u is an integral part of the solution and has enabled us to offer this fantastic on-demand collection service.”

"With intelligent planning tools, real-time tracking, and route optimization, we are able to ensure that we are as efficient as possible in collecting containers. This efficiency results in reduced fuel consumption which contributes to our passion of waste reduction."

The demand for recycling in Western Australia keeps growing, and Containers for Change has to adapt its schedules continuously. Locate2u's capabilities enable Containers for Change to be scalable, robust, and secure.

"Our goal is to get at least 85% of those (eligible recyclable containers) back. We're sitting at about 64% today. While we have achieved a great result so far, there's still so much more opportunity," said Cusack.



"Locate2u was an obvious choice, and we're really happy with it. Particularly with the physical logistic collection event, it's easy and simple to use. It gives us that real-time access."

WARRRL - CEO
Tim Cusack

My Foodie Box delivers fresh meals to Aussies with smart logistics

Perth-based meal kit business, My Foodie Box started business in 2018 with 30 orders on day one. The business used spreadsheets to map out deliveries for the day, roughly estimating when a driver might arrive at a customer's home. "We quickly realised that we needed to find something a bit more advanced than this," Hughes said.

My Foodie Box delivers weekly meal ingredients in a box to customer's homes, with easy instructions for preparing meals in 15 minutes.

Logistics comprise 90% of the business, from receiving fresh food from farmers and local suppliers to delivering to various locations over the weekend.

"Everything that we do is driven by the efficiency of our logistics," says Hughes. "It was quite challenging to find software that would meet all our needs. It's about receiving the goods and dispatching them in a very short period because you're dealing with fresh produce."

"Having Locate2u software saves us many hours of work. We used to spend hours trying to figure out how to optimise routes - Locate2u does it in seconds. Not having to send out notifications manually to customers to let them know that the box is on the way and providing an estimated ETA to make sure that the customer is not waiting for their box all day long makes the process more efficient for both My Foodie Box and the customer."

Automating repetitive tasks freed up My Foodie Box to scale up the business. "With Locate2u, we were able to customise it to what we needed and what we wanted. As the orders come in, the data gets processed into the Locate2u software. The deliveries are then optimised based on the number of drivers available, vans needed, number of customers, and size of each order. It sends the notations to our customers to let them know your box will arrive on this day between this time and this time. Locate2u enhances our efficiency and will enable us to expand our business as the orders roll in."

Having a software like Locate2u saves us from many hours of work. Not having to figure out how to optimize routes...

My Foodie Box
CEO and co-founder
Mai Hughes

Environmental, Social and Governance (ESG)

Introduction

Zoom2u Technologies acknowledges the constantly evolving environmental, social, governance and sustainability requirements and its responsibility to provide transparent reporting against these requirements to all our stakeholders.

Zoom2u Technologies listed on the Australian Securities Exchange in September 2021, and we commenced our ESG journey in 2022.

From an Environmental perspective, the nature of Zoom2u Technologies' businesses, driven by our people and our digital offerings, means that Zoom2u Technologies is not a large consumer of energy or water. However, as we continue on our ESG journey we will be considering these areas further.

From a social perspective, we nurture our workforce as it is our most important asset. We strive to ensure that our workforce is inclusive and diverse and is a great place to work, and as a result, our employees are able to be the best they can be.

From a governance perspective, we have a competent board that has the appropriate skillset to oversee the operations of the Company. The board has put in place policies to assist in sound governance and has established a Risk Management Framework and Risk Appetite Statement to provide parameters within which management operates.

Environmental

As a software solutions provider, Zoom2u Technologies does not physically transport goods.

The Zoom2u and Locate2u platforms have a number of functions which allow our customers to reduce their environmental footprint. With intelligent planning tools, real-time tracking, and route optimization, customers can significantly reduce futile transport trips and deliveries and hence reduce fuel consumption. This means better quality reporting, fewer delays and returns, and high-quality deliveries. Additionally, our Cloud deployment makes remote working and collaboration easy to deploy.

Our Shred2u business is a secure document destruction business that provides collection and delivery services for our customers' unwanted documents. Paper collected is delivered to an environmentally friendly recycling business that supplies local and international mills with fibrous materials for paper pulp. This business was selected for its ethical and environmental credentials.

Social

Our Workforce

Zoom2u Technologies' has a diversified workforce, who work flexibly, located in Australia, South Africa, India and the Philippines.

We have continued to conduct a global workforce survey that commenced in 2022. In 2023 our e-NPS was 61 which was a decrease of 20% from the previous year. The employee comments and recommendations from the 2023 survey provided ideas on how to improve the workplace for our teams.

The e-NPS for 2024 was a pleasing 84, an increase of 38% from last year's result. The participation rate of employees in the survey was 72% which was higher than the 68% recorded in 2023. Again some great ideas from our people have come out of this survey and we are in the process of implementing many of our employee's suggestions.

Whilst Zoom2u Technologies is a publicly listed company, it has maintained elements of a start-up culture. The organisational structure is flat, all staff have a direct line of communication to the CEO and CFO and our staff's performance is judged based on outcomes, not time spent in the office.

During 2024 we offered internships to students from Boston University participating in an international exchange program. These interns added a different perspective to our business offerings.

Zoom2u Technologies has adopted a Diversity Policy to assist it in attracting, developing and retaining people who are highly competent and can contribute to our long-term success and values by bringing a broader range of perspectives, experience and ideas. Our Diversity Policy includes the provision of Equal Opportunity, and is supported by our Whistleblower Policy. The Whistleblower policy allows our people to anonymously report issues that they are concerned about.

Diversity & Inclusion

Zoom2u Technologies is committed to promoting diversity within the Company and recognises the value of diversity in achieving the Company's corporate objectives and maximising value to shareholders.

Through fostering an inclusive environment which recognises a variety of employee qualities, the Company aims to improve employee retention, embrace different perspectives, and enhance the Group's reputation.

Strategies available to the Company for achieving diversity are set out in the Company's Diversity Policy, for which the Company's Board is responsible.

When Zoom2u Technologies established its Diversity Policy, it was cognisant that achieving its objectives would be influenced by many factors including:

- The need to hire the best qualified person for the available job as established by the Company's Diversity Policy;
- The under representation of female candidates in the IT industry;
- Changes in the number of people employed due to expansion or reduction in future business activities of the Company; and
- Changes in the composition of the workforce due to resignations, redundancies or terminations.

Reflecting on the above, the Company's Diversity Policy:

- facilitates equal employment opportunities based on relative ability, performance, and potential, including ensuring equal access for people who are Aboriginal or Torres Strait Islander when recruiting for open positions;
- seeks to improve employment and career development opportunities for females; and
- seeks to build a safe work environment by taking action against inappropriate workplace and business behaviour including discrimination, harassment, bullying, victimisation and vilification.

The Company's Diversity Policy can be found at **www.zoom2u.com.au/corporate-governance/**

Diversity Objectives

The Board has set measurable objectives for achieving gender diversity and is committed to annually reviewing, assessing, and reporting on these objectives, and the Company's progress in achieving them. Performance for the year ended 30 June 2024 is as follows:

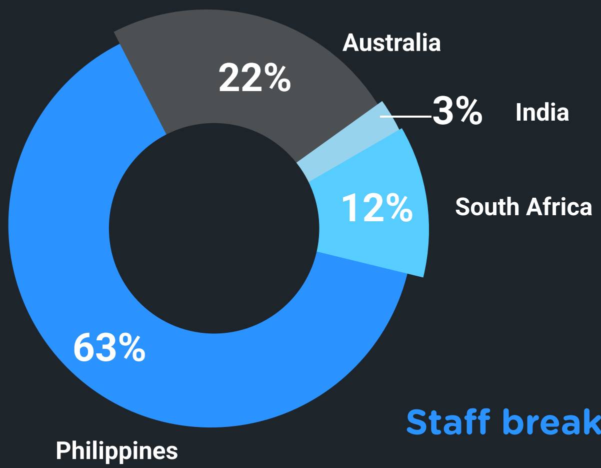
Staff Group	Gender Objective	FY24 Performance	Outcome
Non-Executive Directors	At least 30% female	33% female	Achieved
Senior Executive	At least 40% male and 40% female	29% female	Not achieved
Other roles	At least 40% male and 40% female	36% female	Not achieved

Females now comprise approximately 36% of total staff. We will continually work towards creating a diverse and culturally aligned workforce and focus on diversity in its broadest sense when making decisions.

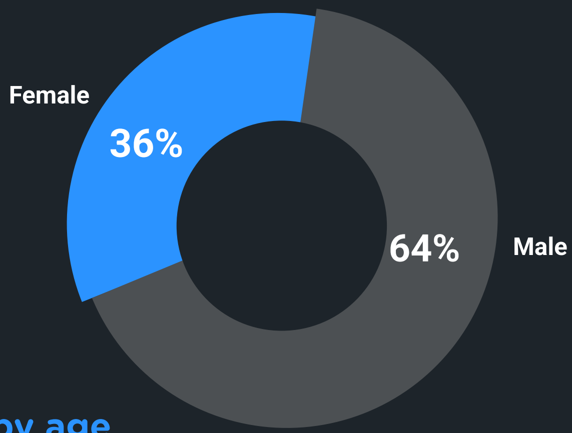
Diversity Profile

As at 30 June 2024 we employed 81 people. The breakdown on location, gender and age is provided in the charts below.

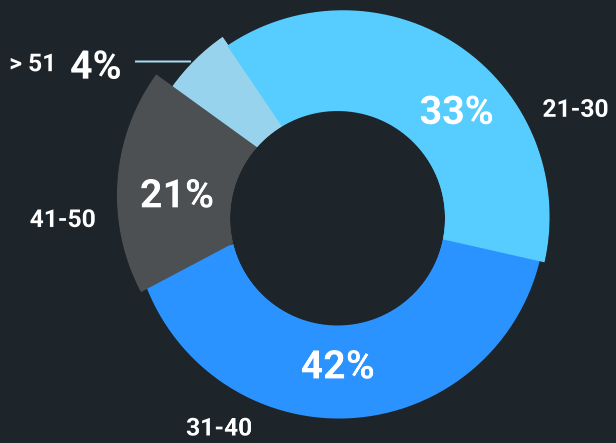
Staff breakdown by location



Staff breakdown by gender



Staff breakdown by age



Governance

Regulatory landscape

Zoom2u Technologies acknowledges and embraces its regulatory, governance and business responsibilities. Our businesses are subject to a set of laws, regulations and industry requirements in various jurisdictions globally. These include, but are not limited to, privacy and data protection, taxation, employment, corporate regulations and corporate governance.

Corporate Governance

The Board acknowledges that it is accountable to shareholders, and must ensure that the Company is properly managed and protected to enhance shareholder value . Zoom2u recognises that its reputation is a valuable asset, which is based largely on the ethical behaviour of the people who represent the Company.

To test and understand whether the Board of Directors has the appropriate skillset to run the Company, and is operating effectively, a review of the Boards' skills is conducted each year. The outcome of this process is summarised in the below skills matrix. The skills matrix is also a tool able to be used by the board to assess the suitability of new board members.

Code of Conduct

The Company's Code of Conduct outlines how it expects its people to not only comply with the law, but also to conduct themselves in a manner consistent with community and corporate standards.

The Company has established various charters and policies to support the Code of Conduct including:

- Board Charter
- Audit and Risk Committee Charter
- Remuneration and Nomination Committee Charter
- Corporate Governance Statement
- Anti-Bribery and Corruption Policy
- Modern Slavery Policy
- Diversity Policy
- Securities Trading Policy
- Continuous Disclosure & Communication Policy
- Whistleblower Policy

These policies are all available on Zoom2u's website at **www.zoom2u.com/corporate-governance/**

In addition to public facing policies, Zoom2u also hosts governance resources on its Intranet, which makes a suite of policies, procedures and templates available for use by our people. As well as the above these include:

- Risk Management Framework (including Risk Appetite Statement)
- Delegation of Authority Policy
- Company Vehicle Policy
- Occupational Health & Safety Policy
- Expense Policy

Zoom2u Technologies Limited

ACN: 636 364 246

Consolidated Financial Statements

For the Year Ended 30 June 2024

Contents

The directors present their report, together with the consolidated financial statements of Zoom2u Technologies Limited (**the Company**) and its controlled entities (**the Group**), for the financial year ended 30 June 2024.

1. General information

Directors and company secretary

The names of each person who has been a director during the year and to the date of this report are:

Name	Appointed
Drew Kelton	30 July 2021
Stephen Orenstein	23 September 2019
Michael Gayst	23 July 2021
Mike Rosenbaum	23 July 2021
Kara-Lyn Nicholls	15 March 2022

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Company Secretary

The names of each person who has held the position of Company Secretary during the financial year are;

Name	Appointed
Gai Stephens	15 May 2023

Ms Stephens has extensive experience as Company Secretary with roles previously in a range of entities from multinationals, large and small Australian public listed companies to disruptive technology startups. In these roles, her breadth of experience includes mergers and acquisitions, corporate restructurings, equity and debt fund raising, corporate governance, risk management and remuneration planning. She is a Fellow of the Governance Institute of Australia, the Tax Institute, and has qualified as a chartered accountant. She is a graduate member of the Institute of Company Directors. She holds undergraduate degrees in accounting and law and a postgraduate qualification in corporate and tax law.

Principal activities

The principal activities of the Group during the financial year were the provision of:

- The Zoom2u delivery technology platform connecting customers with drivers for fast deliveries; and
- Locate2u, a software as a service (**SaaS**) product for delivery and services businesses.

No significant change in the nature of these activities occurred during the year.

2. Operating and Financial Review

Overview of the Group

Zoom2u Technologies is a global provider of innovative and real time tracking delivery solutions and is the parent company for Zoom2u and Locate2u. Locate2u is a global Software-as-a-Service (**SaaS**) platform, designed to manage and optimise deliveries for couriers, retailers and ecommerce businesses. The Company's Zoom2u Platform provides an Australia-wide Marketplace connecting customers to a network of local drivers for fast deliveries. Since launching in 2014, Zoom2u has processed over 3.9 million deliveries to over 97,000 customers and has over 17,000 drivers.

.

Operating and financial performance for the year

A summary of the results for the year is set out below:

	2024	2023	Change ($)	Change (%)
Gross Marketplace Value (**GMV**[1]) ($m)	12,050,701	12,558,469	-507,768	-4%
Revenue from operating activities	5,723,822	4,632,330	1,091,492	+24%
Loss before interest, tax, depreciation & amortisation (**EBITDA**[2])	(832,778)	(4,255,952)	3,452,624	+80%
Loss after income tax expense	(3,063,262)	(5,558,448)	2,580,902	+45%

The highlights of the 2024 financial year included the following:

- Group revenue growth of 24%;
- Continued growth of the Locate2u business, with revenue increasing by over 52% compared with the prior year;
- 9% revenue growth achieved by the Zoom2u and 2u Enterprises segment, from improvement in Zoom2u's take rate combined with growth in 2u Enterprises revenue from the provision of digital marketing services to clients which is a new revenue stream outside of the core Zoom2u and Locate2u businesses;
- Onboarding new customers to the Locate2u product including Western Australia Return Recycle Renew Limited (**WARRRL**) and Couriers By Demand Pty Ltd (**CBD**). Subsequent to the end of the financial year, Winnings Services Pty Ltd (**Winning**), Roller Truck Pty Ltd (**Roller Truck**) and Designer Transport Pty Ltd (**Designer Transport**) signed agreements for use of the product; and
- The ~84% reduction in Normalised EBITDA[2] loss to $621,297 in the year ended 30 June 2024 from a loss of $3,938,839 in the year ended 30 June 2023 through a combination of increased revenue and an optimized cost base.

A reconciliation of loss after income tax expense to EBITDA[2] and Normalised EBITDA[2] is set out below:

	Consolidated	
	30 June 2024 ($)	**30 June 2023 ($)**
Loss after income tax expense	**(3,063,262)**	**(5,558,448)**
Add: Finance costs	1,066,206	355,941
Add: Depreciation and amortisation	1,308,525	987,193
Less: Income tax refund	(80,181)	-
Less: Finance and interest income	(64,065)	(40,638)
EBITDA	**(832,778)**	**(4,255,952)**
Add: Transaction costs	25,264	85,285
Add: Customer claim settlement	150,000	-
Add: Accelerated option vesting expense	36,217	231,828
Normalised EBITDA	**(621,297)**	**(3,938,839)**

The EBITDA[2] for the consolidated entity for the year ended 30 June 2024 was a loss of $832,778 (30 June 2023:

[1] Gross Marketplace Value is a non-IFRS measure that 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.

[2] EBTIDA and Normalised EBTIDA are non-IFRS measures that are presented to provide an understanding of the performance of the Group's operations. In the opinion of the Directors, the Group's Normalised EBTIDA reflects the results generated from ongoing operating activities. The non-routine adjustments outlined above are considered to be non-cash or non-recurring in nature. These items are included in the Group's consolidated statutory result but excluded from Normalised EBTIDA. The non-IFRS financial information is unaudited. However, the numbers have been extracted from the audited financial statements.

loss of $4,255,952). The result for the year was impacted by one off costs related to transaction costs, costs associated with the settlement of a historical customer claim and the requirement to accelerate the expensing of option vesting on cancellation of certain employee options. Excluding these one-off costs, Normalised EBITDA[2] for the year ended 30 June 2024 was a loss of $621,297 (30 June 2023: $3,938,839), which represented an 84% decrease in losses compared to the year ended 30 June 2023

The consolidated loss after income tax expense of the Group for the year ended 30 June 2024 amounted to $3,063,262 (2023: $5,558,448). This represented a 45% decrease in losses compared to the year ended 30 June 2023. The decreased loss after income tax expense was largely due to the decrease in EBITDA loss offset by higher depreciation and amortisation expenses and the expensing of the PURE Asset Management Pty Ltd (**PURE**) royalty (of $750,000 with a discounted value of $494,662) in the period in accordance with AASB 9 Financial Instruments.

Locate2u - Revenue

The Locate2u business achieved revenue in the year ended 30 June 2024 of $2,403,729, being an increase of 52% over the $1,583,751 reported in the prior year. Locate2u software revenue increased by approximately 120%, assisted by new revenue from enterprise customers including WARRL and CBD Couriers. Talcasoft revenue grew by 47%, as the year ended 30 June 2024 was the first full year contribution from the business that was acquired in November 2022. Other revenue (SMS revenue and implementation fees) grew at a slower rate (12%), whilst GPS hardware revenue (-30%) and Local Delivery revenue (-17%) fell versus the prior year.

Zoom2u and 2u Enterprises - GMV and Revenue

Zoom2u's GMV for year ended 30 June 2024 declined by ~4% from the level reported in the prior year. The decline in GMV was in part due to lower GMV from the Freight Match business, which is experiencing soft trading conditions due to a slowdown in project related work. This was offset by an increase in deliveries for merchant customers at a lower average GMV per delivery.

Key metrics for Zoom2u for the year ended 30 June 2024 included:

- Signing up over 13,700 new accounts (versus 20,700 in the prior year) and completing deliveries for over 4,900 new customers (versus 8,400 in the prior year). The deterioration in these metrics precipitated the management restructure of the business which was implemented during the financial year;
- completing ~635,000 deliveries, being a near 40% increase on the prior year, due to the increase in deliveries for merchant customers. Over 3.9 million deliveries have now been completed since the platform was launched in 2014; and
- the increase in merchant deliveries reduced the average GMV per delivery for the year to ~$19 compared to ~$28 in the prior year.

The Zoom2u business (excluding 2u Enterprises) recorded a revenue increase of ~5% in the year ended 30 June 2024 to $2,975,205 compared to $2,833,253 reported in the prior year due to:

- the 4% decline in Zoom2u's GMV to $12,050,701; offset by
- an increase in revenue as a percentage of GMV to 24.7% from 22.6% in the prior year.

This improvement has been due to several factors, including customer mix changes and a pricing review in relation to customers of the Freight Match business.

During the year ended 30 June 2024, 2u Enterprises' revenue of $344,888 represented a 60% increase over the $215,326 recorded in the prior year. Revenue was derived from the Shred2u business which facilitates secure document shredding services and the provision of digital marketing services to clients, which was a new revenue stream for 2u Enterprises during the year. Shred2u's revenue for the year ended 30 June 2024 of $223,820 was a 4% increase over the $215,326 recorded in the prior year. Digital marketing services and some minor other ad hoc revenue contributed $121,068 for the year.

EBITDA

The Group's EBITDA loss for the year was $832,778 compared to a loss of $4,255,952 for the prior year. This 80% reduction in the EBITDA loss was achieved from:

- a 24% increase in operating revenue, with increased revenue being achieved by each of the Group's businesses, as outlined above;
- a 66% reduction in marketing expenses to $275,596 in the year ended 30 June 2024 from $800,267 in the prior year, with the decrease achieved from a continued reduction in spending on paid advertising with the move to more content-based marketing;
- a 29% decrease in employee benefit expenses to $3,900,693 in the year ended 30 June 2024 from $5,527,872 in the prior year. This decrease was due to a number of factors, including:

    - a reduction in expenses associated with the employee share options plan, introduced at the time of the Company's IPO in September 2021;
    - a lower expense for the accelerated vesting of cancelled options during the year. The prior year included expenses for accelerating the expensing of options held by the CEO in addition to a number of other ESOP participants whose employment was terminated; and
    - the full year impact of headcount reductions undertaken in the year ended 30 June 2023.

- a 6% reduction in all other operating expenses to $2,452,221 in the year ended 30 June 2024 from $2,618,626 in the prior year. The reduction occurred across all major cost categories except for Software and Subscriptions expenses which increased by approximately 10% to $763,514 in the year ended 30 June 2024 from $692,858 in the prior year.

Financial Position

The Group had $2,053,160 in cash as at 30 June 2024 compared with $3,853,671 in cash as at 30 June 2023. The net decrease in cash of $1,800,511 in the year ended 30 June 2024 was due to cash expended on operating activities combined with the purchase of equipment and investments in software development during the year.

The net assets of the Group have decreased to a net asset position of $481,501 as at 30 June 2024 from a net asset position of $3,311,667 at 30 June 2023.

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made since the end of the financial year up to the date of this report.

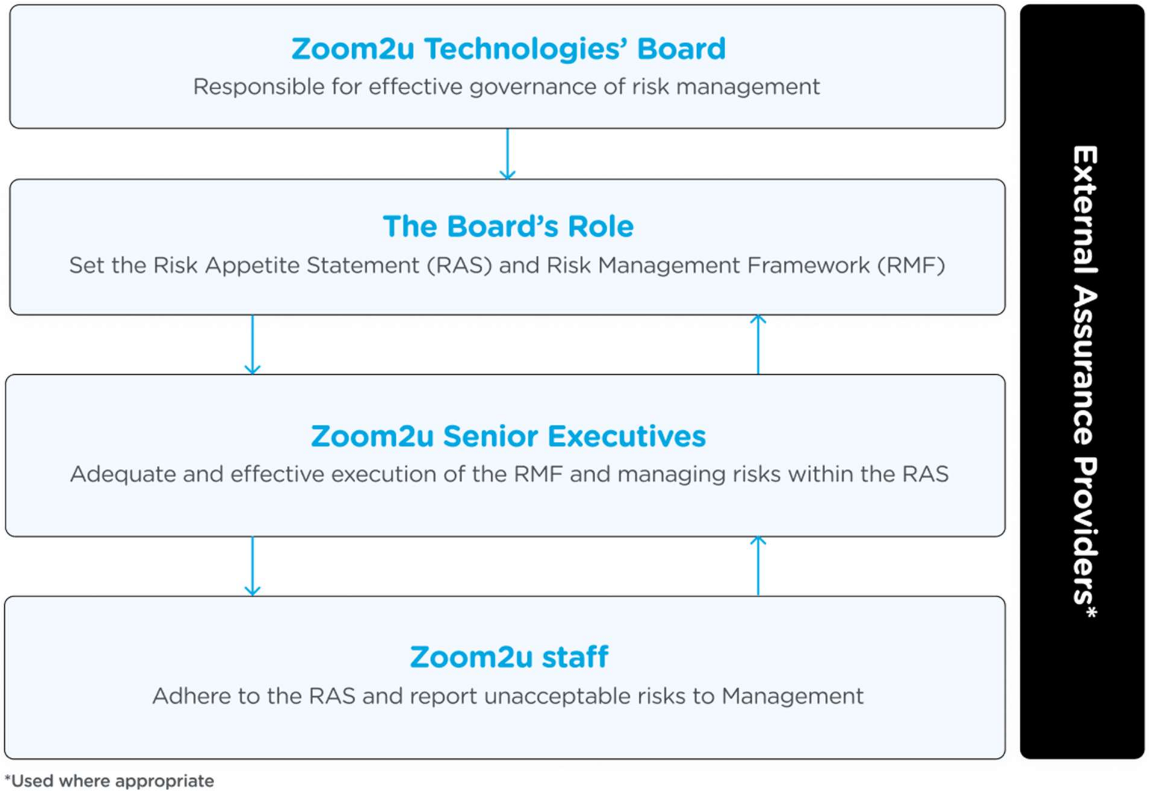
Risk Management

Zoom2u Technologies considers risk management to be an essential part of good corporate governance and is committed to having a risk-aware culture that is championed by our Board and Senior Executives.

Zoom2u Technologies recognises that effective risk management is only possible with clear governance and conducts its Risk Management Activities in line with a Board approved Risk Management Framework. The Zoom2u risk management framework is designed to identify material financial and non-financial risks.

Responsibility for risk management is shared between the Board, Management and all of our people. The Board sets the risk appetite and provides oversight of management's execution of Zoom2u's risk management framework.

We recognise that all of our people have a role to play in this area. Key roles are outlined in the diagram below.


Zoom2u Technologies' Board
Responsible for effective governance of risk management
The Board's Role
Set the Risk Appetite Statement (RAS) and Risk Management Framework (RMF)
Zoom2u Senior Executives
Adequate and effective execution of the RMF and managing risks within the RAS
Zoom2u staff
Adhere to the RAS and report unacceptable risks to Management
External Assurance Providers*
*Used where appropriate

The table below highlights key strategic, operational and emerging areas of potential risk facing Zoom2u and the high level mitigation activities we have in place.

Material Business Risks	Mitigation strategies and activities
Liquidity and Capital Management	
• Our liquidity may be adversely impacted by circumstances we are unable to control – such as changes in customer behaviour • An inability to access funding to support our liquidity would severely limit our ability to deliver on strategic plans	• Equity and debt raising strategies • We monitor and adjust our expenses in response to a change in business conditions • We proactively engage with our material customers to prevent revenue leakage • We ensure that we have a minimum level of cash to fund our operations at any given time
People	
Wellbeing, Health and Safety	
• We have a widely distributed workforce and may not be able to protect our employees wellbeing, health and safety	• We regularly undertake employee surveys and act on any issues that our employees raise • We immediately address any unacceptable workplace issues which are not aligned with our code of conduct, diversity and safety policies
Attracting and Retaining	
• If we do not attract and retain the right people, we will not have the capacity to undertake the processes and projects that deliver growth, platform and product development and customer support activities	• We provide our people with a flexible workplace • We foster an environment where people want to work • Our annual employee surveys provides a high Employee Net Promoter Score ("e-NPS") and an opportunity for staff to provide anonymous feedback
Operating	
Competition and Technology Disruption	
• Zoom2u may need to invest significant time and costs into updating its technology to remain competitive	• Zoom2u is increasing its investment in product development and is adding new features to its platform and products on a regular basis

Product Delivery Execution

- New features in Zoom2u's platform, products and services may not be valued by customers and thus may not convert to sales

- The Company constantly tracks trends in the delivery industry (for instance autonomous vehicles and drones) with a view to adopting new technologies in the future
- Prioritisation of initiatives to focus available resources and delivery on the highest priority projects

Dependency risk on third party couriers/drivers

- The Zoom2u platform relies on third-party couriers to perform services for customers. There is a risk associated with their reliability, performance, and adherence to service standards. Poor service from these partners can reflect negatively on the platform and its customers

- Drivers are required to undertake an on-boarding process prior to being registered to operate on the platform
- Customers have the ability to discontinue the services of particular drivers if they have had a poor delivery experience.

Legal

- Complex legal arrangements which may lead to litigation which Zoom2u should not be involved in
- Actions by our employees and contractors and marketplace participants could result in liabilities to third parties with whom we have no formal relationship. They could see litigation against Zoom2u as the only option for seeking recourse
- Misuse or misappropriation of our intellectual property may result is costly litigation

- We maintain relationships with advisors to assist in complying with the obligations applicable to our business

Compliance

- The regulatory environment which the company operates in is complex – changes to the regulatory environment may cause additional expenditure to be incurred and / or disruption to business growth, platform / product development, and customer support activities
- Breach of regulations could lead to reputational damage, fines and penalties

- We maintain relationships with advisors to assist in complying with the obligations applicable to our business

Data and cybersecurity breaches

Breach

- Security controls and processes are insufficient leading to a breach and resulting in loss of data or system functionality, and disruption to customers' businesses

- When developing our platform and products, protecting the customer and corporate data is a core priority. We protect this information by developing coding rules, databases and application and review procedures to ensure that we are protecting this information to the greatest extent possible
- We use layered cyber security, regular access reviews and cyber security penetration testing to confirm the security of systems
- We have adopted privileged access management to ensure administrator rights are protected
- Multiple layers of system security to harden our systems against malware

Third Party relationships

- We depend on third parties that are exposed to the same cyber risks as Zoom2u but they are largely outside of our control

- Where possible, we protect ourselves by appropriately worded contracts
- Where possible, we undertake a review to ensure the provider has robust controls in place

Platform Stability

- Failure or disruption of our platform or products resulting in disruption to a customer's business.

- Comprehensive testing, piloting and integration of new features and functionality improvements
- We pursue “High Tempo” development of the platform/ products, on demand. Their stability and availability is essential to delivering new functionality and features on time
- Appropriate redundancy and disaster recovery processes to reduce any impact of systems failures or disruptions

Outlook and Likely Developments

The Company's mission continues to be to empower customers to thrive through our last-mile technology innovations. The growth initiatives we have pursued since the Company's IPO in September 2021 remain the same, with a focus on sales and marketing, product development and M&A.

Whilst the economic outlook remains uncertain, we continue to have meaningful discussions with large enterprise businesses looking to achieve efficiencies in their delivery processes. The recent signings of new customers such as Winning continues to validate the scalability and robustness of the Locate2u platform.

Whilst high inflation and interest rates may be impacting discretionary retailers, the management restructuring of the Zoom2u business has identified opportunities to restore meaningful growth to this part of the Group.

3. Other items

Significant changes in state of affairs

As noted in the Company's annual report for the year ended 30 June 2023, following 31 December 2022, a 'review event' was identified in relation to the EBITDA covenant contained in the PURE Facility Agreement. It was also noted that PURE and Zoom2u were in discussions in relation to the potential waiver of this 'review event' and any required amendments to the Facility Agreement. An agreement was executed on 25 July 2023, which resulted in new EBITDA covenants under the Facility Agreement and royalty payments, calculated as 2.5% of Locate2u revenues, capped at $750,000 to be paid quarterly. The Company may buyout the remaining royalty payments by paying the amount represented by the cap of $750,000 less additional royalty payments made to the date of buyout. PURE also agreed to waive the review event for the December 2023 quarter which would have increased the interest rate on the facility from 9.95% to 15%.This has resulted in the recording of a financial liability of the Group to PURE of $750,000, which as at 30 June 2024 had a discounted value of $449,149.

Other than the above, there have been no significant changes in the state of affairs of entities in the Group during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

Future developments and results

Legislation around how the Company engages with drivers on the Zoom2u platform continues to evolve. The Company will take appropriate action if and when any change to relevant legislation is proposed.

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

Environmental issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

Information on directors

Drew Kelton	**Independent Non-Executive Chairman**
Qualifications and Experience	Drew is a global business leader and professional board director with 40 years' experience in the information and communication technology and telecommunications arena. Drew has been a non-executive director of Superloop Limited (ASX:SLC) since October 2018. He was previously the non-executive chairman of Firstwave Cloud Technology Limited (ASX:FCT) (resigned October 2018) and a non-executive director of Megaport Limited (ASX:MP1) (resigned June 2019). Drew previously held senior executive roles with Docusign, T-Mobile USA, Bharti Airtel and Telstra.
Special responsibilities	Chair of the Remuneration and Nomination Committee and Member of the Audit and Risk Committee
Interest in Shares and Options	247,818 shares, 1,975,582 options
Stephen Orenstein	**Managing Director and Chief Executive Officer**
Qualifications and Experience	Steve has significant software development and entrepreneurial experience, in particular around job management and job dispatch 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). 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.
Special responsibilities	None
Interest in Shares and Options	46,736,612 shares
Michael Gayst	**Executive Director and Chief Financial Officer**
Qualifications and Experience	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. 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.
Special responsibilities	None
Interest in Shares and Options	1,248,071 shares, 4,938,956 options

Mike Rosenbaum	**Independent Non-Executive Director**
Qualifications and Experience	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 it to circa $100m turnover (exit to GraysOnline in 2014) and is currently the CEO of Spacer Technologies, which is a marketplace for storage and parking in Australia and the United States. 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.
Special responsibilities	Member of the Remuneration and Nomination Committee and Member of the Audit and Risk Committee
Interest in Shares and Options	721,047 shares, 987,791 options

Kara-Lyn Nicholls	**Independent Non-Executive Director**
Qualifications and Experience	Kara has an accomplished career at senior executive levels with over 27 years of global equity capital markets, commercial, regulatory, and corporate compliance experience across the financial services (banking and investment banking), retail, property, higher education, and industrial (oil, mining and manufacturing) sectors as well as at the Australian Securities Exchange. Kara is currently a Non-Executive Director of Ripple Learning Limited, member of the Australian Medical Association (NSW)'s Audit & Risk Committee, and a member of the ESG Council of Blackwattle Investment Partners, and a member of the NSW Anti-slavery Commissioner's Advisory Panel.
Special responsibilities	Chair of the Audit and Risk Committee and Member of the Remuneration and Nomination Committee
Interest in Shares and Options	90,909 shares, 987,791 options

Meetings of directors

The number of meetings of the company's Board of Directors (**the Board**) and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board		**Audit & Risk Committee**		**Remuneration & Nominations Committee**	
Director	**Meetings Attended**	**Eligible to Attend**	**Meetings Attended**	**Eligible to Attend**	**Meetings Attended**	**Eligible to Attend**
Drew Kelton	10	10	4	4	3	3
Steve Orenstein	10	10	4	4	3	3
Michael Gayst	10	10	4	4	3	3
Mike Rosenbaum	10	10	4	4	3	3
Kara-Lyn Nicholls	10	10	4	4	3	3

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

4. Remuneration report (audited)

This remuneration report is set out under the following main headings:

1. Reward Overview

a. What does this report cover?

This remuneration report provides a summary of remuneration arrangements for the consolidated entity's Key Management Personnel (**KMP**) for the financial year ended 30 June 2024. This report has been prepared in accordance with the requirements of the Corporations Act 2001 and its Regulations and subsequently audited by the Company's External Auditor.

b. Key Management Personnel

In this Report we refer to '**Executive KMP**' to be the Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**).

KMP are those people who have authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The KMP of the consolidated entity are outlined in the following table:

Name	Title	Independent	Term
Non-Executive Directors			
Drew Kelton	Non-Executive Chair	Yes	Full financial year
Mike Rosenbaum	Non-Executive Director	Yes	Full financial year
Kara-Lyn Nicholls	Non-Executive Director	Yes	Full financial year
Executive Directors			
Stephen Orenstein	Executive Director and CEO	No	Full financial year
Michael Gayst	Executive Director and CFO	No	Full financial year

c. Role of the Remuneration and Nomination Committee

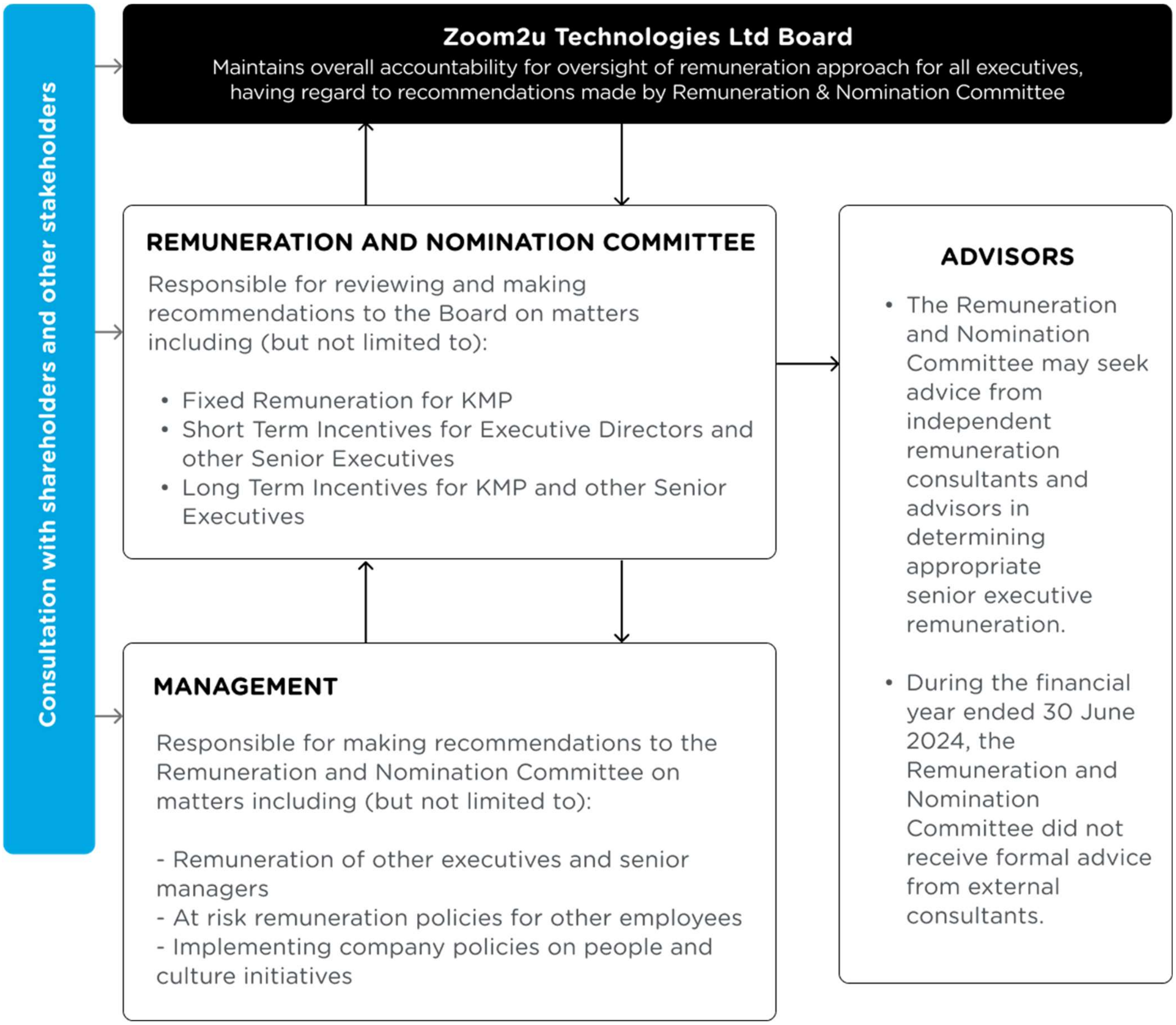
The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The remuneration philosophy is to attract, motivate and retain experienced and high performing personnel.

d. Governance framework

The reward framework is designed to align executive reward to shareholders' interests. The Board maintains overall accountability for the oversight of the remuneration approach for all of the Group's Executives and Non-Executive Directors (**NED**), having regard to the recommendations made by the Remuneration and Nomination Committee. More information on the Board's role and the Group's corporate governance policies for KMP can be found on the Group's website at: https://www.zoom2u.com.au/investors/

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

During the financial year ended 30 June 2024, the Remuneration and Nomination Committee did not obtain advice or a recommendation from any remuneration consultants.



e. Remuneration framework

The executive reward framework consists of the following components:

- fixed remuneration, comprising base salary and Company contributions to superannuation;
- short-term performance incentive (**STI**); and
- long term performance incentive (**LTI**).

In combination, these components comprise the executive's total reward as outlined in the table below:

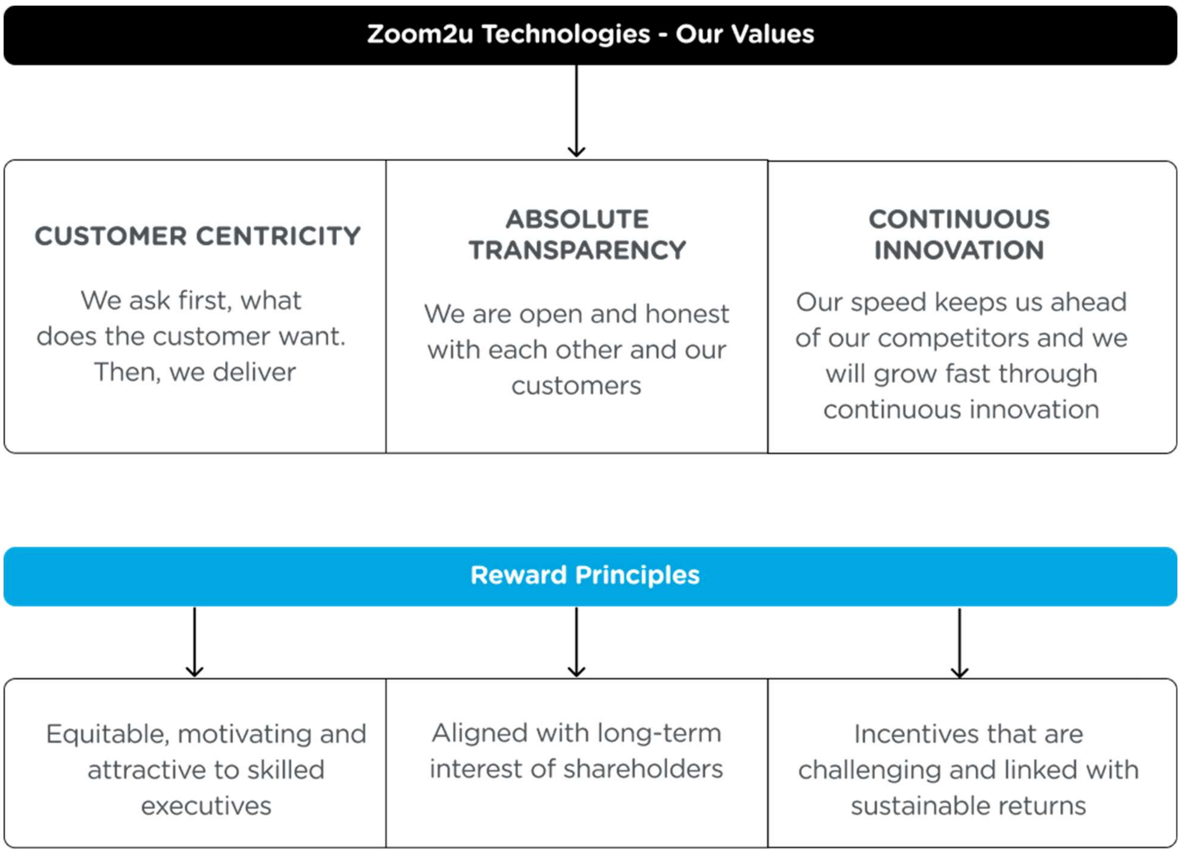
Remuneration Component		Payment Vehicle	Benchmark	Performance Measures	Link to Strategy
Fixed Remuneration		Cash Salary and Retirement Benefits(i)	Reference to the market median remuneration for similar roles in ASX listed companies in the same industry and of similar size to the Group.	Scope and responsibilities of role; together with skills, experience, and performance of individual.	Aim to pay market competitive fixed remuneration to attract, motivate, and retain Executive KMP with the appropriate experience and talent to drive the Group's strategy.
Variable Remuneration	**STI**	Any award achieved will be delivered, following the release of end of year results as a cash payment or by way of shares.	Target opportunity based on a fixed dollar STI for various levels of achievement against targets.	Key financial and non-financial measures are used to determine any STI award payable. These measures represent the key priority areas for the current year and relate to revenue, EBITDA, cash balance and employee Net Promoter Score.	Provides a reward linked to the delivery of short- term (1 year) objectives.
	LTI	Share options with vesting based on the delivery of set performance measures over a 3 to 5 year performance period.	Grant based on level of and category of employee.	Share Price Growth and Retention	The LTI builds KMP equity ownership. It aligns the interests of KMP and other executives with shareholders.
Total Remuneration					Aim to be comparable to the market median for companies in the same industry and of similar size to the Group.

i. Retirement benefits for KMP that are employees are delivered under defined contribution superannuation funds. Retirement benefits are set by reference to relevant legislation.

f. Reward Principles

The structure of the Group's remuneration is aligned to business outcomes that deliver value to shareholders.

The Board retains discretion on variable remuneration to mitigate the risk of unintended consequences and to alter outcomes in certain circumstances.



2. Executive Remuneration

a. Fixed remuneration

During the year ended 30 June 2024 the Board undertook a benchmarking exercise to explore the peer group relativity of fixed remuneration, as well as consideration of market position at total target remuneration. This exercise involved selecting companies listed on the ASX in the Software & Services industry that had similar market capitalisations and revenues to Zoom2u. In recognising that the two Executive KMP have not had their base salaries adjusted since before listing in September 2021, the Board thought it prudent to review benchmarks to determine whether the Executive KMP are paid in line with market.

The exercise indicated that the CEO's salary is 37% and the CFO's salary is 15% below their peers in comparable companies. At this time in the company's evolution – being a small but growing company with negative cashflow, the Board has decided to retain their existing base salaries. Once the Company achieves sustainable positive cashflow it will consider bringing the Executive KMP salaries closer to the observed benchmarks.

b. Variable remuneration - short term

During the year ended 30 June 2024 the Company offered an STI plan whereby Executive KMP and other executives had the opportunity to be awarded a component of their total remuneration as "at risk" remuneration. The maximum incentive that could be achieved by the CEO and CFO was set at $30,000 each.

The STI plan performance metrics on which any STI would be paid were revenue, EBITDA and cash balance. Payment would be made on the hurdles set for Revenue, EBITDA and cashflow, with the quantum of the STI increasing with overperformance relative to the hurdles.

Who was invited to participate?	The CEO and CFO were invited to participate in the STI Plan in the year ended 30 June 2024. Other members of management, being the direct reports to the CEO and the Chair, were also eligible to participate.
What was the performance measurement period?	1 July 2023 - 30 June 2024.
What were the potential STI awards?	The CEO and CFO had a maximum opportunity of $30,000 each for the year ended 30 June 2024.
How will it be paid?	The CEO and CFO would receive any reward in shares. Other participants would receive their reward as a cash payment.
Is there a gateway?	Yes, there is a minimum level of financial performance that must be reached to ensure alignment with shareholder interests. The Company also needed to exceed the employee Net Promoter Score achieved in 2023 for any STI to be payable for 2024.
How is performance measured?	The STI is based on three equally weighted financial metrics: ▪ Revenue ▪ EBITDA ▪ Cash Balance
When is it paid?	The STI award is determined after the end of the financial year following a review of performance against metrics. Payments are made in September, following the release of statutory audited results. Any rewards payable to the CEO or CFO in shares are subject to shareholder approval.
What happens if a participant leaves?	If a participant resigns or is terminated prior to payment, no STI is awarded. However, the Board reserves the right to apply discretion in the case of a participant leaving due to ill health, death, redundancy or other circumstances

Following the end of the year ended 30 June 2024, the Board met to review performance against the established STI targets and the consequent STI payments. The Revenue targets for the full year incorporated in the plan was not met.

The EBITDA and cash balance targets were achieved. Accordingly, an STI amount of $20,000 was determined to be payable to the CFO, whilst it was determined that no STI should be payable to the CEO.

		Actual Outcome		
Name	STI maximum % of base salary	STI earned as % of base salary	Total STI earned ($)	Actual earned as a % of Maximum Opportunity
Stephen Orenstein	13.6%	0.0%	$0	0.0%
Michael Gayst	13.6%[2]	9.1%	$20,000	66.6%

c. Variable remuneration - long term

KMP are also entitled to participate in employee share option plans (ESOP) to align KMP's interests with shareholders' interests. Options granted under the arrangement do not carry dividend or voting rights. Options are subject to vesting conditions related to retention, share price performance and revenue growth. Participants in the ESOP have vesting conditions aligned to their role in the Group. Each option is entitled to be converted into one ordinary share once the vesting conditions have been satisfied. The value of Options issued to KMP is measured using the Black-Scholes methodology as appropriate for the vesting conditions attached to the Options.

No equity awards were made to the KMP during the year ended 30 June 2024. Options are generally issued every three years. The next grant is expected to be made in the year ending 30 June 2025.

d. Service agreements

Remuneration and other terms of employment for Executive KMP are formalised in service agreements. Details of these agreements are as follows:

Name:	Stephen Orenstein
Title:	Chief Executive Officer
Agreement Commenced:	10 September 2021
Term of agreement:	Ongoing employment
Details:	Base salary for the year ending 30 June 2024 of $220,000 plus superannuation capped at the maximum contribution base as referred to in the Superannuation Guarantee Administration Act 1992 (Cth). Base salary is reviewed annually by the Remuneration and Nomination Committee. Eligible to participate in short-term and long- term incentive programs. 6-month termination notice by either party, non-solicitation and non-compete clauses.

Name:	Michael Gayst
Title:	Chief Financial Officer
Agreement Commenced:	1 September 2021
Term of agreement:	Employed under a contractor agreement
Details:	Fees for the year ending 30 June 2024 of $220,000 (excluding GST) The fees paid to the CFO are reviewed annually by the Remuneration and Nomination Committee. Eligible to participate in short-term and long- term incentive programs. 3-month termination notice by either party, non-solicitation and non-compete clauses.

KMP have no entitlement to termination payments in the event of removal for misconduct.

[2] % of annual contract value

e. Securities received that are not performance-related

No members of the KMP are entitled to receive securities that are not performance-based as part of their remuneration package.

f. Considerations for remuneration in the year ending 30 June 2025

The Company aims to maintain executive remuneration at competitive levels aligned with market peers. This approach ensures that we retain and motivate our key executives.

The Company will look to increase the executive KMPs base salaries to be in line with market peers once the Company's financial position permits.

In the year ending 30 June 2025, the vesting period for certain options issued to KMP in 2021 will end. It is anticipated that another tranche of options will be issued across the Company to Directors, Executive KMP and other employees. Note that the grant of any options to KMP will be the subject of a shareholder vote at General Meeting of shareholders.

3. Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed periodically by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of their own remuneration. Non-Executive Directors do not participate in the Company's STI.

The maximum aggregate Non-Executive Directors' remuneration for the purposes of the ASX Listing Rules and the Company's Constitution is $600,000 per annum.

The following annual fees (excluding GST) are payable to Non-Executive Directors:

- Chair – Drew Kelton $80,000
- Non-Executive Director – Mike Rosenbaum $60,000
- Non-Executive Director – Kara-Lyn Nicholls $60,000

Directors do not receive any additional fees for being a chair or a member of a Board committee. All Directors' fees include superannuation payments required by law.

Details of the Non-Executive Directors' remuneration during the reporting period are given in the table below:

2024

	Cash salary and fees ($)	Equity-settled options ($)	Total ($)
Non-Executive Directors:			
Drew Kelton (Chair)	80,000	27,263	107,263
Mike Rosenbaum	60,000	13,631	73,631
Kara-Lyn Nicholls	60,000	4,631	64,631
Total	**200,000**	**45,525**	**245,525**

2023

	Cash salary and fees ($)	Equity-settled options ($)	Total ($)
Non-Executive Directors:			
Drew Kelton (Chair)	80,000	65,105	145,105
Mike Rosenbaum	60,000	32,550	92,550
Kara-Lyn Nicholls	60,000	6,248	66,248
Total	**200,000**	**103,903**	**303,903**

4. Share-based compensation

No share-based compensation was granted to any KMP during the year ended 30 June 2024.

5. Company performance and remuneration outcomes

Remuneration for certain KMPs is directly linked to the performance of the consolidated entity. Incentive payments to KMP are at the discretion of the Remuneration and Nomination Committee.

The key financial metrics of the consolidated entity linked to KMP performance for the current financial year and the previous four financial years are summarised below:

Financial year ($)	**2024**	**2023**	**2022**	**2021**	**2020**
Revenue from operating activities	5,723,822	4,632,330	4,633,184	2,838,633	2,307,743
EBITDA	(832,778)	(4,255,952)	(4,578,609)	(1,041,162)	(765,411)
Cash Balance	2,053,160	3,853,671	4,259,091	2,446,484	753,683
Share price at year end ($)	0.072	0.053	0.145	N/A	N/A
Increase / (decrease) in share price	+36%	-63%	N/A	N/A	N/A

Details of the Executive Directors' remuneration for the two years to 30 June 2024 are shown in the table below:

2024

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees ($)	Cash bonus ($)	Non-monetary ($)	Super-annuation ($)	Long service leave ($)	Equity-settled options ($)	Total ($)
Executive Directors:							
Steve Orenstein (CEO)	220,000	-	-	24,200	8,553	-	226,427
Michael Gayst (CFO)	220,000	-	20,000	-	-	50,182	290,182
Total	**440,000**	**-**	**20,000**	**24,200**	**8,553**	**50,182**	**542,935**

2023

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees ($)	Cash bonus ($)	Non-monetary ($)	Super-annuation ($)	Long service leave ($)	Equity-settled options ($)	Total ($)
Executive Directors:							
Steve Orenstein (CEO)	220,000	-	-	23,100	6,210	341,968	608,109
Michael Gayst (CFO)	220,000	-	-	-	-	146,813	366,813
Total	**440,000**	**-**	**-**	**23,100**	**6,210**	**488,781**	**958,091**

6. Additional disclosures relating to key management personnel

KMP share and option holdings

30 June 2024

Ordinary shares

The number of ordinary shares in Zoom2u Technologies Limited held by each KMP of the Group during the financial year ended 30 June 2024 was as follows:

Name	Balance at beginning of year	Received as part of remuneration	Additions	Disposals / other	Balance at end of year
NED					
Drew Kelton	247,818	-	-	-	247,818
Mike Rosenbaum	721,047	-	-	-	721,047
Kara-Lyn Nicholls	90,909	-	-	-	90,909
Executive KMP					
Stephen Orenstein	46,394,875	-	341,737	-	46,736,612
Michael Gayst	1,138,047	-	110,024	-	1,248,071
Total	**48,592,696**	**-**	**451,761**	**-**	**49,044,457**

Options

The number of options in Zoom2u Technologies Limited held by each KMP of the Group during the financial year ended 30 June 2024 was as follows:

Name	Held at start of period	Granted during the period	Exercised	Any other changes	Held at end of period	Vested at end of period
NED						
Drew Kelton	1,975,582	-	-	-	1,975,582	493,895
Mike Rosenbaum	987,791	-	-	-	987,791	246,948
Kara-Lyn Nicholls	987,791	-	-	-	987,791	246,948
Executive KMP						
Stephen Orenstein	-	-	-		-	
Michael Gayst	4,938,956	-	-	-	4,938,956	1,852,109
Total	**8,890,120**	**-**	**-**	**-**	**8,890,120**	**2,839,900**

30 June 2023

Ordinary shares

The number of ordinary shares in Zoom2u Technologies Limited held by each KMP of the Group during the financial year ended 30 June 2023 was as follows:

Name	Balance at beginning of year	Received as part of remuneration	Additions	Disposals / other	Balance at end of year
NED					
Drew Kelton	66,000	-	181,818	-	247,818
Mike Rosenbaum	539,229	-	181,818	-	721,047
Kara-Lyn Nicholls	-	-	90,909	-	90,909
Executive KMP					
Stephen Orenstein	45,319,783	-	1,075,092	-	46,394,875
Michael Gayst	865,320	-	272,727	-	1,138,047
Total	**46,790,332**	**-**	**1,802,364**	**-**	**48,592,696**

Options

The number of options in Zoom2u Technologies Limited held by each KMP of the Group during the financial year ended 30 June 2023 was as follows:

Directors	Held at start of period	Granted during the period	Exercised	Any other changes	Held at end of period	Vested at end of period
NED						
Drew Kelton	1,975,582	-	-	-	1,975,582	98,779
Mike Rosenbaum	987,791	-	-	-	987,791	49,390
Kara-Lyn Nicholls	987,791	-	-	-	987,791	-
Executive KMP						
Stephen Orenstein(1)	5,926,747	-	-	(5,926,747)	-	-
Michael Gayst	4,938,956	-	-	-	4,938,956	370,422
Total	**14,816,867**	**-**	**-**	**(5,926,747)**	**8,890,120**	**518,591**

(1) On 24 March 2023, the Company cancelled 5,926,747 share options previously granted to Stephen Orenstein.

KMP related party transactions

Other than as disclosed above, there were no other transactions conducted between the Group and KMP or their related parties relating to equity, compensation or loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favorable than those reasonably expected under arm's length dealings with unrelated persons.

Voting and comments made at the Company's 2023 Annual General Meeting (AGM)

At the 2023 AGM, 99.32% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Prohibitions

KMP are prohibited from entering into hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration. In addition, the Board's Securities Trading Policy prohibits directors and KMP from using Zoom2u Technologies Limited shares as collateral in any financial transaction, including margin loan arrangements.

This concludes the Remuneration report which has been audited.

5. Indemnification and insurance of officers and auditors

During the financial year the Company paid premiums totaling $90,000 (2023: $154,000) to insure the directors and management of the Company.

Reasonable indemnities have been given for officers and directors of Zoom2u Technologies Pty Ltd. No indemnities have been given during or since the end of the financial year for auditors of Zoom2u Technologies Pty Ltd.

6. Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all proposed non-audit services are reviewed by Chair of the Audit & Risk Committee, prior to engagement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees were paid or payable to the related parties of the external auditors, Walker Wayland NSW, for non-audit services provided during the year ended 30 June 2024.

The following fees were paid or payable to the related parties of the external auditors, BDO Audit Pty Ltd, for non-audit services provided during the year ended 30 June 2023 and the half year ended 31 December 2023.

	HY 31 Dec 2023 ($)	30 Jun 2023 ($)
Debt advisory services – BDO Services Pty Ltd	5,000	-
Tax advisory services – BDO Services Pty Ltd	-	4,500
Total fees for non-audit services	5,000	4,500

7. Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on the following page.

This director's report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Director:	Drew Kelton	**Director:**	Stephen Orenstein
Signature:	Drew Kelton	**Signature:**	

Dated: 23 August 2024

Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

Level 11, Suite 11.01
60 Castlereagh Street
SYDNEY NSW 2000

GPO Box 4836
SYDNEY NSW 2001

Telephone: +61 2 9951 5400
Facsimile: +61 2 9951 5454
mail@wwnsw.com.au

Website: www.wwnsw.com.au

23 August 2024

The Directors
Zoom2u Technologies Limited
Level 4, Suite 4, 11/55 Miller St
Pyrmont NSW 2009

AUDITORS' INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ZOOM2U TECHNOLOGIES AND ITS CONTROLLED ENTITIES

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2024 there have been:

i. no contraventions of the auditors' independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Walker Wayland NSW

Walker Wayland NSW
Chartered Accountants

Edward Chow
Partner

Corporate Governance Statement 30 June 2024

The Board is committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to refine and improve the governance framework and practices in place to ensure they have met the interests of shareholders. The Company complies with the Australian Securities Exchange (**ASX**) Corporate Governance Council's Corporate Governance Principles and Recommendations.

Copies of Zoom2u Technologies Limited's Board and Board committee charters and key corporate governance policies or summaries are available in the Corporate Governance section of the Company's website: https://www.zoom2u.com.au/investors/corporate-governance/

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Note	2024 ($)	2023 ($)
Revenue from contracts with customers	6	**5,723,822**	4,632,330
Finance income	7	**64,065**	40,638
Other income	6	**71,910**	58,483
Marketing expenses		**(275,596)**	(800,267)
Employee benefits expense	8	**(3,900,693)**	(5,527,872)
Other expenses	9	**(2,452,221)**	(2,618,626)
Depreciation and amortisation expense		**(1,308,524)**	(987,193)
Finance costs	7	**(1,066,206)**	(355,941)
Total expenses		**(9,003,240)**	(10,289,899)
Loss before income tax		**(3,143,443)**	(5,558,448)
Income tax benefit	11	**80,181**	-
Loss for the year		**(3,063,262)**	(5,558,448)
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**(3,063,262)**	(5,558,448)
Loss attributable to: Members of the parent entity		**(3,063,262)**	(5,558,448)
Total comprehensive income attributable to: Members of the parent entity		**(3,063,262)**	(5,558,448)
Earnings per share (cents)			
From continuing operations:			
Basic earnings per share	10	**(0.02)**	**(0.03)**
Diluted earnings per share	10	**(0.02)**	**(0.03)**

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

For the Year Ended 30 June 2024

	Note	2024 ($)	2023 ($)
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	15	**2,053,160**	3,853,671
Trade and other receivables	20	**572,110**	520,423
Inventory		**30,994**	45,438
Other assets	23	**112,819**	136,227
TOTAL CURRENT ASSETS		**2,769,083**	4,555,759
NON-CURRENT ASSETS			
Property, plant and equipment	21	**152,690**	117,745
Intangible assets	22	**2,906,649**	3,241,194
TOTAL NON-CURRENT ASSETS		**3,059,339**	3,358,939
TOTAL ASSETS		**5,828,422**	7,914,698
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	24	**967,500**	889,456
Borrowings	17	**49,508**	6,692
Other current liabilities	25	**67,604**	-
Employee benefits	13	**213,807**	252,972
TOTAL CURRENT LIABILITIES		**1,298,419**	1,149,120
NON-CURRENT LIABILITIES			
Borrowings	17	**3,584,956**	3,393,915
Employee benefits	13	**82,001**	59,996
Other non-current liabilities	25	**381,545**	-
TOTAL NON-CURRENT LIABILITIES		**4,048,502**	3,453,911
TOTAL LIABILITIES		**5,346,956**	4,603,031
NET ASSETS		**481,501**	3,311,667
EQUITY			
Issued capital	26	**20,811,967**	20,811,967
Share based payments reserve	27	**2,497,170**	2,264,074
Accumulated losses		**(22,827,636)**	(19,764,374)
TOTAL EQUITY		**481,501**	3,311,667

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2024

2024

	Note	Issued Capital ($)	Accumulated Losses ($)	Share Based Reserves ($)	Total ($)
Balance at 1 July 2023		**20,811,967**	**(19,764,374)**	**2,264,074**	**3,311,667**
Loss attributable to members of the parent entity		**-**	**(3,063,262)**	**-**	**(3,063,262)**
Other comprehensive income for the year		**-**	**-**	**-**	**-**
Total comprehensive income for the year		**-**	**(3,063,262)**	**-**	**(3,063,262)**
Transactions with owners in their capacity as owners					
Share based payments	28	**-**	**-**	**233,096**	**233,096**
Balance at 30 June 2024		**20,811,967**	**(22,827,636)**	**2,497,170**	**481,501**

2023

	Note	Issued Capital ($)	Accumulated Losses ($)	Share Based Reserves ($)	Total ($)
Balance at 1 July 2022		18,697,593	(14,205,926)	864,633	5,356,300
Loss attributable to members of the parent entity		-	(5,558,448)	-	(5,558,448)
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	(5,558,448)	-	(5,558,448)
Transactions with owners in their capacity as owners					
Share based payments	28	-	-	846,568	846,568
Warrants reserve	28	-	-	552,873	552,873
Issue of ordinary shares		2,249,833	-	-	2,249,833
Capital raising costs		(135,459)	-	-	(135,459)
Balance at 30 June 2023		20,811,967	(19,764,374)	2,264,074	3,311,667

These financial statements should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024 ($)	2023 ($)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers (inclusive of GST)		**6,239,349**	5,227,559
Payments to suppliers and employees (inclusive of GST)		**(6,818,126)**	(8,908,783)
Interest received		**64,065**	40,638
Finance costs		**(456,039)**	(266,867)
Receipt from grants		**71,910**	47,409
Income tax refund received		**80,181**	-
Net cash used in operating activities	16	**(818,660)**	(3,860,044)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for intangibles		**(941,841)**	(2,149,018)
Proceeds from sale of property, plant and equipment		**-**	32,000
Purchase of property, plant and equipment		**(76,035)**	(57,209)
Net cash used in investing activities		**(1,017,876)**	(2,174,227)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares, net of transaction costs		**-**	1,821,041
Proceeds from borrowings, net of borrowing costs		**46,595**	3,834,694
Payment of finance lease liabilities		**(10,570)**	(26,884)
Net cash provided by financing activities		**36,025**	5,628,851
Net (decrease) / increase in cash and cash equivalents		**(1,800,511)**	(405,420)
Cash and cash equivalents at beginning of year		**3,853,671**	4,259,091
Cash and cash equivalents at end of financial year	15	**2,053,160**	3,853,671

These financial statements should be read in conjunction with the accompanying notes.

About this Report

The consolidated financial report covers Zoom2u Technologies Limited (“the Company”) and its controlled entities ('the Group'). Zoom2u Technologies Limited is a for-profit proprietary Company, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity’s functional and presentation currency.

Comparatives are consistent with prior years, unless otherwise stated.

1. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the Corporations Act 2001.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented in the accounting treatment area of the relevant notes and are consistent with prior reporting periods unless otherwise stated.

2. Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these consolidated 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.

The significant estimates and judgements made have been described below.

2.1. Key estimates – going concern basis of accounting

The financial statements have been prepared on a going concern basis, which requires significant judgment and estimation, particularly in preparing cash flow forecasts. These forecasts consider future business performance, market conditions, and financing availability, all of which are uncertain. Management has assessed various scenarios and believes the Group has adequate resources to continue in operation for the foreseeable future. However, actual outcomes may differ from these estimates, which could impact the Group's ability to remain a going concern.

2.2. Key estimates - receivables

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 20, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

2.3. Key estimates - impairment of goodwill and intangible assets

In accordance with AASB 136 Impairment of Assets, the Group is required to estimate the recoverable amount of goodwill at each reporting period. Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying value of assets can be supported by the net present value of future cash flows derived from such assets using cash flow projections which have been discounted at an appropriate rate and using a terminal value to incorporate expectations of growth thereafter.

In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in EBITDA, calculated as operating profit before interest, tax, depreciation and amortisation;
- timing and quantum of future capital expenditure;
- long-term growth rates; and
- the selection of discount rates to reflect the risks involved.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence results.

The recoverable amount of intangible assets was assessed by reference to the intangibles value-in-use. Value-in-use is calculated based on the present value of estimated future cash flows from the acquired intangible assets.

2.4. Key judgments - taxes

Determining income tax provisions involves judgement on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, as well as current and future expected economic conditions.

2.5. Key Estimates - Useful Life of Developed Technology

The determination of the useful life of developed technology is a critical estimate that significantly impacts the amortisation expenses reported in the financial statements. This estimate is based on a combination of factors including technological advancements and the useful life assumptions of comparable technology used by similar companies in our industry. We assess the useful life of developed technology periodically, taking into account changes in technology and market conditions. The actual useful life may differ from our projections due to unforeseen developments in technology or shifts in market dynamics. Any adjustments to these estimates are reflected in the financial statements in the period in which they occur.

2.6. Key Estimates - PURE Loan Facility

The valuation of the PURE Loan Facility involves a significant estimate that impact the financial statements. As of June 30, 2024, the assessed value of the loan, determined in accordance with AASB 9 was $3,533,457. The effective interest rate for the loan, calculated at 14.38%, was derived from the projected cash flows and the loan's termination value of $4,000,000 in November 2026. The determination of the effective interest rate is a critical estimate that impacts the value of borrowings at any point in time. As the effective interest rate exceeds the actual loan rate of 9.95%, a credit adjustment is continually made to the balance of borrowings through to termination in November 2026.

3. Going concern

The financial statements have 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.

As disclosed in the financial statements, the Group recorded a loss for the year ended 30 June 2024 of $3,063,262 (2023: loss of $5,558,448) and had net cash outflows from operating activities of $818,660 (2023: outflows of $3,860,044), net current assets (working capital) at 30 June 2024 of $1,470,664 (30 June 2023: $3,406,639) and had net assets of $481,501 at 30 June 2024 (2023: net assets of $3,311,667).

Notes to the Financial Statements

For the Year Ended 30 June 2024

3. Going concern (continued)

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- If required, the Company has the ability to raise additional funds pursuant to the Corporations Act and ASX Listing Rules. The Directors believe that the Company will be able to source additional equity as required; and

- The Directors have reviewed the cash flow forecast for the Group through to August 2025. The cash flow forecast indicates that the Group will have sufficient cash on hand and cash flows from operations to meet working capital requirements over the 12 months from the date of signing this financial report.

If the Group is not able to continue as a going concern, it may be required to realise assets and extinguish liabilities other than in the normal course of business and at amounts different to those stated in the financial report. The financial report does not include any adjustments relating to the recoverability or classification of recorded assets amounts, or to the amounts or classification of liabilities, which might be necessary should the Group not be able to continue as a going concern.

4. Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time on 30 June 2024. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

Performance for the year

5. Segment reporting

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The operating segments are identified by management based on the Group's risks and returns that are affected predominantly by differences in the products and services provided.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the services provided by the segment;
- the type or class of customer for the products or services.

Performance is measured based on segment profit before income tax as included in the internal financial reports. The Group derives revenue from contracts with its clients through its two operating segments:

- Zoom2u and 2u Enterprises
- Locate2u.

The Zoom2u and 2u Enterprises 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 driver. Fees earned include a fixed booking fee charged to customers (if applicable) and a platform fee charged to drivers. This segment also includes other revenue from the Shred2u business and fees for providing digital marketing services to clients.

Notes to the Financial Statements

For the Year Ended 30 June 2024

5. Segment reporting (continued)

Locate2u 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. Locate2u also sells GPS units in conjunction with the Locate2u software in addition to reselling SMS services to some clients. This segment also derives revenue from the Talcasoft business, which provides transport management software systems to transport industry customers and subscriptions for the Local Delivery Shopify App.

Basis of accounting for purposes of reporting by operating segments

5.1. Accounting policies adopted

Unless stated below, all amounts reported to the Board of Directors, being the chief operating decision maker with respect to operating segments, are determined in accordance with accounting policies that are consistent with those adopted in the annual financial statements of the Group.

5.2. Segment assets and liabilities

Segment assets and liabilities are not considered by the Chief Operating Decision Maker and therefore have not been disclosed below.

5.3. Unallocated items

The following items of revenue and expense are not allocated to operating segments as they are not considered part of the core operations of any segment:

- corporate costs which are not allocated to segments
- finance income / costs
- income tax expense.

Notes to the Financial Statements
For the Year Ended 30 June 2024

5. Segment reporting (continued)

5.4. Segment performance

	Zoom2u and 2u Enterprises		Locate2u		Total	
	2024 ($)	2023 ($)	2024 ($)	2023 ($)	2024 ($)	2023 ($)
Revenue from external customers	**3,320,093**	3,048,579	**2,403,729**	1,583,751	**5,723,822**	4,632,330
Segment result	**1,508,480**	620,079	**(1,630,934)**	(3,206,226)	**(122,454)**	(2,586,147)
Unallocated corporate expenses					**(2,018,848)**	(2,656,998)
Finance (costs) / income					**(1,002,141)**	(315,303)
Net loss before tax					**(3,143,443)**	(5,558,448)
Segment assets	**1,897,535**	2,216,129	**2,717,561**	3,066,049	**4,615,096**	5,192,178
Unallocated assets					**1,213,326**	2,722,520
Total assets					**5,828,422**	7,914,698
Segment liabilities	**586,788**	452,732	**456,370**	496,735	**1,043,158**	949,467
Unallocated liabilities					**4,303,763**	3,653,564
Total Liabilities					**5,346,921**	4,603,031

6. Revenue and other income

Revenue from continuing operations

	2024 ($)	2023 ($)
Revenue from contracts with customers		
- provision of goods and services	**5,723,822**	4,632,330
Other income [(a)]	**71,910**	58,483
Total Revenue and Other Income	**5,795,732**	4,690,813

(a) During the year the Group received grants under the Boosting Apprenticeship Commencements program provided by the Australian Government and Export Market Development Grants from the Australian Trade and Investment Commission (Austrade), which are intended to assist with the promotion of the Company's products and services in overseas markets.

Notes to the Financial Statements

For the Year Ended 30 June 2024

6. Revenue and other income (continued)

Disaggregation of revenue from contracts with customers

The disaggregation of revenue from contracts with customers is as follows:

	2024 ($)	2023 ($)
Geographical regions		
Australia	**5,678,830**	4,632,330
Rest of the World[1]	**44,992**	-
Revenue from contracts with customers	**5,723,822**	4,632,330
Timing of revenue recognition		
At a point in time	**3,388,098**	3,310,069
Over time	**2,335,724**	1,322,261
Revenue from contracts with customers	**5,723,822**	4,632,330
Type of contract		
Fee revenue - customer booking fees and courier platform fees	**2,975,205**	2,826,217
Fee revenue - shredding services	**223,820**	215,325
Software license fees	**2,026,137**	1,215,751
Sale of GPS units	**189,073**	268,527
Website development and other services	**309,587**	106,510
Revenue from contracts with customers	**5,723,822**	4,632,330

Accounting treatment

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
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

[1] Rest of World revenue is customer revenue received through the Company's wholly owned subsidiary, Locate2u USA Inc. Additional revenue from customers outside of Australia is collected by Locate2u Pty Ltd.

Notes to the Financial Statements

For the Year Ended 30 June 2024

6. Revenue and other income (continued)

The revenue recognition policies for the principal revenue streams of the Group are:

Fee revenue - customer booking fees and courier platform fee

Zoom2u facilitates the delivery of items for its customers by connecting them with couriers using its online platform.

Zoom2u earns revenue on every delivery transacted through the Zoom2u marketplace. The amount that will be earned by Zoom2u on each delivery consists of a booking fee charged to customers (if applicable) and a platform fee charged to drivers. Zoom2u's revenue is the sum of the booking fee and the platform fee which is recognised as variable consideration as the usage-based royalties are earned in providing a right for the couriers to access the platform as a licensee.

The Group has determined that it is acting as an agent in facilitating the transaction. The Group therefore recognises revenue as the net amount of the booking and platform fees retained for each delivery transaction.

From the customer's perspective, the Group's promised services are only transferred to the customer upon item delivery and it is at this point in time that the performance obligation is satisfied and revenue from customer booking fees and courier platform fees are recognised.

Fee revenue - shredding services

Shred2u services are primarily based on the quantity of shredding bags, boxes or bins requested by the customer that require shredding. Shred2u recognises revenue over time as the service is provided to the customer.

Software licence fees

Locate2u, Talcasoft and Local Delivery generate revenue from clients committing to a monthly subscription with pricing plans based on the features required by the client. Revenue is recognised over time.

Sale of GPS units and other hardware

Locate2u generates revenue from the sale of GPS hardware units to some clients using the Locate2u product. Revenue is recognised at a point in time.

Website development and other services

Talcasoft generates revenue from support services and ad hoc project work for customers. Revenue is recognised over time as the services are provided to the customer. 2u Enterprises provides digital marketing services to clients.

Contract assets and liabilities

Where the amount billed to customers is based on the achievement of various milestones established in the contract, the amount recognised as revenue in a given period does not necessarily coincide with the amount billed to or certified by the customer.

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset, unless the Group's rights to that amount of consideration are unconditional, in which case the Group recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Group presents the contract as a contract liability.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

Notes to the Financial Statements
For the Year Ended 30 June 2024

7. Finance income and expenses

Finance income

	Note	2024 ($)	2023 ($)
Interest income		**64,065**	40,638
Total finance income		**64,065**	40,638

Finance expenses

	Note	2024 ($)	2023 ($)
Finance cost – loss on extinguishment of PURE Facility	25	**55,124**	-
Royalty expense	17	**494,662**	-
Interest expense – PURE Facility		**505,438**	346,956
Interest expense - other		**10,982**	8,985
Total finance expenses		**1,066,206**	355,941

8. Employee benefit expenses

The result for the year includes the following employee benefit expenses:

	2024 ($)	2023 ($)
Wages	**1,759,240**	2,386,333
Contractor payments	**1,610,634**	1,923,759
Superannuation contributions	**219,789**	252,612
Payroll tax	**95,236**	105,960
Other	**215,794**	859,208
Total employee benefit expenses	**3,900,693**	5,527,872

9. Other expenses

The result for the year includes the following other expenses:

	Note	2024 ($)	2023 ($)
Cost of sales - 2u Enterprises		**171,179**	164,398
Cost of sales – Locate2u and Talcasoft		**210,920**	292,866
Merchant fees and credit checks		**80,853**	98,672
Consulting and professional fees		**193,290**	326,599
Office and related expenses		**158,295**	166,630
Provision for settlement of customer dispute	24(a)	**150,000**	-
Telecommunications and internet expenses		**160,336**	155,557
Software and subscription expenses		**763,514**	692,858
Insurance expenses		**243,740**	329,298
Sundry expenses		**320,092**	391,748
		2,452,221	2,618,626

Notes to the Financial Statements
For the Year Ended 30 June 2024

10. Earnings per share (EPS)

10.1. Reconciliation of earnings to profit or loss from continuing operations

	2024 ($)	2023 ($)
Loss for the year	**(3,063,262)**	(5,558,448)
Earnings used to calculate basic EPS from continuing operations	**(3,063,262)**	(5,558,448)
Earnings used in the calculation of dilutive EPS from continuing operations	**(3,063,262)**	(5,558,448)

10.2. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS:

	2024 (No.)	2023 (No.)
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	193,785,927	186,840,403

Accounting treatment

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Notes to the Financial Statements
For the Year Ended 30 June 2024

Income taxes

11. Income tax expense

11.1. The major components of tax expense (income) comprise:

	2024 ($)	2023 ($)
Current tax expense / (benefit)[1]	**(80,181)**	-
Deferred tax expense	**-**	-
Total income tax expense	**(80,181)**	-

(1) Relates to ATO refund loss carry back claimed

11.2. Reconciliation of income tax to accounting loss:

	2024 ($)	2023 ($)
Loss before income tax expense	**(3,143,443)**	(5,558,448)
Statutory tax rate	**25%**	25%
Tax at the statutory rate	**(785,861)**	(1,389,612)
Tax effect amounts which are:		
- non-deductible expenses	(103,331)	(10,691)
- non-assessable income	-	(11,852)
- other non-allowable items	(7,173)	37,376
- deductible expenses	-	-
- adjustment recognised for prior period	-	-
	(110,505)	14,833
Income tax benefit	(896,366)	(1,374,779)
Tax losses not brought to account	896,366	1,374,779
Income tax expense	**-**	**-**

Notes to the Financial Statements
For the Year Ended 30 June 2024

11. Income tax expense (continued)

Accounting treatment

Income tax

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

12. Tax assets and liabilities

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following:

	2024 ($)	2023 ($)
Tax losses	**20,483,222**	16,844,273

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therein.

Notes to the Financial Statements

For the Year Ended 30 June 2024

Employee rewards

13. Employee benefits

	2024 ($)	2023 ($)
Current liabilities		
Annual leave	**170,243**	202,407
Long service leave	**43,564**	50,565
	213,807	252,972
Non-current liabilities		
Long service leave	**82,001**	59,996
	82,001	59,996

Accounting treatment

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.

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.

14. Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2024 ($)	2023 ($)
Short-term employee benefits	**660,000**	640,000
Long-term benefits	**8,553**	6,210
Post-employment benefits	**24,200**	23,100
Share based payments	**95,707**	592,684
	788,460	1,261,994

Detailed remuneration disclosures are provided in the Remuneration Report contained within the Director’s Report.

Cash and financial risk management

15. Cash and cash equivalents

	2024 ($)	2023 ($)
Cash and cash equivalents	**2,053,160**	3,853,671
	2,053,160	3,853,671

Accounting treatment

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Cash flows related to the Zoom2u courier Platform are presented in the statement of cash flows on a net basis to reflect the fees charged to customers and independent couriers that utilise the Platform. Cash flows from other revenue streams are presented on a gross basis to reflect the flow of receipts from customers and payments to suppliers.

16. Cash flow information

16.1. Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024 ($)	2023 ($)
Loss for the year	**(3,007,036)**	(5,558,448)
Non-cash flows in loss:		
- depreciation	**1,317,476**	987,193
- share based payments expenses	**233,096**	846,568
- interest and other finance costs	**610,167**	89,074
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(51,687)**	69,335
- (increase)/decrease in other assets	**37,852**	5,106
- increase/(decrease) in trade and other payables	**47,254**	(344,960)
- increase/(decrease) in other liabilities	**50,444**	46,088
Cashflows used in operations	**(818,660)**	(3,860,044)

Notes to the Financial Statements
For the Year Ended 30 June 2024

16. Cash flow information (continued)

16.2. Changes in liabilities arising from financing activities

	2023 ($)	Cash flows ($)	Fair value changes ($)	Other changes ($)(i)	2024 ($)
Long term borrowings	**3,512,368**	**-**	**-**	**162,562**	**3,674,930**
Borrowings - Lease Finance	**29,712**	**38,553**	**-**	**-**	**68,265**
Borrowing costs	**(141,473)**	**-**	**-**	**-**	**(141,473)**
Borrowings - other	**-**	**32,742**	**-**	**-**	**32,742**
Total liabilities from financing activities	**3,400,607**	**71,295**	**-**	**162,562**	**3,634,464**

i) Amortisation of the finance component of the PURE loan facility ($162,562). Refer to Note 17 for further information.

	2022 ($)	Cash flows ($)	Fair value changes ($)	Other changes (ii) ($)	2023 ($)
Long term borrowings	-	4,000,000	-	(487,632)	3,512,368
Borrowings - Lease Finance	-	29,712	-	-	29,712
Borrowing costs	-	(141,473)	-	-	(141,473)
Lease liabilities	26,884	(26,884)	-	-	-
Total liabilities from financing activities	26,884	3,861,355	-	(487,632)	3,400,607

ii) Other changes represent the fair value of attaching warrants (-$576,706) and amortisation of the finance component of the PURE loan facility ($89,074). Refer to Note 17 for further information.

16.3. Borrowing facilities

The following facilities were available at the end of the reporting period:

	2024 ($)	2023 ($)
Total facilities		
PURE loan facility	**4,000,000**	4,000,000
Used at reporting date		
PURE loan facility	**4,000,000**	4,000,000
Unused at reporting date		
PURE loan facility	**-**	-

Notes to the Financial Statements

For the Year Ended 30 June 2024

17. Borrowings

	2024 ($)	2023 ($)
Borrowing - current		
Borrowings – lease finance	**16,766**	6,692
Borrowings - other	**32,742**	-
Total current borrowings	**49,508**	6,692
Borrowing – non-current		
Borrowings – lease finance	**51,499**	23,020
PURE loan facility	**4,000,000**	4,000,000
Fair value of attaching warrants(1)	**(576,706)**	(576,706)
Transaction costs(1)	**(141,473)**	(141,473)
Amortisation of finance component (2)	**251,636**	89,074
Total non-current borrowings	**3,584,956**	3,393,915

(1) The fair value of long-term borrowings provided by PURE are based on cash flows discounted using an effective market discount rate available to the Group. The fair values of attaching warrants ($576,706) and transaction costs ($141,473) have been capitalised and are to be amortised over the life of the borrowings, which in effect discounts the face value of the borrowings of $4,000,000. The effective interest rate method is a method of calculating the amortised cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability. The repayment date of the loan is 7 November 2026 and a fixed interest rate of 9.95% per annum applies.

(2) Pursuant to AASB 9, Financial Instruments, the payment of the royalty to PURE represents a substantial modification of the terms of the existing liability and requires the original financial liability to be extinguished and a new financial liability to be recognised. Upon recognition of the new loan, a loss on extinguishment of the existing loan of $55,123 has been recognised in the amortisation of the finance component, together with interest accrued to 30 June 2024 of $196,513.

PURE loan facility – Review event

As noted in the Company's annual report for the year ended 30 June 2023, following 31 December 2022, a 'review event' was identified in relation to the EBITDA covenant contained in the PURE Facility Agreement. It was also noted that PURE and Zoom2u were in discussions in relation to the potential waiver of this 'review event' and any required amendments to the Facility Agreement. An agreement was executed on 25 July 2023, which resulted in new EBITDA covenants under the Facility Agreement and royalty payments, calculated as 2.5% of Locate2u revenues, capped at $750,000 to be paid quarterly. The Company may buyout the remaining royalty payments by paying the amount represented by the cap of $750,000 less additional royalty payments made to the date of buyout. PURE also agreed to waive the review event for the December 2023 quarter which would have increased the interest rate on the facility from 9.95% to 15%.This has resulted in the recording of a financial liability of the Group to PURE of $750,000, which as at 30 June 2024 had a discounted value of $449,149.

Other than the above, during the current and prior year, and up to the date of this report, there were no defaults or breaches on any of the loans.

Accounting treatment

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds net of transaction costs and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Notes to the Financial Statements

For the Year Ended 30 June 2024

18. Fair value measurement

Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

30 June 2024	**Level 1 ($)**	**Level 2 ($)**	**Level 3 ($)**	**Total ($)**
Financial liabilities				
PURE loan facility	-	-	3,533,457	3,533,457
Royalty liability	-	-	449,149	449,149
Phantom equity plan liability	-	-	1,538	1,538
30 June 2023				
Financial liabilities				
PURE loan facility	-	-	3,370,895	3,370,895
Phantom equity plan liability	-	-	1,681	1,681

19. Financial risk management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Trade and other payables
- Lease liabilities
- Borrowings

Notes to the Financial Statements

For the Year Ended 30 June 2024

19. Financial risk management (continued)

	2024 ($)	2023 ($)
Financial assets		
Held at amortised cost		
- Cash and cash equivalents	**2,053,160**	3,853,671
- Trade and other receivables	**572,110**	520,423
Total financial assets	**2,625,270**	4,374,094
Financial liabilities		
Financial liabilities measured at amortised cost		
- Trade and other payables	**965,962**	887,775
- Borrowings - lease finance	**68,265**	29,712
- Borrowings - other	**32,742**	-
Financial liabilities at fair value		
- PURE loan facility	**3,533,457**	3,370,895
- Royalty liability	**449,149**	-
- Phantom equity plan liability	**1,538**	1,681
Total financial liabilities	**5,051,113**	4,290,063

Objectives, policies and processes

The Board of Directors has overall responsibility for the establishment of the Group's financial risk management framework.

The day-to-day risk management is carried out by the Group's finance function under objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

At the reporting date, budgets and cash flow forecasts indicate that the Group is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Notes to the Financial Statements
For the Year Ended 30 June 2024

19. Financial risk management (continued)

Liquidity risk (continued)

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

Financial liability maturity analysis - Non-derivative

	Within 1 Year		1 to 5 Years		Total	
	2024 ($)	2023 ($)	2024 ($)	2023 ($)	2024 ($)	2023 ($)
Financial liabilities due for payment						
Trade payables and other liabilities	**965,962**	887,775	-	-	**965,962**	887,775
Royalty liability	**67,604**	-	**381,545**	-	**449,149**	-
Phantom equity plan liability	**1,538**	-	-	1,681	**1,538**	1,681
Borrowings - lease finance	**16,766**	6,692	**51,499**	23,020	**68,265**	29,712
Borrowings - other	**32,742**	-	**-**	-	**32,742**	-
Borrowings – PURE loan facility	**-**	-	**4,000,000**	4,000,000	**4,000,000**	4,000,000
Total contractual outflows	**1,084,612**	894,467	**4,433,044**	4,024,701	**5,517,656**	4,919,168

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables and contract assets

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group has established a credit policy under which each customer requesting credit is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes utilising Credit Watch, external ratings, if they are available, financial statements, credit agency information and industry information. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

Management review the ageing profile of trade receivables. The Board receives monthly reports summarising the trade receivables balance and ageing profiles.

Notes to the Financial Statements

For the Year Ended 30 June 2024

19. Financial risk management (continued)

Credit risk (continued)

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The Group does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Foreign exchange risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US Dollars (USD), Philippines Peso (PHP), South African Rand (ZAR) and Indian Rupee (INR).

Generally, the Group‘s exposure is to short-term foreign currency cash flows (due or payable within 6 months).

Foreign currency denominated financial assets and liabilities, translated into Australian Dollars at the closing rate, are as follows,

2024 (A$)	**USD**	**PHP**	**ZAR**	**INR**	**Total AUD**
Nominal amounts					
Financial assets	**77,382**	**-**	**-**	**-**	**77,382**
Financial liabilities	**27,962**	**48,779**	**24,438**	**-**	**101,179**
Short-term exposure	**(49,420)**	**48,779**	**24,438**	**-**	**23,797**

2023 (A$)	**USD**	**PHP**	**ZAR**	**INR**	**Total AUD**
Nominal amounts					
Financial assets	38,361	-	-	-	38,361
Financial liabilities	57,709	28,875	7,298	1,557	95,439
Short-term exposure	19,348	28,875	7,298	1,557	57,078

The following table illustrates the sensitivity of the net result for the year and equity to changes in exchange rates applying to the Group‘s financial assets and financial liabilities denominated in foreign currencies at the relevant reporting dates.

Notes to the Financial Statements

For the Year Ended 30 June 2024

19. Financial risk management (continued)

Based on the Group's exposures, had the Australian dollar strengthened or weakened by 5% against these foreign currencies with all other variables held constant, the Group's loss before tax (result) and equity for the period would have been effected as follows:

	2024		2023	
	+5%	**-5%**	**+5%**	**-5%**
USD				
Result	**(2,471)**	**2,471**	967	(967)
Equity	**(2,471)**	**2,471**	967	(967)
PHP				
Result	**2,439**	**(2,439)**	1,444	(1,444)
Equity	**2,439**	**(2,439)**	1,444	(1,444)
ZAR				
Result	**1,222**	**(1,222)**	365	(365)
Equity	**1,222**	**(1,222)**	365	(365)
INR				
Result	**-**	**-**	78	(78)
Equity	**-**	**-**	78	(78)

Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to foreign currency risk.

(ii) Interest rate risk

The Group is not exposed to significant interest rate risk on short maturity term deposits held. The PURE loan facility is at a fixed interest rate of 9.95%.

(iii) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The Group does not hold any investments and is not subject to price risk as at the reporting date.

Accounting treatment

Foreign currency translation

Foreign currency transactions are recorded at the spot rate on the date of the transaction.

At the end of the reporting period:

- Foreign currency monetary items are translated using the closing rate;
- Non-monetary items that are measured at historical cost are translated using the exchange rate at the date of the transaction; and
- Non-monetary items that are measured at fair value are translated using the rate at the date when fair value was determined.

Notes to the Financial Statements

For the Year Ended 30 June 2024

19. Financial risk management (continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition or in prior reporting periods are recognised through profit or loss.

Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis.

19. Financial risk management (continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectible then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Financial liabilities

The Group classifies financial liabilities into either:

- liabilities measured at fair value through profit or loss; or
- other financial liabilities.

Liabilities measured at fair value through profit or loss comprise of derivative financial instruments and changes in fair value are recorded in profit or loss at each reporting period.

Other financial liabilities are initially recorded at fair value less transaction costs. Subsequently financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprise trade payables and lease liabilities.

Operating assets and liabilities

20. Trade and other receivables

	2024 ($)	2023 ($)
CURRENT		
Trade receivables	**578,810**	531,023
Provision for expected credit losses	**(6,700)**	(10,600)
Total current trade and other receivables	**572,110**	520,423

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2024

20. Trade and other receivables (continued)

a. Provision for expected credit losses

The Group applies the simplified approach to providing for expected credit losses (ECL) prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision is determined as follows:

30 June 2024	**Current**	**< 30 days overdue**	**< 90 days overdue**	**> 90 days overdue**	**Total**
Expected loss rate (1.2%)					
Gross carrying amount ($)	472,231	84,309	21,478	792	578,810
ECL provision	-	-	(5,908)	(792)	(6,700)
30 June 2023					
Gross carrying amount ($)	412,440	69,052	48,871	660	531,023
ECL provision	-	-	(9,940)	(660)	(10,600)

Reconciliation of changes in the provision for expected credit losses is as follows:

	2024 ($)	**2023 ($)**
Balance at beginning of the year	**10,600**	10,000
Additional provisions recognised	**-**	600
Unused amounts reversed	**(3,900)**	-
Balance at end of the year	**6,700**	10,600

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over 6 months past due, whichever occurs first.

Notes to the Financial Statements

For the Year Ended 30 June 2024

21. Property, plant and equipment

	2024 ($)	2023 ($)
PLANT AND EQUIPMENT		
Motor vehicles		
At cost	**69,342**	30,401
Accumulated depreciation	**(7,609)**	(2,724)
Total motor vehicles	**61,733**	27,677
Office equipment		
At cost	**47,210**	34,209
Accumulated depreciation	**(21,040)**	(17,355)
Total office equipment	**26,170**	16,854
Computer equipment		
At cost	**158,268**	134,175
Accumulated depreciation	**(93,481)**	(60,961)
Total computer equipment	**64,787**	73,214
Total property, plant and equipment	**152,690**	117,745

21.1 Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles ($)	Office Equipment ($)	Computer Equipment ($)	Total ($)
Year ended 30 June 2024				
Balance at the beginning of year	**27,677**	**16,855**	**73,213**	**117,745**
Additions	**38,941**	**13,000**	**24,094**	**76,035**
Disposals	**-**	**-**		**-**
Depreciation expense	**(4,885)**	**(3,685)**	**(32,520)**	**(41,090)**
Balance at the end of the year	**61,733**	**26,170**	**64,787**	**152,690**
Year ended 30 June 2023				
Balance at the beginning of year	20,925	23,582	106,722	151,229
Additions	30,401	-	26,808	57,209
Disposals	(20,925)	(1,904)	(17,458)	(40,287)
Depreciation expense	(2,724)	(4,824)	(42,858)	(50,406)
Balance at the end of the year	27,677	16,854	73,214	117,745

Notes to the Financial Statements

For the Year Ended 30 June 2024

21. Property, plant and equipment (continued)

Accounting treatment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a declining value basis over the assets useful life to the Group, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	15%
Office equipment	10%-33%
Computer equipment	33%

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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

22. Intangible assets

	2024 ($)	2023 ($)
Goodwill		
Cost	**423,000**	423,000
Accumulated impairment losses	**-**	-
Net carrying value	**423,000**	423,000
Patents, trademarks and other rights		
Cost	**185,024**	181,120
Accumulated amortisation and impairment	**(124,339)**	(116,390)
Net carrying value	**60,685**	64,730
Customer list		
Cost	**757,500**	757,500
Accumulated amortisation and impairment	**(468,402)**	(267,150)
Net carrying value	**289,098**	490,350
Acquired software		
Cost	**1,494,077**	1,494,077
Accumulated amortisation and impairment	**(1,123,184)**	(481,148)
Net carrying value	**370,893**	1,012,929
Developed software		
Cost	**2,495,129**	1,571,180
Accumulated amortisation and impairment	**(732,156)**	(320,995)
Net carrying value	**1,762,973**	1,250,185
Total Intangible assets	**2,906,649**	3,241,194

Notes to the Financial Statements

For the Year Ended 30 June 2024

22. Intangible assets (continued)

22.1. Movement in carrying amounts of intangible assets

	Goodwill ($)	Patents, trademarks and other rights ($)	Customer list ($)	Acquired software ($)	Developed software ($)	Total ($)
Year ended 30 June 2024						
Balance at the beginning of the year	**423,000**	**64,730**	**490,350**	**1,012,929**	**1,250,185**	**3,241,194**
Additions	**-**	**3,904**	**-**	**-**	**923,949**	**927,853**
Amortisation expense	**-**	**(7,949)**	**(201,252)**	**(642,036)**	**(411,161)**	**(1,262,398)**
Closing value at 30 June 2024	**423,000**	**60,685**	**289,098**	**370,893**	**1,762,973**	**2,906,649**
Year ended 30 June 2023						
Balance at the beginning of the year	250,000	55,823	407,863	310,674	687,748	1,712,108
Additions	173,000	15,791	307,500	1,144,077	801,983	2,442,351
Amortisation expense	-	(6,885)	(225,013)	(441,822)	(239,546)	(913,266)
Closing value at 30 June 2023	423,000	64,729	490,350	1,012,929	1,250,185	3,241,193

On 7 November 2022, the Company completed the acquisition of the Talcasoft transport management software business. The acquisition included all of the assets required to operate the Talcasoft business including the Intellectual Property in its software products and customer contracts.

Recoverable amount testing for goodwill and indefinite life intangibles

For the purpose of impairment testing, goodwill and indefinite life intangibles are allocated to cash-generating units as below:

Description of the cash-generating unit (CGU)	Carrying amount of goodwill ($)	Method of estimation
Freight Match Business	250,000	Value-in-use
Locate2u Business	173,000	Value-in-use

Cash-generating unit where recoverable amount has been determined using value in use.

CGU	Period over which cash flows have been projected	Terminal growth rate used for cash flow projections (%)	Average revenue growth rate (%)	Discount rate (%)
Freight Match Business	3 years	0.00	0%	25
Locate2u Business	3 years	0.00	-9%(1)	25

(1) The goodwill in the Locate2u Business is associated with the acquisition of the Talcasoft business. Talcasoft's revenues are expected to decline in future years as Talcasoft customers transition to the Locate2u product.

Impairment assumptions

Goodwill is allocated to the Freight Match and Locate2u Businesses which are the cash generating unit (CGU) for the purpose of impairment testing. The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections covering a three year period. Cash flows past the three year period are extrapolated using an estimated growth rate. These growth rates do not exceed the long-term average growth rates for the industry.

Notes to the Financial Statements

For the Year Ended 30 June 2024

22. Intangible assets (continued)

Accounting treatment

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- the consideration transferred;
- any non-controlling interest; and
- the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired in a business combination.

Goodwill is not amortised but is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold.

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 2 to 5 years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Software development costs are amortised over their useful life of 5 years. During the year ended 30 June 2023, the useful life of the Local Delivery customer list acquired was reassessed from 6 years to 3 years, due to the higher rate of customer churn experienced to date.

Impairment

At the end of each reporting period the Group determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

23. Other assets

	2024 ($)	2023 ($)
CURRENT		
Prepayments	**64,232**	97,476
Accrued income	**27,687**	17,479
Other assets	**20,900**	21,272
	112,819	136,227

24. Trade and other payables

	Note	2024 ($)	2023 ($)
CURRENT			
Trade payables		**379,476**	435,084
GST payable		**63,426**	50,662
Accrued expense	(a)	**380,616**	152,292
Deferred income		**33,554**	29,128
Phantom equity plan liability	(b)	**1,538**	1,681
Other payables		**108,890**	220,609
		967,500	889,456

(a) Accrued expenses

Accrued expenses include $150,000 owing to a customer in relation to the settlement of a historical dispute. The amount owing will be credited to the client on future invoices.

(b) Phantom equity plan

The Company has established a Phantom equity plan (PEP) for staff who have not been allocated securities in the Company's ESOP, including offshore staff. The purpose of the PEP is to allow participants to obtain an indirect economic interest in the pursuit of the growth, development, profitability and financial success of the Company.

The PEP gives participants an opportunity to acquire notional shares (Phantom Shares) that tracks the value of underlying shares, as traded on the ASX.

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.

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. The Price Increase for the purposes of the PEP will be capped at $0.30.

The expense related to the PEP is included within employee benefit expense in the consolidated statement of profit or loss and other comprehensive income, with a corresponding liability to reflect the future cash-settled obligation.

As at 30 June 2024, 654,400 Phantom Shares had been granted to employees. Most of the Phantom Shares have an issue date of 13 September 2021.

Notes to the Financial Statements
For the Year Ended 30 June 2024

24. Trade and other payables (continued)

Fair Value Measurement

The assessed fair value at reporting date of PEP units issued has been determined using a Probability Distribution model that takes into account the exercise price of the units, any price cap on the units, the term of the units, the share price at reporting date and expected price volatility of the underlying share, based on the correlations and volatilities of a group of peer companies.

The assessed fair value at issue date of Phantom Shares at 30 June 2024 was approximately $0.0023 per Phantom Share.

The model inputs for Phantom Shares as at 30 June 2024 included:

- Phantom Shares are granted for no consideration and vest based on conditions related to retention or performance conditions being achieved;
- An exercise price of $0.20 per Phantom Share and a price cap of $0.50 per Phantom Share;
- Phantom Shares being exercisable for a period of 36 months from the issue date, which was, for most participants, around 13 September 2021; and
- expected price volatility of the Company's shares of 80%. The expected price volatility is based on the historic volatility of a group of peer companies,

Accounting treatment

The Group's financial liabilities include trade and other payables, which are measured at amortised cost using the effective interest rate method.

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

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 payables are stated inclusive of GST.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2024

25. Other liabilities

Current	2024 ($)	2023 ($)
Royalty liability	**67,604**	-
Non-Current		
Royalty liability	**381,545**	-

Following 31 December 2022, a ‘review event’ was identified in relation to the EBITDA covenant contained in the PURE Facility Agreement. As a result of this “review event”, an agreement was executed on 25 July 2023, which resulted in new EBITDA covenants under the Facility Agreement and royalty payments, calculated as 2.5% of Locate2u revenues, capped at $750,000 to be paid to PURE quarterly. Repayments of the royalty may extend beyond the term of the PURE facility. The current and non-current royalty liabilities as at 30 June 2024 represents the discounted value of the amount of royalty owing at that date. Interest at a rate of 15% per annum is payable should the royalty payments not be made by the due date.

In a substantial modification scenario (see note 17), any fees between the borrower and the lender are required to be expensed as part of the gain/loss on extinguishment. Accordingly, the Royalty expense was fully expensed in the year ended 30 June 2024. The amount included in Royalty payable as at 30 June 2024 is the amount remaining to be paid to PURE pursuant to the Royalty which has been discounted to a value of $449,149 in accordance with AASB 9, Financial Instruments.

Capital structure

26. Issued capital

	Number of Shares	Total Issued Capital $
Ordinary shares	**193,785,927**	**20,811,967**

There were no changes in ordinary shares during the year.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

Capital Management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk.

Notes to the Financial Statements

For the Year Ended 30 June 2024

27. Share based payments reserve

Balances of share based payments reserves as at 30 June 2024 were as follows:

		30 June 2024 $	30 June 2023 $
Employee share option plan	(a)	**1,686,991**	1,499,479
New employee share option plan	(b)	**91,126**	45,542
Lead manager options	(c)	**166,180**	166,180
Warrants reserve	(d)	**552,873**	552,873
Total		**2,497,170**	2,264,074

The assessed fair value at issue date of share based payment securities issued during the year ended 30 June 2024 has been determined using either a Black-Scholes Model, or a Monte Carlo simulation model that takes into account the exercise price, any price cap on the securities, the term of the securities, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the securities and the correlations and volatilities of the Company and a group of peer companies. The valuations determined have been adjusted to reflect the likelihood of vesting conditions being met.

(a) Employee Share Option Plan

The Company has established an 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. Under the rules of the ESOP, 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. Once vested, the Options remain exercisable for a period of 60 months from the issue date. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable each Option is convertible into one ordinary share. The exercise price of Options is $0.20 per share.

The expense related to the Employee Share Option Plan is included within employee benefit expense in the consolidated statement of profit or loss and other comprehensive income.

As at 30 June 2024, 10,371,807 Options were on issue to eligible employees. These Options all had an issue date of 10 September 2021.

Changes to the number of Employee Share Option Plan options on issue during the year are set out below:

	Held at start of period	Granted during the period	Exercised	Any other changes	Held at end of period
2024	15,310,763	-	-	(4,938,956)	10,371,807
2023	21,237510	-	-	(5,926,747)	15,310,763

Fair Value Measurement

The assessed fair value at issue date of Options granted under the ESOP was approximately $0.126 per option for options subject to service-based conditions and certain options subject to performance hurdles, whilst other options subject to performance hurdles were valued at $0.102 per option.

Notes to the Financial Statements

For the Year Ended 30 June 2024

27. Share based payments reserve (continued)

The model inputs for Options granted under the ESOP included:

- Options are granted for no consideration and vest based on conditions related to Service Conditions and Performance Conditions as outlined in the Company's IPO prospectus;
- an exercise price of $0.20 per Option;
- Options being exercisable for a period of 60 months from the issue date, which was 10 September 2021;
- expected price volatility of the Company’s shares of 80%. The expected price volatility was based on the historic volatility of a group of peer companies; and
- a risk-free interest rate of 0.4%, consistent with the yield on a 10 year Commonwealth Government Bond at around the issue date.

(b) New Employee Share Option Plan

The Company has established a new equity-based long-term employee option plan (New ESOP) to assist in the attraction, motivation, retention and reward of key management personnel, and other eligible employees following the Company’s listing on the ASX. Under the rules of the New ESOP, the Board has a discretion to offer options to acquire shares (New Options) to senior management, Directors or other nominated key employees subject to service-based conditions and/or performance hurdles. Once vested, the New Options remain exercisable for a period of 60 months from the issue date. New Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable each New Option is convertible into one ordinary share.

The expense related to the New ESOP is included within employee benefit expense in the consolidated statement of profit or loss and other comprehensive income.

As at 30 June 2024, 8,637,791 New Options had been granted to eligible employees. 987,791 New Options have an exercise price of $0.35 per share, 6,400,000 New Options have an exercise price of $0.20 per share and 1,250,000 New Options have an exercise price of $0.12 per share.

Changes to the number of New Employee Share Option Plan options on issue during the year are set out below:

	Held at start of period	Granted during the period	Exercised	Any other changes	Held at end of period
2024	6,237,791	2,500,000	-	(100,000)	8,637,791
2023	0	7,437,791	-	(1,200,000)	6,237,791

Fair Value Measurement

The assessed fair value of 493,896 New Options for options with an exercise price of $0.35 per share that are subject to service-based conditions is approximately $0.039 per share whilst the assessed fair value of 493,895 New Options subject to performance hurdles is approximately $0.02 per share.

The assessed fair value of 2,705,000 New Options with an exercise price of $0.20 per share that are subject to service-based conditions ranged between approximately $0.036 and $0.041 per option, whilst the assessed fair value of 3,695,000 New Options that are subject to performance hurdles ranged between approximately $0.036 and $0.041 per option.

The assessed fair value of 625,000 New Options with an exercise price of $0.12 per share that are subject to service-based conditions is approximately $0.038 per option, whilst the assessed fair value of 625,000 New Options that are subject to performance hurdles ranged between approximately $0.035 and $0.038 per option.

Notes to the Financial Statements

For the Year Ended 30 June 2024

27. Share based payments reserve (continued)

The model inputs for options granted under the New Options included:

- New Options are granted for no consideration and vest based on conditions related to Service Conditions and Performance Conditions;
- an exercise price of $0.12, $0.20 or $0.35 per New Option;
- New Options being exercisable for a period of 60 to 72 months from the grant date,
- expected price volatility of the Company's shares of 80%; and
- a risk-free interest rate ranging between 0.40% and 4.15%, consistent with the yield on a 10 year Commonwealth Government Bond at around the issue date for the option issues.

(c) Lead Manager Options

The Company has issued a total of 2,000,000 unlisted options to Foster Stockbroking Pty Ltd with an exercise price of $0.30 per Share, equal to a 50% premium to the IPO price, and with an expiry date of 3 years from 10 September 2021 (Lead Manager Options). The Lead Manager Options vested on 10 September 2021.

As at 30 June 2024, 2,000,000 Lead Manager Options were on issue.

The expense related to the Lead Manager Options which occurred on the vesting date, is included within other expenses in the consolidated statement of profit or loss and other comprehensive income.

Fair Value Measurement

The assessed fair value at issue date of Lead Manager Options granted during the half year ended 31 December 2021 was approximately $0.083 per Phantom Share.

The model inputs for Lead Manager Options granted during the half year ended 31 December 2021 included:

- Lead Manager Options were granted for no consideration and vested on 10 September 2021;
- an exercise price of $0.30 per Option;
- Options being exercisable for a period of 36 months from the issue date, which was 10 September 2021;
- expected price volatility of the Company's shares of 80%. The expected price volatility is based on the historic volatility of a group of peer companies; and
- a risk-free interest rate of 0.2%, consistent with the yield on a 3 year Commonwealth Government Bond at around the issue date.

(d) Warrants Reserve

The proceeds received on issue of the PURE loan facility are allocated into a liability and equity component. The amount initially attributed to the debt component equals the discounted cashflows using a market rate of interest that would be payable on a similar debt instrument that does not include an option to convert. Subsequently the debt component is accounted for as a financial liability measured at amortised cost until extinguished on maturity.

The remainder of the proceeds are allocated to the conversion option and is recognised in the "Warrant Reserve" within shareholders' equity, net of income tax.

Notes to the Financial Statements
For the Year Ended 30 June 2024

Group structure

28. Interests in subsidiaries

Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2024	Percentage Owned (%)* 2023
Subsidiaries:			
Zoom2u Pty Limited	Australia	**100**	**100**
Locate 2u Pty Limited	Australia	**100**	**100**
2u Enterprises Pty Limited	Australia	**100**	**100**
Locate IP Pty Limited	Australia	**100**	**100**
Locate2u USA Inc	United States of America	**100**	**100**
Locate2u UK Ltd	United Kingdom	**100**	**100**
Locate2u Pte Ltd	Singapore	**100**	**100**
Talcasoft Australia Pty Ltd	Australia	**100**	**100**
Drivers2u Pty Ltd	Australia	**100**	**100**

*The percentage of ownership interest held is equivalent to the percentage of voting rights for all subsidiaries.

29. Related parties

The Group's main related parties are as follows:

- Key management personnel - refer to Note 14.
- Subsidiaries - refer to Note 28.
- Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Other than the above, there were no related party transactions during the years ending 30 June 2024 and 30 June 2023.

Notes to the Financial Statements

For the Year Ended 30 June 2024

30. Parent entity

The following information has been extracted from the books and records of the parent, Zoom2u Technologies Limited and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Zoom2u Technologies Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries are accounted for at cost in the consolidated financial statements of the parent entity.

	2024 ($)	2023 ($)
Statement of Financial Position		
Assets		
Current assets	**1,239,736**	2,745,699
Non-current assets	**7,227,239**	5,019,630
Total Assets	**8,466,975**	7,765,329
Liabilities		
Current liabilities	**379,316**	279,149
Non-current liabilities	**7,460,134**	4,454,058
Total Liabilities	**7,839,450**	4,733,207
Equity		
Issued capital	**20,811,967**	20,811,967
Reserves	**2,497,170**	2,264,073
Retained earnings	**(22,681,612)**	(20,043,919)
Total Equity	**627,525**	3,032,122
Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	**(2,637,693)**	(16,797,794)
Other comprehensive income	**-**	-
Total comprehensive income for the year	**(2,637,693)**	(16,797,794)

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2024 or 30 June 2023.

Notes to the Financial Statements

For the Year Ended 30 June 2024

Unrecognised and further items

31. Contingent liabilities and contingent assets

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2024 (30 June 2023: None).

32. Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

33. Remuneration of auditors

The Company's auditors for the year ended 30 June 2024, were Walker Wayland NSW, who were appointed on 26 March 2024. Previously, BDO Audit Pty Ltd served as the Company's auditors.

	2024 ($)	2023 ($)
Remuneration of the auditor Walker Wayland NSW, for:		
- auditing the financial statements	**45,000**	**-**
- other services	**-**	**-**
Total	**45,100**	**-**
Remuneration of the auditor BDO Audit Pty Ltd, for:		
- auditing or reviewing the financial statements	**38,000**	**104,000**
- other services	**7,100**	**4,500**
Total	**45,100**	**108,500**

Other services from BDO include the provision of debt advisory and taxation services.

34. Statutory Information

The registered office and principal place of business of the company is:

Zoom2u Technologies Limited
Level 4, Suite 4.11
55 Miller Street
Pyrmont NSW 2009

Consolidated entity disclosure statement as at 30 June 2024

The Group's consolidated financial statements include 9 subsidiaries incorporated in 4 countries.

		Body corporates		Tax residency	
Entity name	Entity type	Place formed or incorporated	% of share capital held	Australian or foreign	Foreign jurisdiction
Zoom2u Technologies Limited	Company	Australia	100%	Australian[1]	N/A
Zoom2u Pty Limited	Company	Australia	100%	Australian[1]	N/A
Locate 2u Pty Limited	Company	Australia	100%	Australian[1]	N/A
2u Enterprises Pty Limited	Company	Australia	100%	Australian[1]	N/A
Locate IP Pty Limited	Company	Australia	100%	Australian[1]	N/A
Locate2u USA Inc	Company	USA	100%	Foreign	USA
Locate2u UK Ltd	Company	England	100%	Foreign	England
Locate2u Pte Ltd	Company	Singapore	100%	Foreign	Singapore
Talcasoft Australia Pty Ltd	Company	Australia	100%	Australian[1]	N/A
Drivers2u Pty Ltd	Company	Australia	100%	Australian[1]	N/A

(1) This entity is part of a tax-consolidated group under Australian taxation law, for which Zoom2u Technologies Limited is the head entity.

Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2024 are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

    b. give a true and fair view of the financial position as at 30 June 2024 and the financial performance of the consolidated group for the year then ended;

2. the Chief Executive Officer and Chief Finance Officer have given the declarations required by Section 295A that:

    a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

    b. the consolidated financial statements and notes for the financial year comply with the Accounting Standards; and

    c. the consolidated financial statements and notes for the financial year give a true and fair view.

    d. the information disclosed in the attached consolidated entity disclosure statement is true and correct.

3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

4. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

5. The information disclosed in the attached consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors.

Director:	Drew Kelton	**Director:**	Stephen Orenstein
Signature:	Drew Kelton	**Signature:**	

Dated:
23 August 2024

walker wayland

Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

Level 11, Suite 11.01
60 Castlereagh Street
SYDNEY NSW 2000

GPO Box 4836
SYDNEY NSW 2001

Telephone: +61 2 9951 5400
Facsimile: +61 2 9951 5454
mail@wwnsw.com.au

Website: www.wwnsw.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ZOOM2U TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES

Opinion

We have audited the financial report of Zoom2u Technologies Limited and its controlled entities, which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of Zoom2u Technologies Limited and its controlled entities is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended; and
- complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of a Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (Including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

walkerwayland

Key Audit Matters

The key audit matters ("KAM") are the matters that, in our professional judgement, were of most significance in our audit of the financial report for the current year. The matters were addressed in the context of our audit of the financial report, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the KAM
Developed Software Costs Capitalised – Recognition and Carrying Value (Note 22 Intangible Assets) Software development costs at 30 June 2024 have a net carrying value in the consolidated statement of financial position of \$1,762,973 (2023: \$1,250,185). AASB 138 *Intangible Assets* requires that specific criteria are met in order to capitalise development costs. The software development costs are amortised over the period of expected future benefits being 5 years. This area is a key audit matter due to subjectivity and management judgment applied in the assessment of whether the costs meet the capitalisation criteria and in determining the useful life that forms the basis for the amortisation period.	**Our procedures included, amongst others:** • assessing the group's accounting policy in respect of product development costs for adherence to AASB 138; • testing a sample of amounts capitalised to supporting documentation and assessing compliance with the recognition criteria of AASB 138; • testing the fair value calculations including the significant inputs used; • assessing the reasonableness of the amortisation period by reference to comparable market data; and • assessing the adequacy of related disclosures within the financial report.
Revenue Recognition (Note 6 Revenue and Other Income) The Group has recognised revenue from contracts with customers amounting to \$5,723,822. The Group recognises revenue across five separate revenue streams: Customer booking fees and courier platform fees, Shredding services, Software license fees, Sale of GPS units, and Website development and other services. The revenue recognition process and policies differ for each stream depending on the nature of the products and services provided to the customer in accordance with AASB 15 *Revenue from Contracts with Customers*. This area is a key audit matter due to the material nature of the balance, the volume of transactions, and the importance of the revenue balance to the current stakeholders.	**Our procedures included, amongst others:** • reviewing appropriateness of accounting policies and compliance with AASB 15 *Revenue from Contracts with Customers* including reviewing their consistency with the prior year; • testing a sample of revenue recognised to contracts with customers; • testing a sample of revenue recognised to supporting documents such as invoices, bank statements, booking data or jobs reports and other evidences of performance obligations delivered; • testing a sample of deferred revenue balances by tracing through to service agreements, invoices and bank statements assessing the identification of performance obligations, and evaluating the timing of revenue recognition • assessing the adequacy of related disclosures within the financial report.

Key audit matters	How our audit addressed the KAM
Share based payments expense – Measurement (Note 27 Share Based Payments Reserve) Share based payments expense in relation to employee share options granted has been recognised in the statement of profit and loss and other comprehensive income amounting to $233,096 for the year ended 30 June 2024 (2023: $864,568). This area is a key audit matter due to management's estimates and judgement applied in the assessment of the fair value of the options pursuant to AASB 2 *Share Based Payments*.	**Our procedures included, amongst others:** • testing appropriateness of Share based payments to ensure that this was accounted for pursuant to AASB 2 *Share Based Payments;* • validating a sample of grant options of the directors and contractors to grant letters; • performing a recalculation of the share based payment reserve and an employee option expenses; • reviewing the reasonableness of probabilities used and option price; and • assessing the adequacy of related disclosures within the financial report.
PURE loan facility (Note 17 Borrowings) and Royalty liability (Note 25 Other Liabilities) The Group has an outstanding loan payable to PURE Asset Management Pty Ltd amounting to $4,000,000 as at 30 June 2024. The loan facility is a compound financial instrument with attached warrants. As described in note 25, the Group has also entered into a Royalty agreement on 25 July 2023 which resulted in a royalty liability capped at $750,000. The accounting for the PURE loan facility and the Royalty liability is considered a key audit matter due to the complexity involved in the measurement of the individual components of the liability and equity based on the terms and conditions of the agreement. The assessment includes significant judgement and there is a high degree of estimation applied in determining the fair value of the liability component.	**Our procedures included, amongst others:** • obtaining an understanding of and assessing the terms and conditions of the compound financial instrument to determine if the Pure loan facility and the Royalty liability have been corrected accounted for in accordance with AASB 9 *Financial Instruments*; • evaluating the appropriateness of the valuation methodology applied against the requirements of the relevant Australian Accounting Standard including an assessment of the significant inputs applied by management in the valuation model; • reviewing compliance with financial covenants; • confirming the outstanding loan balance and events of defaults directly with PURE Asset Management Pty Ltd; and • assessing the adequacy of related disclosures within the financial report.

Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

ii. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

iii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee than an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Remuneration Report

Opinion
We have audited the Remuneration Report included the Directors' Report on pages 36 to 48 for the year ended 30 June 2024. In our opinion, the Remuneration Report of Zoom2u Technologies Limited and its controlled entities for the year ended 30 June 2024, complies with Section 300A of the *Corporations Act 2001*.

Responsibilities
The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Walker Wayland NSW

Walker Wayland NSW
Chartered Accountants

Edward Chow
Partner

Dated this 23rd of August 2024, Sydney

Shareholder Information

The shareholder information set out below was applicable as at 22 August 2024.

At 22 August 2024, there was a total of 193,785,927 Ordinary shares of the Company on issue.

Substantial holders in the company

Holder of equity securities	Class of equity securities	Number of equity securities held	% of total issued securities in relevant class
JM Future Holdings Pty Limited	Ordinary Shares	11,571,423	5.97%
Paul Orenstein and Mary Orenstein	Ordinary Shares	11,549,280	5.96%
Steve Orenstein and his controlled entities	Ordinary Shares	46,228,875	23.86%
Damian Degenhardt and Julia Degenhardt	Ordinary Shares	18,971,799	9.79%

Distribution of quoted ordinary shares

Holding ranges	Holders	Shares	%
1 – 1000	181	133,491	0.07%
1,001 – 5,000	679	1,724,473	0.89%
5,001 – 10,000	257	2,090,474	1.08%
10,001 – 100,000	411	13,874,463	7.16%
>100,000	115	175,963,026	90.80%
Total	**1,643**	**193,785,927**	**100.00%**

Number of holders and securities held

Security Name	Total Holders	Total Holdings
FULLY PAID ORDINARY SHARES	1,641	191,119,260
FULLY PAID ORDINARY SHARES RESTRICTED 24 MONTHS FROM QUOTATION	2	2,666,667
OPT @ $0.30 EXP 3YR FROM LIST ESC 24M	1	2,000,000
ESOP @ $0.20 EXP 5YRS FROM ISSUE	2	2,469,478
ESOP @ $0.20 EXP 5YRS FROM ISSUE ESC 24M	3	7,902,329
ESOP @ $0.20 EXP 7-MAR-2029	16	5,150,000
ESOP @ $0.20 EXP 28-JUL-2029	8	1,250,000
ESOP @ $0.12 EXP 21-MAR-2030	1	1,250,000
ESOP @ $0.35 EXP 28-MAR-2027	1	987,791
WARRANTS @ $0.175 EXP 31 OCTOBER 2026	1	9,500,000
WARRANTS @ $0.28 EXP 31 OCTOBER 2026	1	9,500,000
Total		**233,795,525**

Escrow Shares

Class of restricted securities	Type of restriction	Number of securities	End date of escrow period
Ordinary shares	Compulsory Escrowed	2,666,667	17 October 2024

Less than marketable parcels (UMP) of ordinary shares

Total ordinary shares	UMP ordinary shares	UMP holders	% of issued ordinary shares held by UMP holders
193,785,927	2,436,389	954	1.3%

Top 20 shareholders

Holder name	Holding	% Issued capital
SMO FUNDS PTY LIMITED<THE SMO FUNDS A/C>	44,835,407	23.14%
37 FENNELL PTY LTD ATF 37 FENNELL UNIT TRUST	14,937,292	7.71%
JM FUTURE HOLDINGS PTY LTD <THE JONO FUTURE FUND A/C>	13,087,805	6.75%
PAUL AND MARY ORENSTEIN <ORENSTEIN SUPER FUND>	11,549,280	5.96%
SANDHURST TRUSTEES LTD <CYAN C3G FUND A/C>	8,596,970	4.44%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,005,289	3.10%
MR ANTHONY KLOK & MRS KERRY RYAN KLOK RYAN FAMILY S/F A/C	5,086,486	2.62%
APPWAM PTY LTD	3,417,677	1.76%
MANHOL PTY LTD <D B SUPERANNUATION FUND A/C>	3,349,815	1.73%
MATHEW 19 PTY LIMITED	2,771,738	1.43%
MISTARET PTY LIMITED <WOODFORDE FAMILY S/F A/C>	2,609,919	1.35%
MR STEPHEN DISCO HEMPTON	2,592,424	1.34%
APOLLO HOLDINGS LIMITED	2,533,333	1.31%
EBM CAPITAL PTY LTD<EBM CAPITAL INVESTMENT A/C>	2,158,061	1.11%
MARK POWER	2,083,333	1.08%
MR BERGE DER SARKISSIAN	1,961,022	1.01%
MR BERGE DER SARKISSIAN	1,929,028	1.00%
STRIBLEY CAPITAL PTY LTD	1,876,446	0.97%
BRENTON HEDLEY KEY & MICHELLE JEANNE KEY <KEY FAMILY S/F A/C>	1,686,110	0.87%
MRS LUCY SIBYL ORENSTEIN	1,598,727	0.83%
Total	**134,666,162**	**69.49%**
Total issued capital - ordinary shares	**193,785,927**	**100.00%**

Zoom2u Technologies

www.zoom2u.com.au/investors