

Appendix 4D Interim Report

Company details
Zoom2u Technologies Limited
ACN 636 364 246

1. Results for announcement to the market for the half year ended 31 December 2024

		31 Dec 2024 \$'000	31 Dec 2023 \$'000
Revenues from ordinary activities	up by 10% to	\$3,193	\$2,890
Loss from ordinary activities after tax attributable to the owners of Zoom2u Technologies Limited	down by 50% to	(\$846)	(\$1,699)
Loss for the year attributable to the owners of Zoom2u Technologies Limited	down by 50% to	(\$846)	(\$1,699)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss after income tax expense for the Group for the half-year ended 31 December 2024 amounted to \$846,058 (31 December 2023: \$1,698,944).

EBITDA for the Group for the half year ended 31 December 2024 was \$45,027 (31 December 2023: loss of \$385,342).

Locate2u, the Company's SaaS product for delivery and services businesses, recorded revenue for the half year ended 31 December 2024 of \$1,324,489, representing approximately 10% growth over the prior corresponding period (pcp) revenue of \$1,202,390.

The revenue of the Zoom2u business segment (which includes the Zoom2u courier platform and 2u Enterprises) for the half year ended 31 December 2024 grew by approximately 11% to \$1,868,118 from \$1,687,175 in the pcp. This was a consequence of an increase in revenue by 2u Enterprises (which is comprised of the Shred2u business together with the provision of marketing and driver services for customers) to \$336,543 from \$105,478 in the pcp, which offset a 3% decline in revenue by the Zoom2u courier platform to \$1,531,575 from \$1,581,696 in the pcp.

Refer to the Directors' report section of the attached Interim report for the half-year period ended 31 December 2024 for further explanation.

2. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	-1.6	-1.3

3. Control gained over entities

Not applicable.

4. Loss of control over entities

Not applicable.

5. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Details of origin of accounting standards used in compiling the report:

Two offshore subsidiaries are not operating and hence accounts have not been prepared. The accounts for Locate2u USA Inc have been prepared using Generally Accepted Accounting Principles (GAAP).

9. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

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10. Attachments Details of attachments (if any):

The Interim Report of Zoom2u Technologies Limited for the half-year ended 31 December 2024 is attached.

11. Signed



_____ Date: 27 February 2025

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Zoom2u Technologies Limited

ABN 23 636 364 246

**Interim report for the half-year period ended
31 December 2024**

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Directors' report

For the half-year period ended 31 December 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group') consisting of Zoom2u Technologies Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors

The following persons were directors of Zoom2u Technologies Limited during the whole of the financial half-year and up to the date of this report:

Drew Kelton

Steve Orenstein

Mike Rosenbaum

Michael Gayst

Kara-Lyn Nicholls

Principal activities

During the financial half-year, the principal continuing activities of the consolidated entity consisted of:

- a delivery technology platform connecting customers with drivers for fast delivery services; and
- a software as a service (SaaS) product for delivery and services businesses.

Review of operations

The loss after income tax expense for the consolidated entity for the half-year ended 31 December 2024 amounted to \$846,058 (31 December 2023 loss after income tax \$1,698,944).

A reconciliation of loss after income tax to Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA¹) is set out below:

	Consolidated	
	31 Dec 2024 (\$)	31 Dec 2023 (\$)
Loss after tax	(846,058)	(1,698,944)
Add: Finance costs	274,961	804,234
Add: Depreciation and amortisation	636,475	629,367
Less: Income tax expense / (refund)	21	(80,181)
Less: Finance and interest income	(20,372)	(39,818)
EBITDA	45,027	(385,342)

¹ EBITDA is a non-IFRS measure that is presented to provide an understanding of the performance of the Group's operations. In the opinion of the Directors, the Group's EBITDA reflects the results generated from ongoing operating activities. The non-IFRS financial information is unaudited. However, the numbers have been extracted from the audited financial statements.

The EBITDA for the consolidated entity for the half-year ended 31 December 2024 was \$45,027 This represented a \$430,369 improvement in EBITDA compared with the half-year ended 31 December 2023 when a loss of \$385,342 was reported.

Group revenue for the half year ended 31 December 2024 was \$3,192,607, a 10% increase on the prior corresponding period (“pcp”) revenue of \$2,889,565. The increase was attributed to stronger revenue from both our Locate2u and 2u Enterprises businesses offset by a decline in revenue by the Zoom2u business.

Locate2u, the Company’s SaaS product for delivery and services businesses, recorded revenue for the half year ended 31 December 2024 of \$1,324,489 representing approximately 10% growth over the pcp revenue of \$1,202,390. This growth was primarily achieved through the signing of new customers to the product, including enterprise customers Winning (operator of the Winning and Appliances Online retail businesses), Designer Transport, and Roller Truck.

The revenue of the Zoom2u business segment (which includes the Zoom2u courier platform and 2u Enterprises) for the half year ended 31 December 2024 grew by 11% to \$1,868,118 from \$1,687,175 in the pcp. The Zoom2u courier platform experienced a 3% decline in revenue to \$1,531,575 from \$1,581,696. Revenue for the Zoom2u courier platform in the half year was likely impacted by ongoing weakness in consumer confidence, combined with lower margins being achieved for Enterprise customers versus the pcp. Offsetting this decline was an increase in revenue by 2u Enterprises (which is comprised of the Shred2u business together with the provision of marketing and driver services for customers) which grew revenue to \$336,543 from \$105,478 in the pcp.

During the half year ended 31 December 2024 the Company continued its focus on minimising operating costs which will assist the Company in reaching sustainable profitability. Operating costs (excluding depreciation, amortization and finance costs) in the half year ended 31 December 2024 declined by 3% to \$3,222,044 from \$3,315,819 in the pcp, with reductions in employee benefits (5% lower than the pcp) and marketing expenses (24% lower than the pcp) being achieved.

Headcount increased from 81 as at 30 June 2024 to 87 as at 31 December 2024, with small net increases in headcount in the development and marketing teams. However, employee benefits expense decreased to \$1,853,113 from \$1,940,456 in the pcp, in part due to a restructuring of the development team.

Finance costs in the half year ended 31 December 2024 decreased to \$274,961 from \$804,234 in the pcp mainly due to the expensing of the PURE royalty (of \$750,000 with a discounted value of \$494,662) in the pcp in accordance with AASB 9 Financial Instruments.

Depreciation and amortisation expense in the half year ended 31 December 2024 increased by 1% to \$636,475 from \$629,367 in the pcp.

As at 31 December 2024 the Company had a cash balance of \$1,442,452 in cash (30 June 2024: \$2,053,160).

This half-year financial report does not include all risk management information and disclosures required for the annual financial statements. For further details on our risk management refer to the 2024 Annual Report. There have been no material changes to our risk management policies since 30 June 2024, other than the adoption of a Treasury Management Policy, which includes strategies in relation to cash management, risk management, and investment, and also incorporating Bitcoin as the only cryptocurrency for digital investment as part of the treasury mix.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial period

There has been no matter or circumstance that has arisen since 31 December 2024 that has significantly affected or may significantly affect the consolidated entity’s operations, the results of those operations, or the group’s state of affairs in future financial years other than that the Company is considering undertaking an equity

capital raise in the short to medium term. The Company is also considering investing in Bitcoin in accordance with the Company's Treasury Management Policy. Customer payments can now be accepted in Bitcoin.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307c of the Corporations Act 2001 is set out on page 5.

This report is made in accordance with a resolution of directors pursuant to section 306 (3) (a) of the Corporations Act 2001.

On behalf of the directors:



Steve Orenstein

Director

27 February 2025

Sydney

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27 February 2025

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

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

We declare that, to the best of our knowledge and belief, during the half year period ended 31 December 2024 there have been:

- i. no contraventions of the auditors' independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.



Walker Wayland NSW
Chartered Accountants



Edward Chow
Partner

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For the half-year period ended 31 December 2024

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General information

The financial statements cover Zoom2u Technologies Limited as a consolidated entity consisting of Zoom2u Technologies Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Zoom2u Technologies Limited's functional and presentation currency.

Zoom2u Technologies Limited is a publicly listed company, limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 4, 55 Miller Street,
Pyrmont NSW 2009

Principal place of business

Level 4, 55 Miller Street,
Pyrmont NSW 2009

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2025.

**Consolidated statement of profit or loss and other comprehensive income
For the half-year period ended 31 December 2024**

		Consolidated	
	Note	31 Dec 2024 (\$)	31 Dec 2023 (\$)
Revenue	4	3,192,607	2,889,565
Finance income	5	20,372	39,818
Other income	5	74,464	40,911
Total revenue		3,287,443	2,970,294
Expenses			
Marketing expenses		(131,310)	(172,848)
Employee benefits expense		(1,853,113)	(1,940,456)
Other expenses	6	(1,237,621)	(1,202,514)
Depreciation and amortisation expense		(636,475)	(629,367)
Finance costs	7	(274,961)	(804,234)
Total expenses		(4,133,480)	(4,749,419)
Loss before income tax expense		(846,037)	(1,779,125)
Income tax benefit / (expense)		(21)	80,181
Loss after income tax expense for the half-year		(846,058)	(1,698,944)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the year		(846,058)	(1,698,944)
Loss attributable to Members of the Parent entity		(846,058)	(1,698,944)
Total comprehensive income attributable to Members of the Parent entity		(846,058)	(1,698,944)
		Cents	Cents
Earnings per share	18	(0.4)	(0.9)
Diluted earnings per share	18	(0.4)	(0.9)

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**Consolidated statement of financial position
As at 31 December 2024**

		Consolidated	
	Note	31 Dec 2024 (\$)	30 Jun 2024 (\$)
Assets			
Current assets			
Cash and cash equivalents		1,442,452	2,053,160
Trade and other receivables	8	890,356	572,110
Inventory		36,362	30,994
Other current assets	9	210,480	112,819
Total current assets		2,579,650	2,769,083
Non-current assets			
Property, plant and equipment	10	153,637	152,690
Intangible assets	11	2,888,141	2,906,649
Total non-current assets		3,041,778	3,059,339
Total assets		5,621,428	5,828,422
Liabilities			
Current liabilities			
Trade and other payables	12	1,335,112	967,500
Borrowings	13	219,180	49,508
Other current liabilities	14	67,604	67,604
Employee benefits		223,603	213,807
Total current liabilities		1,845,499	1,298,419
Non-current liabilities			
Borrowings	13	3,648,689	3,584,956
Employee benefits		66,502	82,001
Other non-current liabilities	14	351,806	381,545
Total non-current liabilities		4,066,997	4,048,502
Total liabilities		5,912,496	5,346,921
Net (liabilities) / assets		(291,068)	481,501
Equity			
Issued capital	15	20,831,967	20,811,967
Reserves	16	2,550,659	2,497,170
Accumulated losses		(23,673,694)	(22,827,636)
Total (deficiency) / equity		(291,068)	481,501

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Consolidated statement of changes in equity
For the half year period ended 31 December 2024

Consolidated	Issued capital (\$)	Accumulated losses (\$)	Share Based Reserves (\$)	Total equity (\$)
Balance at 1 July 2024	20,811,967	(22,827,636)	2,497,170	481,501
Loss after income tax expense for the half-year	-	(846,058)	-	(846,058)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(846,058)	-	(846,058)
Transactions with owners in their capacity as owners:				
Share based payments (see note 16)	-	-	53,489	53,489
Issue of ordinary shares	20,000	-	-	20,000
Balance at 31 December 2024	20,831,967	(23,673,694)	2,550,659	(291,068)

Consolidated	Issued capital (\$)	Accumulated losses (\$)	Share Based Reserves (\$)	Total equity (\$)
Balance at 1 July 2023	20,811,967	(19,764,374)	2,264,074	3,311,667
Loss after income tax expense for the half-year	-	(1,698,944)	-	(1,698,944)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(1,698,944)	-	(1,698,944)
Transactions with owners in their capacity as owners:				
Share based payments (see note 16)	-	-	108,392	108,392
Balance at 31 December 2023	20,811,967	(21,463,318)	2,372,466	1,721,115

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Consolidated statement of cash flows
For the half year period ended 31 December 2024

	Consolidated	
	31 Dec 2024 (\$)	31 Dec 2023 (\$)
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	3,161,797	2,688,584
Payments to suppliers and employees (inclusive of GST)	(3,098,730)	(3,422,982)
Interest received	20,372	39,818
Other income	74,464	40,911
Interest and other finance costs paid	(138,141)	(217,982)
Income taxes (paid) / received	(21)	80,181
	<hr/>	<hr/>
Net cash from / (used) in operating activities	19,741	(791,470)
	<hr/>	<hr/>
Cash flows from investing activities		
Payments for intangibles	(597,139)	(469,928)
Payments for property, plant and equipment	(21,776)	(16,619)
	<hr/>	<hr/>
Net cash used in investing activities	(618,915)	(486,547)
	<hr/>	<hr/>
Cash flows from financing activities		
Repayment of lease liabilities	(11,534)	-
	<hr/>	<hr/>
Net cash used in financing activities	(11,534)	-
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(610,708)	(1,278,017)
Cash and cash equivalents at the beginning of the financial half-year	2,053,160	3,853,671
	<hr/>	<hr/>
Cash and cash equivalents at the end of the financial half-year	1,442,452	2,575,654

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Note 1. Material accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting', as appropriate for for-profit oriented entities applying Australian Accounting Standards. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2024 and any public pronouncement made by the Company during the interim reporting period in accordance with the continuous disclosure requirement of the Corporations Act 2001.

The material accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Where necessary, the figures from the prior period have been reclassified to facilitate comparison.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Going Concern

The loss after income tax expense for the consolidated entity for the half-year ended 31 December 2024 amounted to \$846,058, whilst the net decrease in cash for the period was \$610,708. As at 31 December 2024 the Group had net asset deficit position of \$291,068. As at 31 December 2024, the Group had a net current asset position of \$734,151 and a cash balance of \$1,442,452.

The Director's believe that the going concern basis of preparation remains appropriate and have prepared the financial statements on this basis. The Group's ability to continue its normal operations into the foreseeable future is contingent on:

- Achieving projected revenue growth through the recent adjustments to Locate2u's sales and marketing initiatives along with executing current sales opportunities;
- Managing and controlling operating costs;
- Generating positive cash flow from operations; and
- Meeting its covenants in relation to the Pure debt facility.

If the Group is unable to achieve these objectives the going concern basis may no longer be appropriate. As a result, the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business, with amounts realised being different from those disclosed in the financial report. No allowance for such circumstance has been made in the financial report.

Notwithstanding the deficiency of net assets, the financial report has been prepared on a going concern basis as the Directors are confident that the above objectives will be met. In addition, if these objectives are not met, the Group has access to a range of equity and debt-raising possibilities to support its operations and ensure the continued viability of the Group. In particular, the Company is considering undertaking an equity capital raise in the short to medium term. Consequently, the Directors believe the Group has the ability to continue its normal operations into the foreseeable future.

Notes to the financial statements
For the half year period ended 31 December 2024



Note 3. Operating segments

Identification of reportable operating segments

The consolidated entity derives revenue from contracts with its clients through its two operating segments:

- Zoom2u and 2u Enterprises; and
- Locate2u.

Zoom2u and 2u Enterprises provide 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 and a platform fee charged to drivers. This segment also includes other revenue from the Shred2u business, ad hoc web development services and bespoke distribution operations.

Locate2u 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. The Talcasoft business is included in the Locate2u segment.

These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers (CODM)) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments. The CODM reviews revenue and net profit / (loss) before tax.

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is reported on a monthly basis. The CODM does not regularly review segment assets and segment liabilities. Refer to statement of financial position for assets and liabilities.

Operating segment information

	Zoom2u and 2u Enterprises		Locate2u		Total	
	31 Dec 2024 (\$)	31 Dec 2023 (\$)	31 Dec 2024 (\$)	31 Dec 2023 (\$)	31 Dec 2024 (\$)	31 Dec 2023 (\$)
Revenue from external customers	1,868,118	1,687,175	1,324,489	1,202,390	3,192,607	2,889,565
Segment result	982,123	888,037	(812,192)	(948,200)	169,931	(60,163)
Unallocated corporate expenses					(761,379)	(954,547)
Net finance costs					(254,589)	(764,415)
Net loss before tax					(846,037)	(1,779,125)

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Notes to the financial statements
For the half year period ended 31 December 2024



Note 4. Revenue

	Consolidated	
	31 Dec 2024 (\$)	31 Dec 2023 (\$)
<i>Revenue from contracts with customers</i>		
Sales of GPS units	41,063	131,798
Rendering of services	3,151,544	2,757,767
Total revenue	3,192,607	2,889,565

Disaggregation of revenue

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

Geographical regions

Australia	3,167,746	2,868,531
Rest of the World ²	24,861	21,034
Total revenue	3,192,607	2,889,565

Timing of revenue recognition

At a point in time	1,723,625	1,814,704
Over time	1,468,982	1,074,861
Total revenue	3,192,607	2,889,565

Type of contract

Courier platform fees	1,531,575	1,581,697
Shredding services	150,987	101,210
Software license fees	1,207,690	965,796
Sales of GPS units	41,063	131,798
Website development and other services	261,292	109,064
Total revenue	3,192,607	2,889,565

Note 5. Finance and other income

	Consolidated	
	31 Dec 2024 (\$)	31 Dec 2023 (\$)
Interest income	20,372	39,818
Total finance income	20,372	39,818
Government grants	74,464	40,911
Total other income	74,464	40,911

² 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.

Note 6. Other expenses

	Consolidated	
	31 Dec 2024 (\$)	31 Dec 2023 (\$)
Cost of sales - 2u Enterprises	99,135	85,668
Cost of sales - Locate2u	76,312	114,666
Cost of sales - Talcasoft	7,003	5,837
Merchant fees and credit checks	40,613	40,092
Consulting and professional fees	99,588	120,871
Office and related expenses	80,914	80,674
Telecommunications and internet expenses	98,736	78,222
Software and subscription expenses	427,177	348,435
Insurance	104,445	133,553
Sundry expenses	203,698	194,496
Total other expenses	1,237,621	1,202,514

Note 7. Finance costs

	Consolidated	
	31 Dec 2024 (\$)	31 Dec 2023 (\$)
Interest expense – Pure facility	267,518	250,212
Finance cost – loss on extinguishment of loan	-	55,123
Royalty expense	-	494,662
Interest expense - other	7,443	4,237
Total finance costs	274,961	804,234

Note 8. Trade and other receivables

	Consolidated	
	31 Dec 2024 (\$)	30 Jun 2024 (\$)
Trade receivables	901,456	578,810
Provision for expected credit losses	(11,100)	(6,700)
Total current trade and other receivables	890,356	572,110

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**Notes to the financial statements
For the half year period ended 31 December 2024**



Note 9. Other current assets

	Consolidated	
	31 Dec 2024 (\$)	30 Jun 2024 (\$)
Prepayments	172,251	64,232
Accrued income	13,879	27,687
Rental bond	24,350	20,900
Total other current assets	210,480	112,819

Note 10. Property, plant and equipment

	Consolidated	
	31 Dec 2024 (\$)	30 Jun 2024 (\$)
Motor vehicles		
At cost	70,662	69,342
Accumulated depreciation	(12,364)	(7,609)
	58,298	61,733
Office equipment		
At cost	52,010	47,210
Accumulated depreciation	(24,166)	(21,040)
	27,844	26,170
Computer equipment		
At cost	173,924	158,268
Accumulated depreciation	(106,429)	(93,481)
	67,495	64,787
Total property, plant and equipment	153,637	152,690

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Notes to the financial statements
For the half year period ended 31 December 2024



Note 11. Intangible assets

	Consolidated	
	31 Dec 2024 (\$)	30 Jun 2024 (\$)
Goodwill - at cost	423,000	423,000
Customer list – at cost	757,500	757,500
Accumulated amortisation	(560,192)	(468,402)
Net carrying value	197,308	289,098
Software acquired – at cost	1,494,077	1,494,077
Accumulated amortisation	(1,358,393)	(1,123,184)
Net carrying value	135,684	370,893
Developed software – at cost	3,091,018	2,495,129
Accumulated amortisation	(1,016,766)	(732,156)
Net carrying value	2,074,252	1,762,973
Trademarks – at cost	186,274	185,024
Accumulated amortisation	(128,377)	(124,339)
Net carrying value	57,897	60,685
Total intangible assets	2,888,141	2,906,649

Note 12. Trade and other payables

	Note	Consolidated	
		31 Dec 2024 (\$)	30 Jun 2024 (\$)
Trade payables		612,612	379,476
GST and PAYG payable		346,756	63,426
Accrued expenses	(a)	231,374	380,616
Deferred revenue		32,708	33,554
Other payables		111,662	110,428
Total trade and other payables		1,335,112	967,500

(a) Accrued expenses

Accrued expenses as at 31 December 2024 include \$100,000 owing to a customer in relation to the settlement of a historical dispute. The amount owing will be credited to the customer on future invoices.

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Note 13. Borrowings

	Consolidated	
	31 Dec 2024 (\$)	30 Jun 2024 (\$)
Borrowing - current		
Interest Payable	99,500	-
Borrowings – insurance premium funding	107,104	32,742
Borrowings – Lease finance	12,576	16,766
Total current borrowings	219,180	49,508
Borrowing – non-current		
Borrowings – Lease finance	46,714	51,499
PURE Asset Management 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	320,154	251,636
Total non-current borrowings	3,648,689	3,584,956

1. The fair value of long term borrowings provided by PURE Asset Management 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 (see note 14) 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 was recognised in the amortisation of the finance component, together with interest accrued to 31 December 2024 of \$265,031.

Note 14. Other liabilities

	Consolidated	
	31 Dec 2024 (\$)	30 Jun 2024 (\$)
Current		
Royalty payable	67,604	67,604
Non-Current		
Royalty payable	351,806	381,545

As noted in the Company's interim report for the half-year period ended 31 December 2023, following 31 December 2023, 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. Pursuant to AASB 9, Financial

Notes to the financial statements
For the half year period ended 31 December 2024



Instruments, the payment of the royalty to PURE represents a substantial modification of the terms of the existing liability.

In a substantial modification scenario, any fees between the borrower and the lender are required to be expensed as part of the gain/loss on extinguishment. The amount included in Royalty payable as at 31 December 2024 is the amount remaining to be paid to PURE pursuant to the Royalty (\$674,748) which has been discounted to a value of \$419,410 in accordance with AASB 9, Financial Instruments.

Note 15. Issued capital

	31 Dec 2024 (Shares)	30 Jun 2024 (Shares)	31 Dec 2024 (\$)	30 Jun 2024 (\$)
Ordinary shares - fully paid	194,050,975	193,785,927	20,831,967	20,811,967

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 a meeting 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.

Note 16. Reserves

	Note	31 Dec 2024 (\$)	30 Jun 2024 (\$)
Employee share option plan	(a)	1,704,354	1,686,991
New employee share option plan	(b)	116,022	91,126
2024 employee share option plan	(c)	11,230	-
Lead manager options	(d)	166,180	166,180
Warrants reserve	(e)	552,873	552,873
Total		2,550,659	2,497,170

The assessed fair value at issue date of share based payment securities has been determined using a Black-Scholes 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 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 31 December 2024, 7,408,434 Options had vested but remain unexercised. These Options all had an issue date of 10 September 2021.

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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.

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 is 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 an 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 or 72 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 31 December 2024, 8,137,791 New Options granted to eligible employees under the New ESOP are unexercised. 987,791 New Options have an exercise price of \$0.35 per share, 5,900,000 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.

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 2,455,000 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 3,445,000 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.

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

- New Options are granted for no consideration and vest based on conditions related to Service Conditions and Performance Conditions;
- an exercise price of \$0.20 or \$0.35 per New Option;
- Options being exercisable for a period of 60 or 72 months from the grant date;
- 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 3.40% to 3.84%, consistent with the yield on a 10 year Commonwealth Government Bond at around the issue date.

(c) 2024 Employee Share Option Plan

The Company has established a new equity-based long-term employee option plan (2024 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 2024 ESOP, the Board has a discretion to offer options to acquire shares (2024 Options) to senior management, Directors or other nominated key employees subject to service-based conditions and/or performance hurdles. Once vested, the 2024 Options remain exercisable for a period of 60 months from the issue date. 2024 Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable each 2024 Option is convertible into one ordinary share.

The expense related to the 2024 ESOP is included within employee benefit expense in the consolidated statement of profit or loss and other comprehensive income.

As at 31 December 2024, 15,150,000 2024 Options had been granted to eligible employees under the New ESOP with an exercise price of \$0.135 per share and remain unexercised.

Fair Value Measurement

The assessed fair value of 2024 Options issued in December 2024 is approximately \$0.035 per share.

The model inputs for 2024 Options granted under the 2024 ESOP included:

- New Options are granted for no consideration and vest based on conditions related to Service Conditions and Performance Conditions;
- an exercise price of \$0.135 per New Option;
- Options being exercisable for a period of 60 months from the issue date;
- expected price volatility of the Company's shares of 61%. The expected price volatility is based on the historic volatility of trading in the Company's shares on the ASX; and
- a risk-free interest rate of 4.35%, consistent with the yield on a 10 year Commonwealth Government Bond at around the issue date.

(d) 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 31 December 2024, 2,000,000 Lead Manager Options were on issue.

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

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;

Notes to the financial statements
For the half year period ended 31 December 2024



- 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.

(e) 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.

Note 17. Contingent liabilities

The consolidated entity had no contingent liabilities as at 31 December 2024 and 30 June 2024.

Note 18. Earnings per share

	Consolidated	
	31 Dec 2024 (\$)	31 Dec 2023 (\$)
Loss after income tax attributable to the owners of Zoom2u Technologies Ltd	(846,058)	(1,698,944)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	193,801,772	193,785,927
	Cents	Cents
Basic and diluted earnings per share	(0.4)	(0.9)

Note 19. Events after the reporting period

There has been no matter or circumstance that has arisen since 31 December 2024 that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations, or the group's state of affairs in future financial years other than that the Company is considering undertaking an equity capital raise in the short to medium term. The Company is also considering investing in Bitcoin in accordance with the Company's Treasury Management Policy. Customer payments can now be accepted in Bitcoin.

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Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting framework.
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year period ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Steve Orenstein

Director

27 February 2025

Sydney

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ZOOM2U TECHNOLOGIES LIMITED AND ITS CONTROLLED ENTITIES

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Zoom2u Technologies Limited (the Company) and its Controlled Entities (the Group) which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

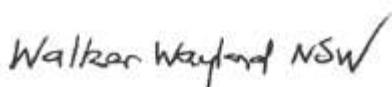
Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Walker Wayland NSW
Chartered Accountants



Edward Chow
Partner

Dated this 27th day of February 2025, Sydney