

19% revenue growth for Q3 FY24 vs pcp Q3 FY24 Quarterly Activities Report and Appendix 4C

Zoom2u Technologies Limited (ASX:Z2U “Zoom2u”, “Group” or the “Company”) has today released its report for the quarter ended 31 March 2024. The Group operates Locate2u, a global Software-as-a-Service (SaaS) platform, designed to manage deliveries for couriers, retailers and ecommerce businesses. It also operates Zoom2u, an on-demand delivery platform to connect customers with drivers for a fast same day delivery across Australia.

Highlights for the quarter:

- Revenue of \$1.4 million for Q3 FY24, representing growth of 19% over the prior corresponding period’s (pcp) revenue of \$1.2m.
- Locate2u revenue growth continues with Q3 FY24 revenue of \$618k representing 33% growth over the pcp.
- First positive quarter of cash from operating activities¹ of \$140k delivered in Q3 FY24, versus cash used in operations of \$684k reported for the pcp.
- EBITDA² for the quarter was a loss of \$156k, a \$659k reduction over the pcp of -\$815k.
- Significant new Locate2u functionality being released, including automated dispatch and warehouse item tracking for enterprise customers.
- The Zoom2u on-demand delivery platform reported revenue³ of \$0.7 million for Q3 FY24 which was flat relative to the pcp. Management team restructure to refocus on growth.
- Steve Nagy (ex CTO of EML Payments (ASX:EML)) promoted to CTO.
- Cash as at 31 March 2024 of \$2.47 million.

Zoom2u’s Founder and CEO Steve Orenstein said:

“The Company has delivered continued growth in revenue in Q3 FY24, with revenue of \$1.4m representing growth of 19% versus the pcp.

Locate2u delivered revenue growth of 33% over the pcp, with new opportunities regularly arising, whilst Zoom2u’s revenue was flat relative to the pcp.

At the time we listed on the ASX in September 2021, the Zoom2u delivery platform had produced compound average growth in revenue of 69% over the prior 6 years. Since the IPO, other than a boost from Covid lockdowns in FY22, revenue growth for the Zoom2u delivery platform has been flat. We believe there is an opportunity to offer customers additional services inside of the Zoom2u delivery platform to grow revenue. Today we provide customers

¹ Since the Company’s IPO in September 2021

² Unaudited

³ Excludes 2u Enterprises revenue, which is included in the Zoom2u segment in statutory reporting

with the ability to connect with drivers for a same day delivery service. We are looking to extend the Zoom2u offering to include a slower, more affordable solution, via third-party carriers using the Locate2u platform. With this aim, we have restructured the Zoom2u management team to refocus on growth.

In August 2023, Steven Nagy joined the business as a principal engineer. Previously, Steven was CTO at EML Payments (ASX:EML) and Scenario, and has held positions at Readify and a number of Queensland Government departments. In March 2024, Steven assumed the role of CTO following Chris Anderson's decision to leave the Company. Chris was the Company's CTO from 2014 and was a significant contributor to the development of both the Zoom2u and Locate2u products. We thank Chris for his contribution and extend our best wishes for his future endeavours.

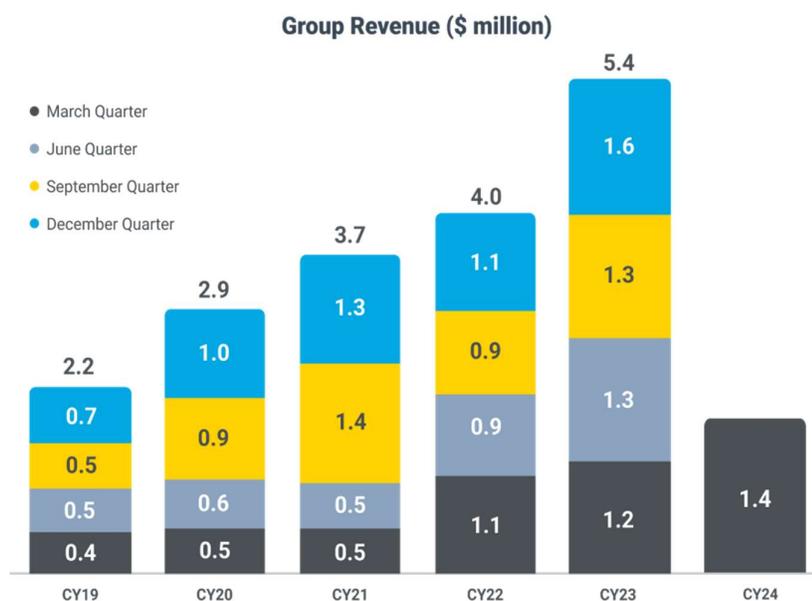
EBITDA⁴ for the quarter was a loss of ~\$156k, being a \$659k reduction from the -\$815k in Q3 FY23. The quarter was impacted by one-off costs associated with the above mentioned changes to the development team and the restructuring of the Management team of the Zoom2u business.

I am very pleased that we have produced our first quarter of positive cash from operating activities since listing on the ASX, but note that this was partially due to the reduction in working capital experienced in Q3 FY24 following the peak season for the Zoom2u business in Q2 FY24.

We remain focussed on achieving sustainable profitability as soon as possible.”

Trading Update

Group revenue recorded in Q3 FY24 was \$1.4 million, representing growth of 19% over the pcip's revenue of \$1.2m.

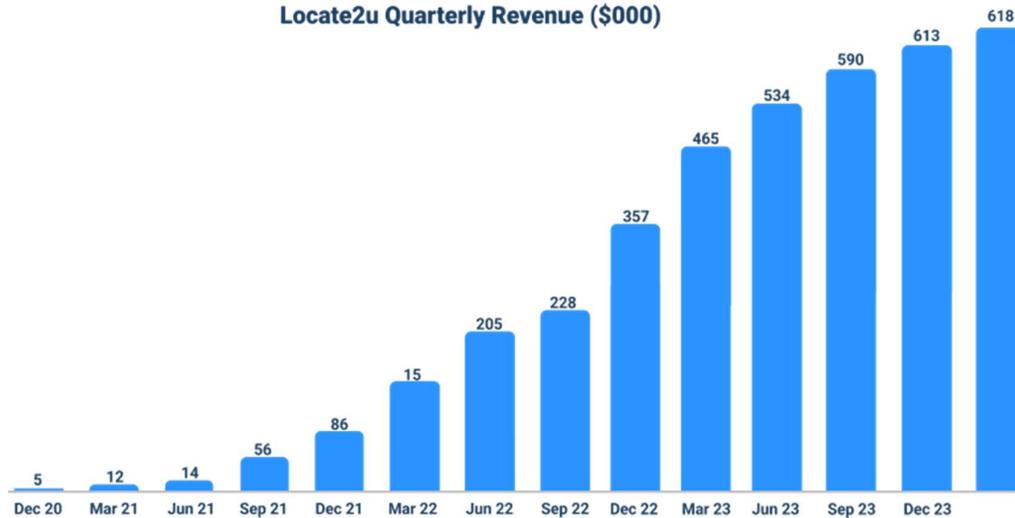


⁴ Unaudited

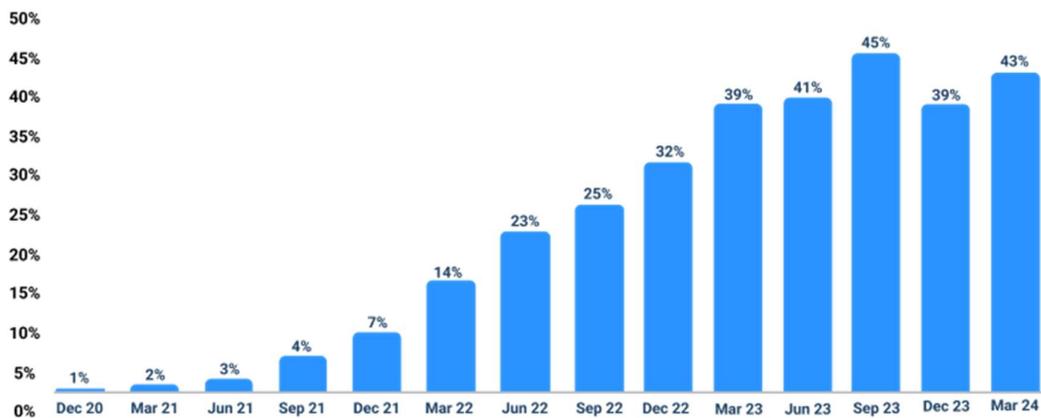
Locate2u

Locate2u revenue for Q3 FY24 was \$618k, representing ~33% growth over the pcp. Locate2u’s contribution to Group Revenue for the quarter was 43%.

Locate2u Quarterly Revenue (\$000)



Locate2u Revenue as a % of Group Revenue

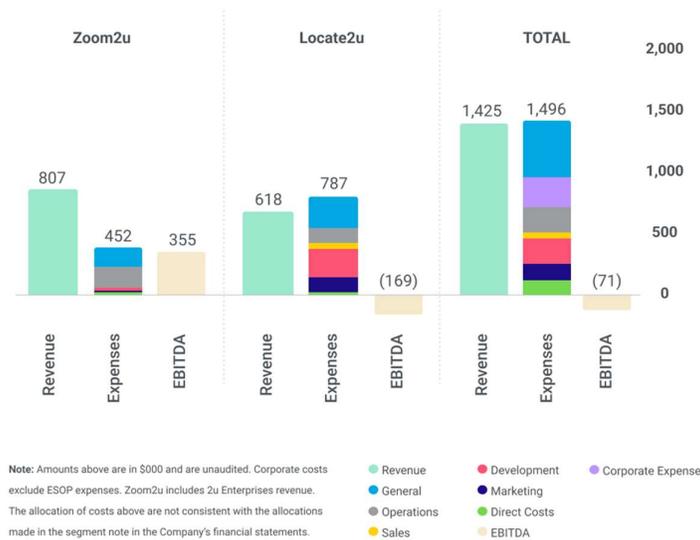


EBITDA⁵

EBITDA for the quarter was a loss of ~\$156k, being a \$659k reduction from the -\$815k in Q3 FY23. Excluding non-cash ESOP expenses, EBITDA for the quarter was -\$71k.

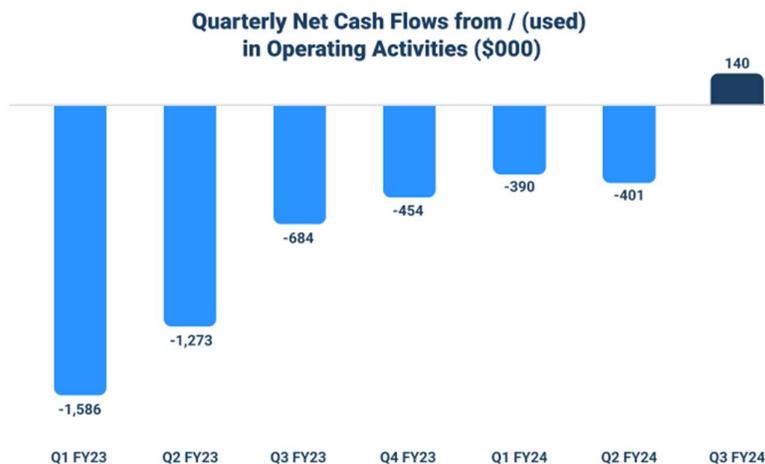
The Zoom2u business achieved an EBITDA of \$355k for the quarter, whilst the EBITDA loss for Locate2u for the quarter was \$169k.

⁵ Unaudited



Cash used in operating activities

Cash from operating activities for Q3 FY24 was +\$0.14 million, an \$824k improvement from the \$684k of cash used in operations reported in the pcp. This was partially due to the reduction in working capital experienced in Q3 FY24 following the peak season for the Zoom2u business in Q2 FY24.



Related Party Payments

Item 6.1 of the Appendix 4C refers to payments to related parties of \$166k during the quarter, comprising the base remuneration paid to the CEO and CFO, and Directors' fees.

Cash balance

Cash balance as at 31 March 2024 was \$2.47 million.

Investor webinar

Zoom2u intends to hold an investor webinar at 10.30am on 29 April 2024 to discuss the Q3 FY24 quarterly results. Click the below link to register your attendance:

https://us06web.zoom.us/webinar/register/WN_SC3KWr8YQG6bN6cNXBoyiw

If you wish to submit your questions ahead of the webinar, please send an email to investors@zoom2u.com. A Q&A function will be available during the webinar.

The webinar recording will be available via our Investor Centre following the webinar (zoom2u.com.au/investors/videos).

END

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

For further information, please contact

Steve Orenstein, Founder & CEO
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About Zoom2u Technologies

Zoom2u Technologies is a global provider of innovative and real time tracking delivery solutions, and is the parent company for Zoom2u and Locate2u. Locate2u provides a global last mile delivery SaaS product to over 500 businesses running their own fleet of vehicles. 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 3.7 million deliveries to over 96,000 customers and has over 16,000 drivers onboarded.

For more information



[Zoom2u / Locate2u](#)



[Investor Mailing List](#)



[Investor Centre](#)



[Steve Orenstein YouTube channel](#)

Appendix 4C

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

Name of entity			
ZOOM2U TECHNOLOGIES LIMITED			
ABN	Quarter ended ("current quarter")		
23 636 364 246	31 March 2024		
Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	2,056	4,744
1.2	Payments for	-	
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(673)	(1,761)
	(c) advertising and marketing	(72)	(245)
	(d) leased assets	-	-
	(e) staff costs	(940)	(2,767)
	(f) administration and corporate costs	(125)	(460)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	12	51
1.5	Interest and other costs of finance paid	(118)	(336)
1.6	Income taxes paid	(0)	80
1.7	Government grants and tax incentives	1	42
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	140	(651)
2	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(6)	(23)
	(d) investments	-	-
	(e) intellectual property	(238)	(708)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(245)	(731)
3	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,576	3,854
4.2	Net cash from / (used in) operating activities (item 1.9 above)	140	(651)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(245)	(731)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,471	2,471
5	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,471	2,576
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,471	2,576

6	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	166
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p>		

7	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<p><i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i></p>			
7.1	Loan facilities	4,000	4,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) - Lease liability	24	24
7.4	Total financing facilities	4,024	4,024
7.5	Unused financing facilities available at quarter end	-	
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p>		
<p>7.1 Loan from Pure Asset Management, interest rate is 9.95%, maturity date is 7 November 2026, loan is secured. 7.3 Commonwealth Bank, interest rate is 8.19%, maturity date is 2 December 2025, secured.</p>			

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	140
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,471
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,471
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p>	
<p>8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p>		
<p>Answer: n/a</p>		
<p>8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?</p>		
<p>Answer: n/a</p>		
<p>8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?</p>		
<p>Answer: n/a</p>		
<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p>		

Compliance statement

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

Date: 29 April 2024

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

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