

## Record revenue for Q2 FY24

### Q2 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 December 2023. Zoom2u 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:

- Record revenue of \$1.6 million for the quarter, representing growth of 37% over the prior corresponding period (pcp) and ~21% versus Q1 FY24.
- EBITDA<sup>1</sup> for the quarter close to breakeven (loss of ~\$22k) - a reduction from -\$360k in Q1 FY24. November and December were positive EBITDA months.
- The Zoom2u business reported revenue<sup>2</sup> of \$0.9 million for Q2 FY24 which was ~22% higher than the pcp, and ~38% higher than Q1 FY24. Q2 has historically been the peak quarter for the Zoom2u business, with Q2 FY24 being assisted by enterprise customers providing higher volumes in the lead up to the festive season.
- Locate2u continues to grow with revenue for Q2 FY24 of \$613k, representing ~72% growth over the pcp and ~4% growth over Q1 FY24.
- Storage King signed as a new Locate2u customer in Q2 FY24. We are in discussions with several prospective enterprise customers for Locate2u in Australia and Europe.
- Cash used in operating activities for Q2 FY24 of -\$0.40 million, ~\$10k higher than Q1 FY24 of -\$0.39 million. The increase was due to an increase in debtors during the quarter related to the increase in volumes provided by Zoom2u enterprise customers.
- Cash as at 31 December 2023 of \$2.6 million.

#### Zoom2u’s Founder and CEO Steve Orenstein said:

“I am thrilled with the Company’s performance over the past quarter. Achieving our highest ever quarter of revenue and achieving EBITDA close to breakeven are great achievements.

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<sup>1</sup> Unaudited

<sup>2</sup> Excludes 2u Enterprises revenue, which is included in the Zoom2u segment in statutory reporting

Both of our main businesses, Locate2u and Zoom2u achieved growth in the quarter, with Locate2u signing new customers and Zoom2u being assisted by enterprise customers providing higher volumes in the lead up to the peak festive season.

Storage King signed as a new Locate2u customer in Q2 FY24, and will be using Locate2u to track its loan vehicles operated by each of its corporate stores.

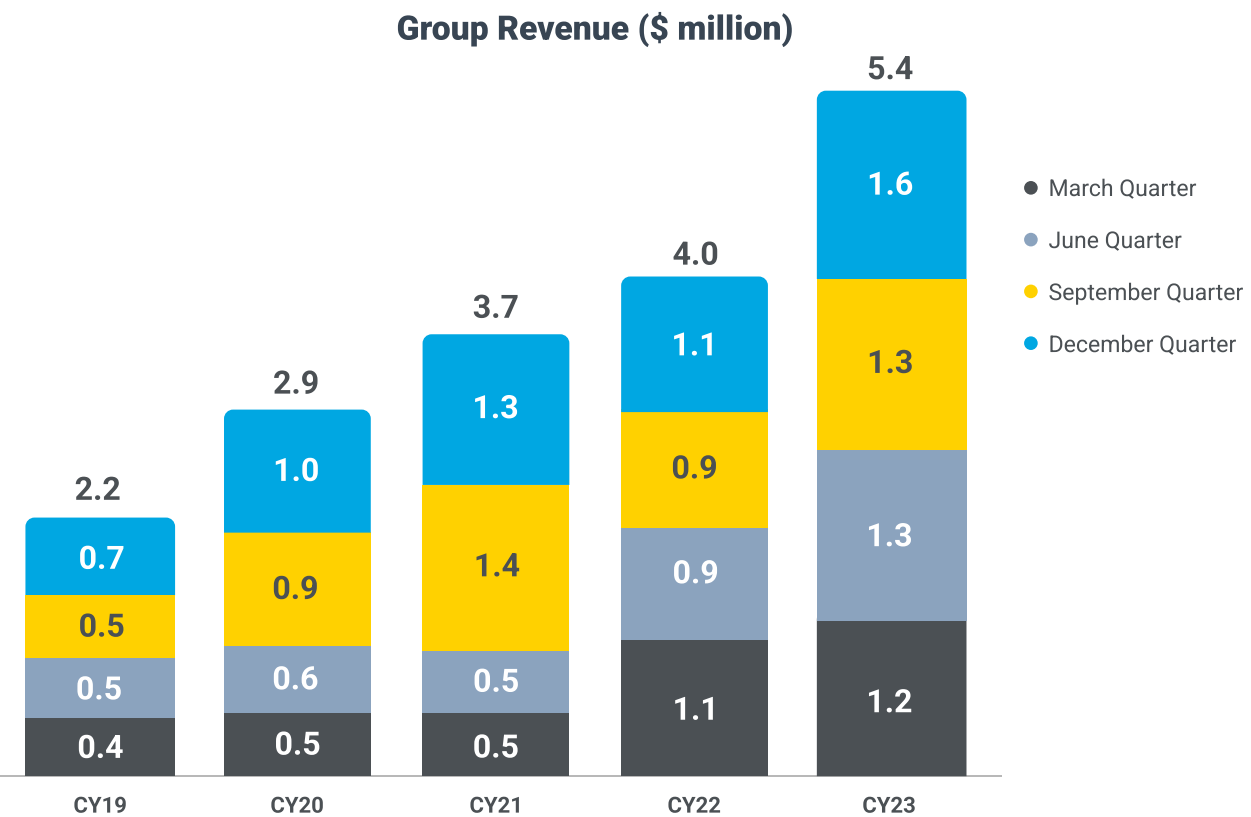
We have been busy over the last few months building a strong pipeline for the Locate2u product with a number of prospective enterprise customers in Australia and Europe.

Whilst we are excited to have achieved close to breakeven EBITDA for Q2 FY24, this has in part been due to the seasonal peak experienced by the Zoom2u business. Our focus remains on achieving sustainable profitability as soon as possible.”

### Trading Update

Group revenue recorded in Q2 FY24 was \$1.6 million, representing growth of ~37% over the pcq and ~21% versus Q1 FY24. Both the Zoom2u and Locate2u businesses contributed to revenue growth in the quarter.

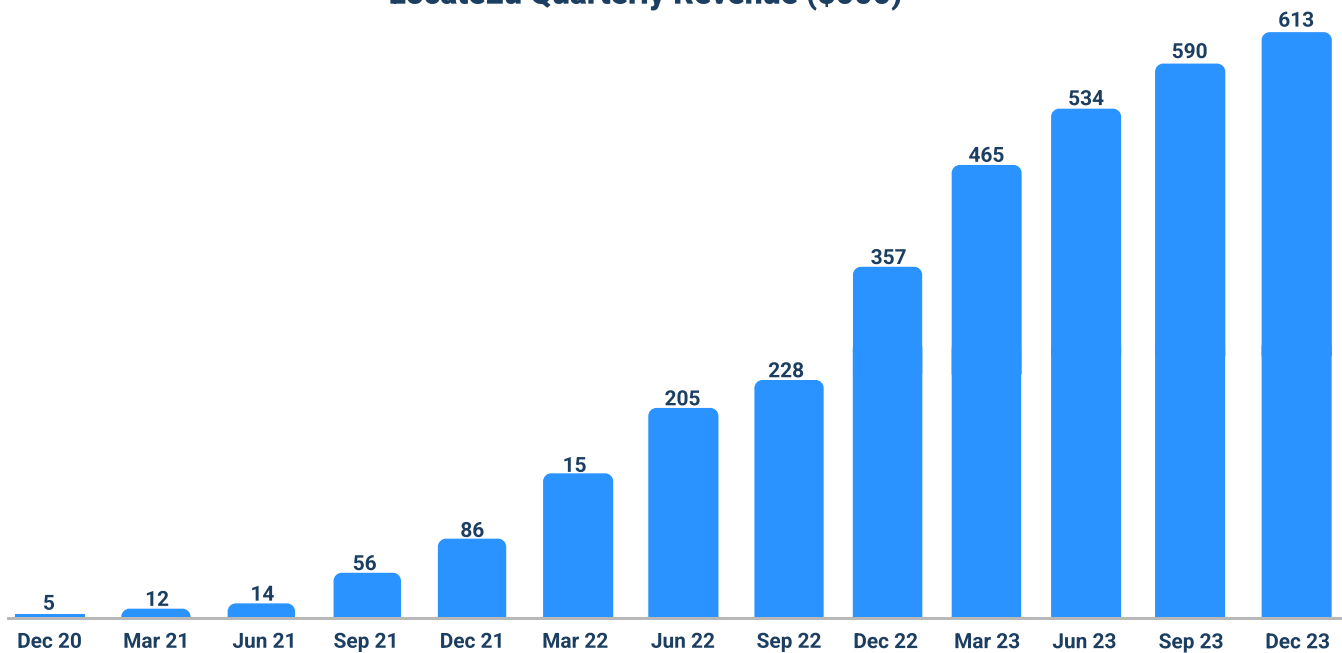
Group revenue for CY23 of \$5.4 million was approximately 33% higher than the \$4.0 million recorded in CY22.



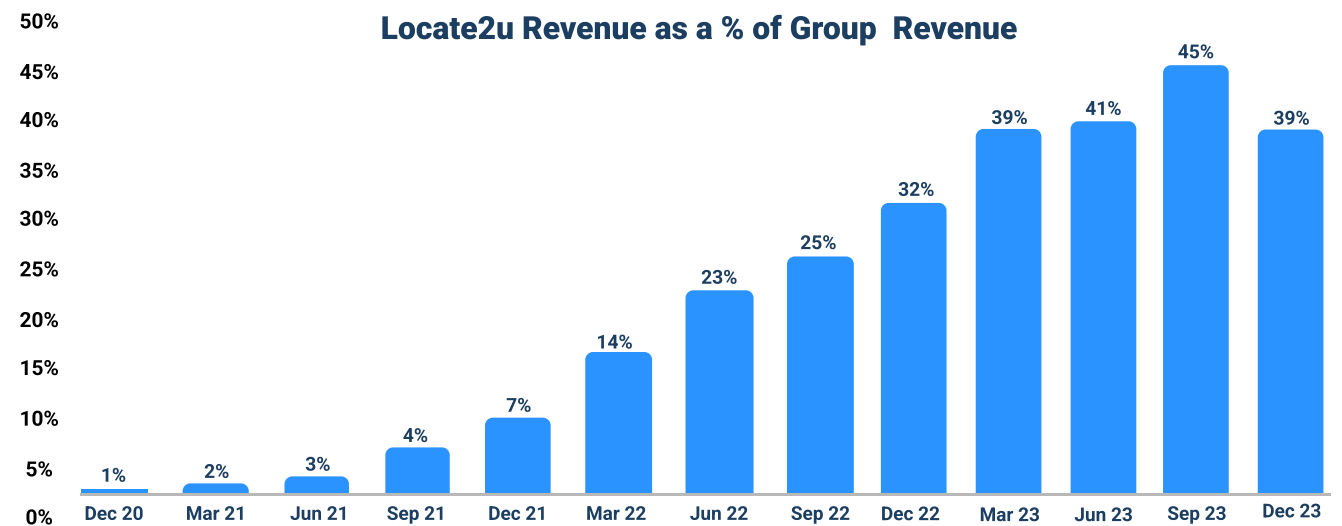
### Locate2u

Locate2u revenue for Q1 FY24 was \$613k, representing ~72% growth over the pcg and ~4% growth over Q1 FY24. Given the peak season volumes experienced by the Zoom2u business in the quarter, Locate2u’s contribution to Group Revenue for the quarter was 39% in Q2 FY24, being lower than the Q1 FY24 contribution of 45%.

Locate2u Quarterly Revenue (\$000)



Locate2u Revenue as a % of Group Revenue



### Zoom2u

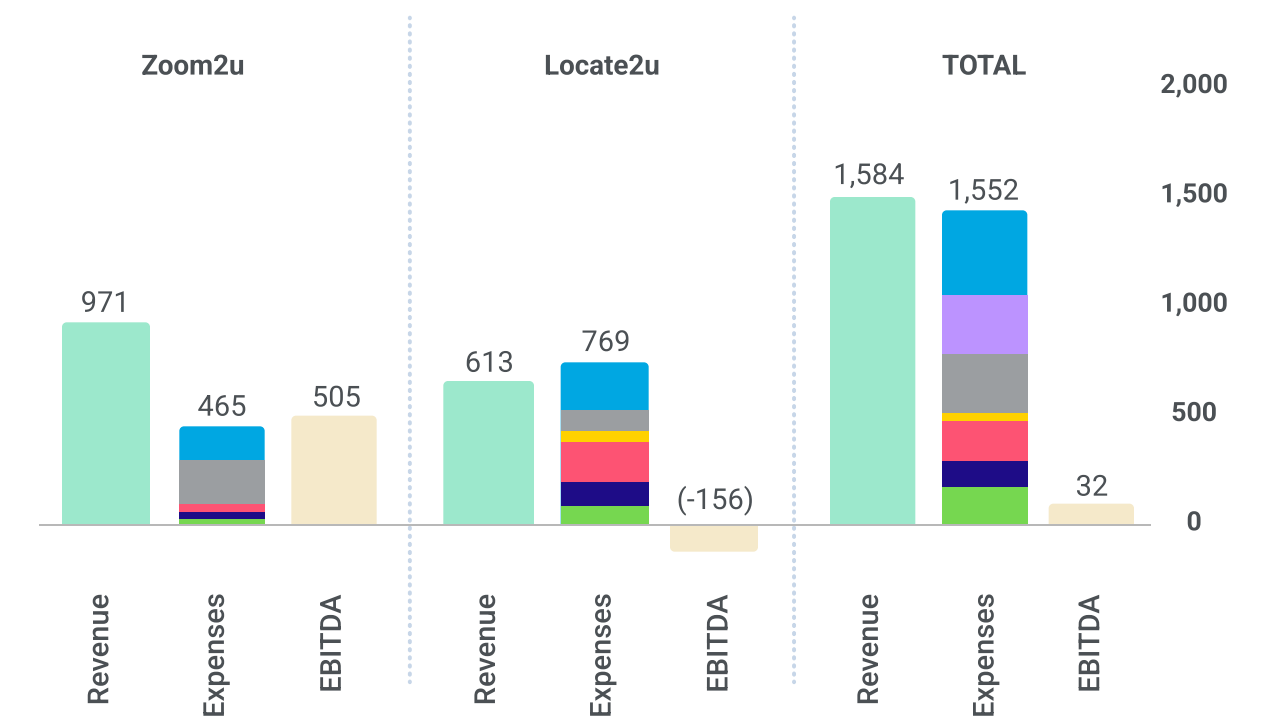
The Zoom2u business had revenue of \$0.9 million for Q2 FY24 which was ~22% higher than the pcg, and ~38% higher than Q1 FY24. Q2 has historically been the peak quarter for the Zoom2u business, with Q2 FY24 being assisted by enterprise customers providing higher volumes in the lead up to the festive season.

### EBITDA<sup>4</sup>

The Group recorded EBITDA for the quarter close to breakeven (loss of ~\$22k) which is a reduction of ~\$338k from -\$360k in Q1 FY24. November and December were positive EBITDA months for the Group. Excluding ESOP expenses, EBITDA for the quarter was positive ~\$32k.

The Zoom2u business achieved an EBITDA of \$505k for the quarter, an improvement relative to the prior quarter (\$241k) due to the increase in revenue from peak season volumes. The EBITDA loss for Locate2u for the quarter of -\$156k was a a \$32k improvement on the -\$188k recorded in the prior quarter. Increased revenue, lower staff and advertising costs all assisted in reducing Locate2u’s loss.

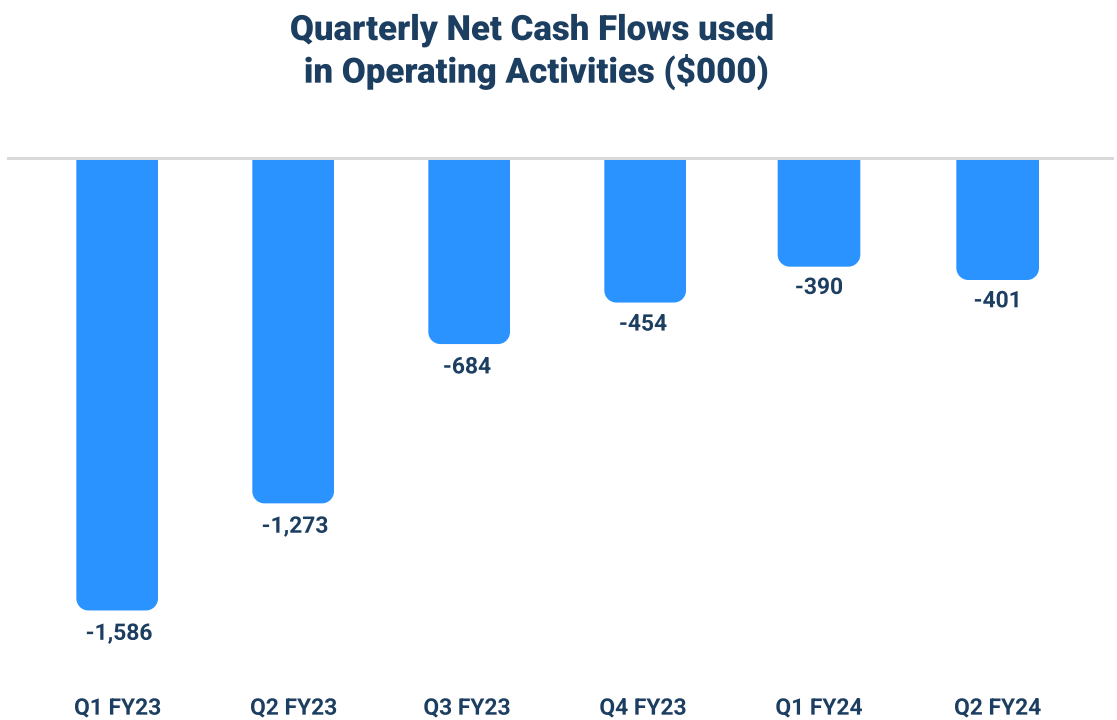
The result of the above was an overall improvement in the Company’s EBITDA (excluding ESOP expenses) to +\$32k from the -\$306k recorded in the prior quarter.



<sup>4</sup> Unaudited

**Cash used in operating activities**

Cash used in operating activities for Q2 FY24 was -\$0.40 million, ~\$10k higher than Q1 FY24 of -\$0.39 million. The increase was due to an increase in debtors during the quarter related to the increase in volumes provided by Zoom2u enterprise customers.



**Related Party Payments**

Item 6.1 of the Appendix 4C refers to payments to related parties of \$176k during the quarter, comprising the base remuneration paid to the CEO and CFO, and Directors’ fees.

**Cash balance**

Total cash balance as at 31 December 2023 was \$2.6 million which would cover approximately 6.4 quarters of operating cash burn, based on the Q2 FY24 run rate.

## Investor webinar

Zoom2u intends to hold an investor webinar at 10.30am on 30 January 2024 to discuss the Q2 FY24 quarterly results. Click the below link to register your attendance:

[https://us06web.zoom.us/webinar/register/WN\\_OIYnYAY6Sg-syBDzP6M3oA#/registration](https://us06web.zoom.us/webinar/register/WN_OIYnYAY6Sg-syBDzP6M3oA#/registration)

If you wish to submit your questions ahead of the webinar, please send an email to [investors@zoom2u.com](mailto: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](https://zoom2u.com.au/investors/videos)).

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

For further information, please contact

**Steve Orenstein, Founder & CEO**

[investors@zoom2u.com](mailto:investors@zoom2u.com)

## 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 3.6 million deliveries to over 95,000 customers and has over 15,000 drivers onboarded.

 [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**

23 636 364 246

**Quarter ended ("current quarter")**

31 December 2023

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	1,169	2,689
1.2	Payments for	-	-
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(423)	(1,088)
	(c) advertising and marketing	(69)	(173)
	(d) leased assets	-	-
	(e) staff costs	(893)	(1,827)
	(f) administration and corporate costs	(169)	(335)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	18	40
1.5	Interest and other costs of finance paid	(117)	(218)
1.6	Income taxes paid	80	80
1.7	Government grants and tax incentives	3	41
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(401)</b>	<b>(791)</b>
<b>2</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(9)	(17)
	(d) investments	-	-
	(e) intellectual property	(233)	(470)
	(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 (6 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(241)</b>	<b>(487)</b>
<b>3</b>	<b>Cash flows from financing activities</b>		
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	3,218	3,854
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(401)	(791)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(241)	(487)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,576</b>	<b>2,576</b>
<b>5</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,576	3,218
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,576</b>	<b>3,218</b>



<b>6</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	176
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<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>		

<b>7</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	4,000	4,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) - Lease liability	26	26
7.4	<b>Total financing facilities</b>	<b>4,026</b>	<b>4,026</b>
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	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.		
	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.		

<b>8</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(401)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,576
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,576
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>6.4</b>
	<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>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
	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?	
	Answer: n/a	
	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?	
	Answer: n/a	
	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?	
	Answer: n/a	
	<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>	

**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: 30 January 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.