

Positive EBITDA and Cash from Operations in H1 FY25

Q2 FY25 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 2024. The Group operates Locate2u, a global Software-as-a-Service (SaaS) platform, designed to manage and optimise deliveries for couriers, retailers and ecommerce businesses. It also operates Zoom2u, an on-demand delivery platform that connects customers with drivers for a fast, same day delivery across Australia.

Highlights for H1 FY25¹ and Q2 FY25 included:

- **EBITDA (H1 FY25):** Positive \$45k, an improvement of ~\$430k compared to the prior corresponding period's (pcp) loss of ~\$385k. The Group recorded negative EBITDA of \$29k for Q2 FY25.
- **Cash from Operating Activities (H1 FY25):** Positive \$20k, an improvement of \$811k over the \$791k negative cash from operating activities in the pcp.
- **Group Revenue (H1 FY25):** \$3.2 million, a 10% increase over the pcp of \$2.9 million.
- **Group Revenue for Q2 FY25:** \$1.66 million, up 5% from \$1.58 million in the pcp.
 - **Locate2u Revenue:** \$0.66 million, an 8% increase over the pcp.
 - **Zoom2u Revenue:** \$0.81 million, 11% lower than the pcp.
 - **Shred2u Revenue:** Revenue growth of 43% over the pcp.
- **Treasury Management Policy:** The Company has adopted a Treasury Management Policy (TMP) which allows Bitcoin to be acquired by the Company, and customer payments to be accepted in Bitcoin².
- **Cash Position as of 31 December 2024:** \$1.44 million.

Zoom2u's Founder and CEO Steve Orenstein said:

“I am pleased to report positive Group EBITDA and cash from operations for H1 FY25 and H1 FY25 Group revenue growth of 10%.

Revenue growth from the Locate2u business has continued, with revenue for Q2 FY25 increasing by 8% over the pcp.

During the quarter, Enterprise customers' Ontime Delivery Solutions (Ontime) and ACM Parts signed on to use the Locate2u product. Ontime, currently a Talcasoft customer, provides third party logistics and outsourced delivery services to businesses across Australia. The transition to

¹ H1 FY25 results are subject to audit review

² Where feasible, and subject to specific criteria being met as set out in the TMP

Locate2u is expected to increase monthly revenue as they leverage the additional functionality of the Locate2u product. ACM Parts is Australia’s largest provider of alternative and specialty parts to the automotive repair industry.

The performance of the Zoom2u business during the peak Q2 FY25 delivery period was below expectations, with revenue 11% below the pcp. Revenue for the quarter was likely impacted by ongoing weakness in consumer confidence, combined with lower margins being achieved for Enterprise customers versus the pcp. For CY24, Zoom2u revenues of \$2.9 million were 3% below the pcp.

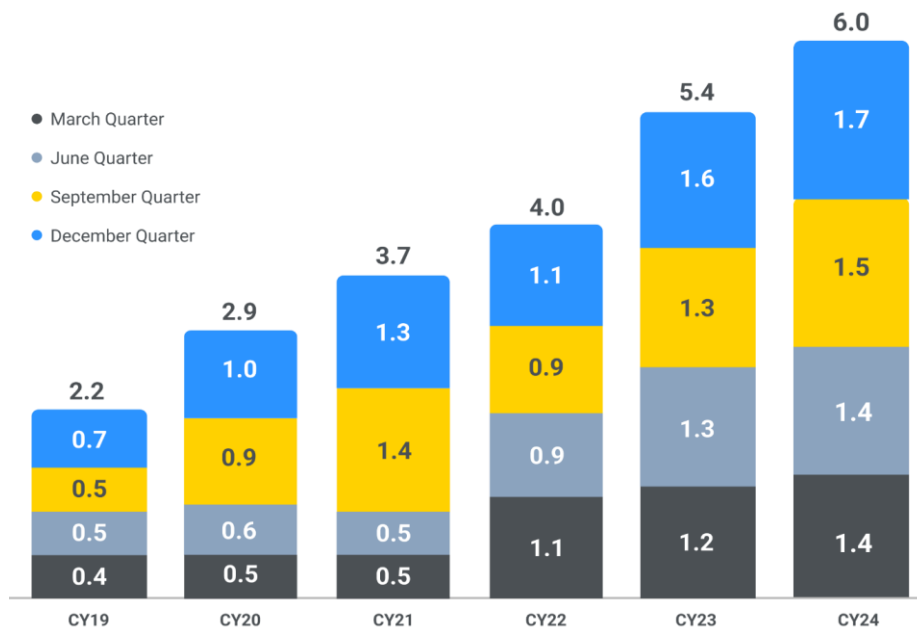
The Shred2u business (one of 2u Enterprises’ businesses) recorded revenue growth for the quarter of 43% over the pcp, and 39% growth for CY24 versus the pcp.

As a technology Company, we strive to be at the forefront of technology innovation. In this context, the Board has resolved to implement a new Treasury Management Policy which allows Bitcoin to be acquired by the Company, and customer payments to be accepted in Bitcoin for our Locate2u and Zoom2u services³. Bitcoin, was the first successful, and is the best known, cryptocurrency⁴.

As always, our ongoing focus remains on executing on the opportunities identified to grow revenue and manage costs. We have identified additional areas for optimisation that will bring us close to achieving our goal of operating sustainably."

Trading Update

Group revenue recorded in Q2 FY25 was \$1.66 million, representing growth of 5% over the pcp’s revenue of \$1.58 million. Group revenue for H1 FY25 was \$3.2 million, representing growth of 10% over the pcp’s revenue of \$2.9 million.



³ Where feasible, and subject to specific criteria being met as set out in the TMP

⁴ Sources: <https://www.britannica.com/money/Bitcoin>, <https://www.gemini.com/cryptopedia/bitcoin-satoshi-nakamoto-genesis#section-enter-bitcoin>

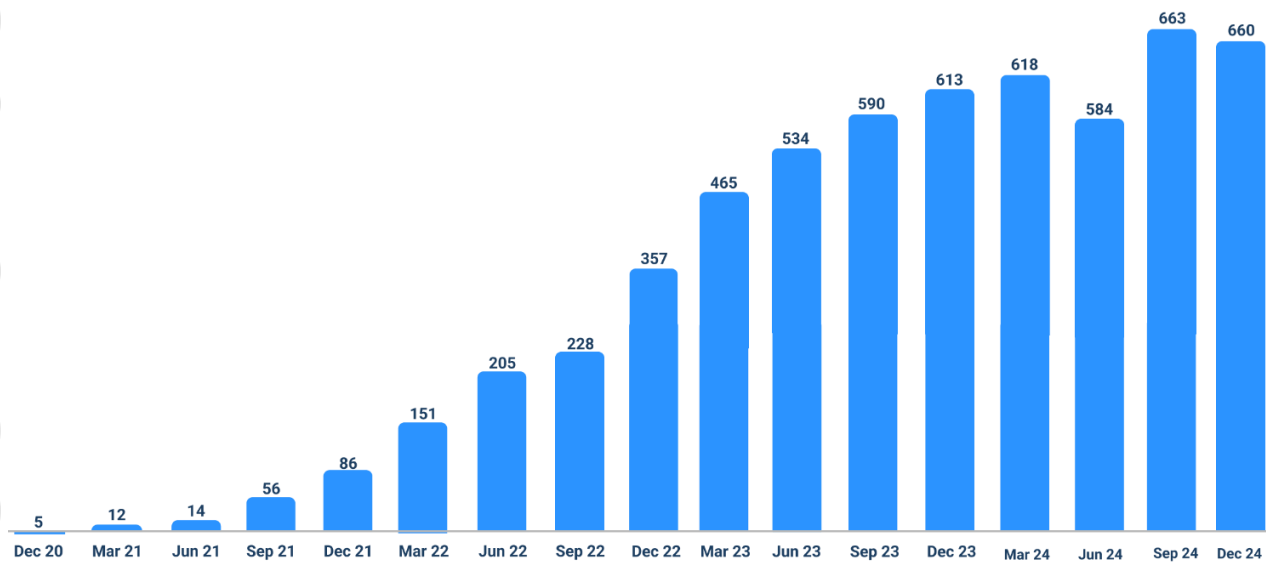
Locate2u

Locate2u revenue for Q2 FY25 was \$660k, representing 8% growth over the pcp of \$613k.

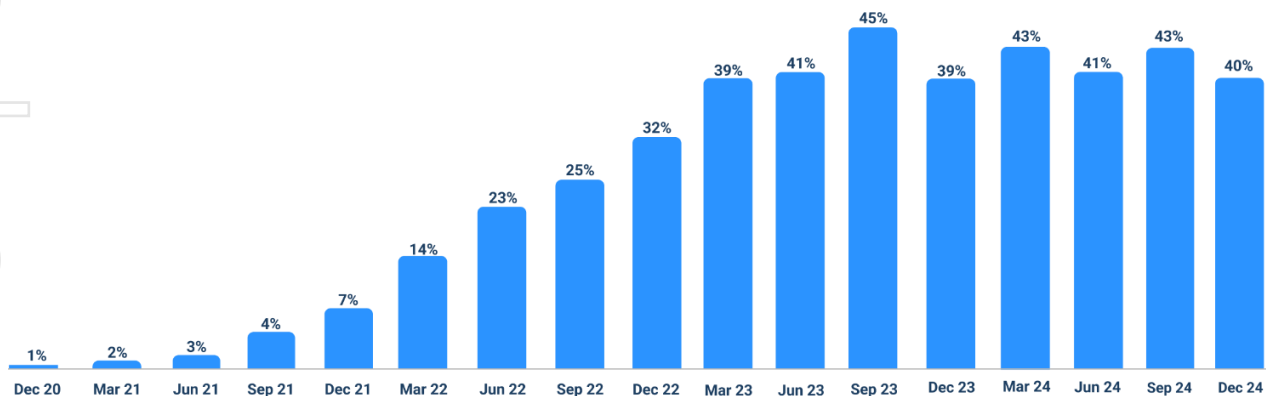
For CY24, Locate2u revenue was \$2.5 million, an increase of 15% over the pcp of \$2.2 million. The increase in revenue over CY24 was driven by a 75% increase in Locate2u software sales, offset by a 14% reduction in Talcasoft revenue, as customers transitioned to Locate2u.

As Q2 is the peak season for the Zoom2u business, Locate2u’s contribution to Group Revenue for the quarter was lower than Q1 at 40%, broadly consistent with the pcp.

Locate2u Quarterly Revenue (\$000)



Locate2u Revenue as a % of Group Revenue

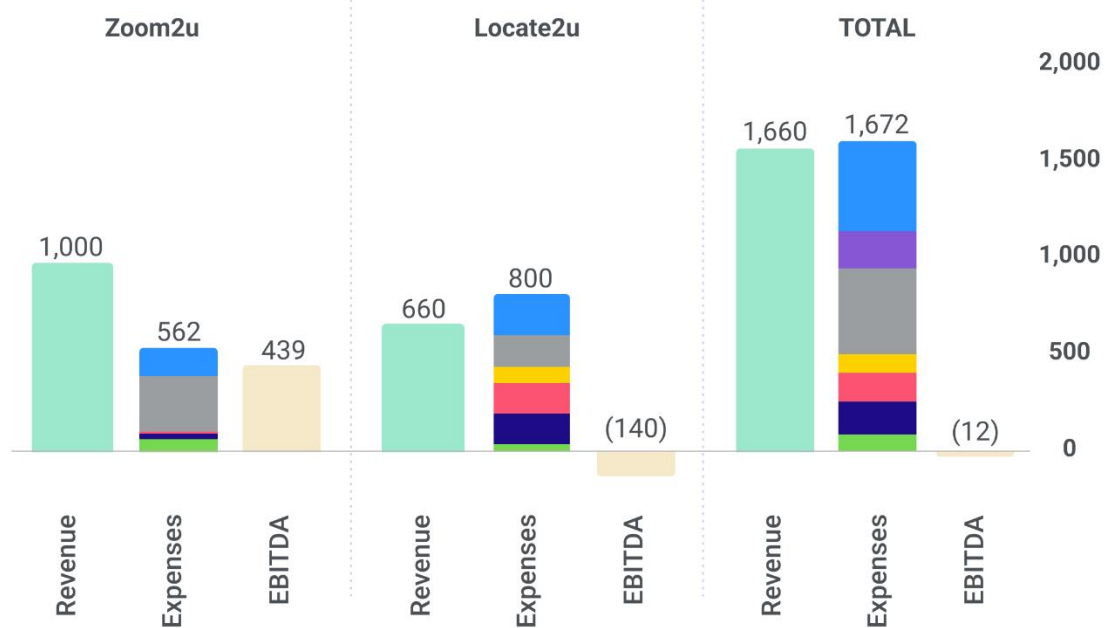


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EBITDA

Group EBITDA for the quarter was -\$29k compared to -\$22k in the pcp. H1 FY25 EBITDA is +\$45k, an improvement of \$430k over the pcp loss of \$385k.

The Zoom2u business achieved an EBITDA of \$439k for the quarter, whilst the EBITDA loss for Locate2u for the quarter was \$140k. Excluding ESOP expenses, Group EBITDA was a loss of \$12k.



Note: Amounts above are in \$000 and are unaudited. Corporate costs exclude ESOP expenses. Zoom2u includes 2u Enterprises revenue. The allocation of costs above are not consistent with the allocations made in the segment note in the Company's financial statements.

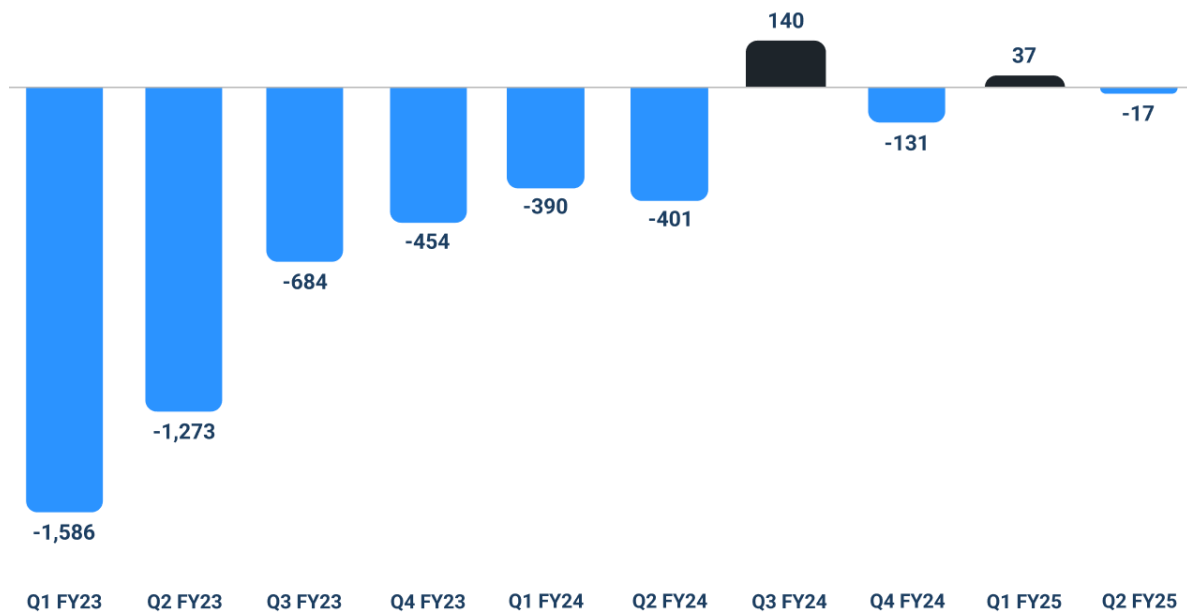
- Revenue
- General
- Operations
- Sales
- Development
- Marketing
- Direct Costs
- Corporate Expense
- EBITDA

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Cash used in operating activities

Cash used in operating activities for Q2 FY25 was \$17k, a \$384k improvement from the \$401k of cash used in operations reported in the pcp.

Quarterly Net Cash Flows from / (used) in Operating Activities (\$'000)



Cash used in operating activities in the quarter benefitted from the timing of the Pure quarterly interest payment and other creditor payments falling into January (Q3) when in prior periods they have been paid in Q2.

Related Party Payments

Item 6.1 of the Appendix 4C refers to payments to related parties of \$196k during the quarter, comprising the base remuneration paid to the CEO, the base remuneration plus the 2024 STI paid to the CFO, and Directors' fees.

Cash balance

Cash balance as of 31 December 2024 was \$1.44 million.

Investor webinar

Zoom2u intends to hold an investor webinar at 10.30am on 29 January 2025 to discuss the Q2 FY25 quarterly results. Click the below link to register your attendance:

[Register here](#)

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
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 4.2 million deliveries to over 100,000 customers and has over 18,000 drivers onboarded.

Forward-Looking Statements and Disclaimer

This announcement may contain forward-looking statements that are subject to various risks and uncertainties. These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, and other factors that may cause actual results, performance, or achievements to differ materially from those expressed or implied in the statements. These factors include, but are not limited to, changes in market conditions, changes in laws or regulations, and other risks associated with the industry in which we operate. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this announcement. Except as required by law, Zoom2u Technologies is under no obligation to update or revise any forward-looking statements.

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 December 2024		
Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1	Cash flows from operating activities		
1.1	Receipts from customers	1,451	3,162
1.2	Payments for	-	-
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(334)	(877)
	(c) advertising and marketing	(58)	(132)
	(d) leased assets	-	-
	(e) staff costs	(908)	(1,805)
	(f) administration and corporate costs	(157)	(285)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	7	20
1.5	Interest and other costs of finance paid	(18)	(138)
1.6	Income taxes paid	(0)	(0)
1.7	Government grants and tax incentives	-	74
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(17)	20
2	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(22)
	(d) investments	-	-
	(e) intellectual property	(295)	(597)
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(295)	(619)
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	(6)	(12)
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	(6)	(12)
4	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,760	2,053
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(17)	20
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(295)	(619)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6)	(12)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,442	1,442
5	Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,442	1,760
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)	1,442	1,760

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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	196
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>		

7	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>			
7.1	Loan facilities	4,000	4,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify) - Lease liability	59	59
7.4	Total financing facilities	4,059	4,059
7.5	Unused financing facilities available at quarter end		-
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 rates are 8.19% and 7.94%, maturity dates are 2 December 2025 and 20 May 2028, secured.			

8	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(17)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,442
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,442
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	84
<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>		

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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: 28-Jan-25

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 encouraged to do so.
- 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.

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