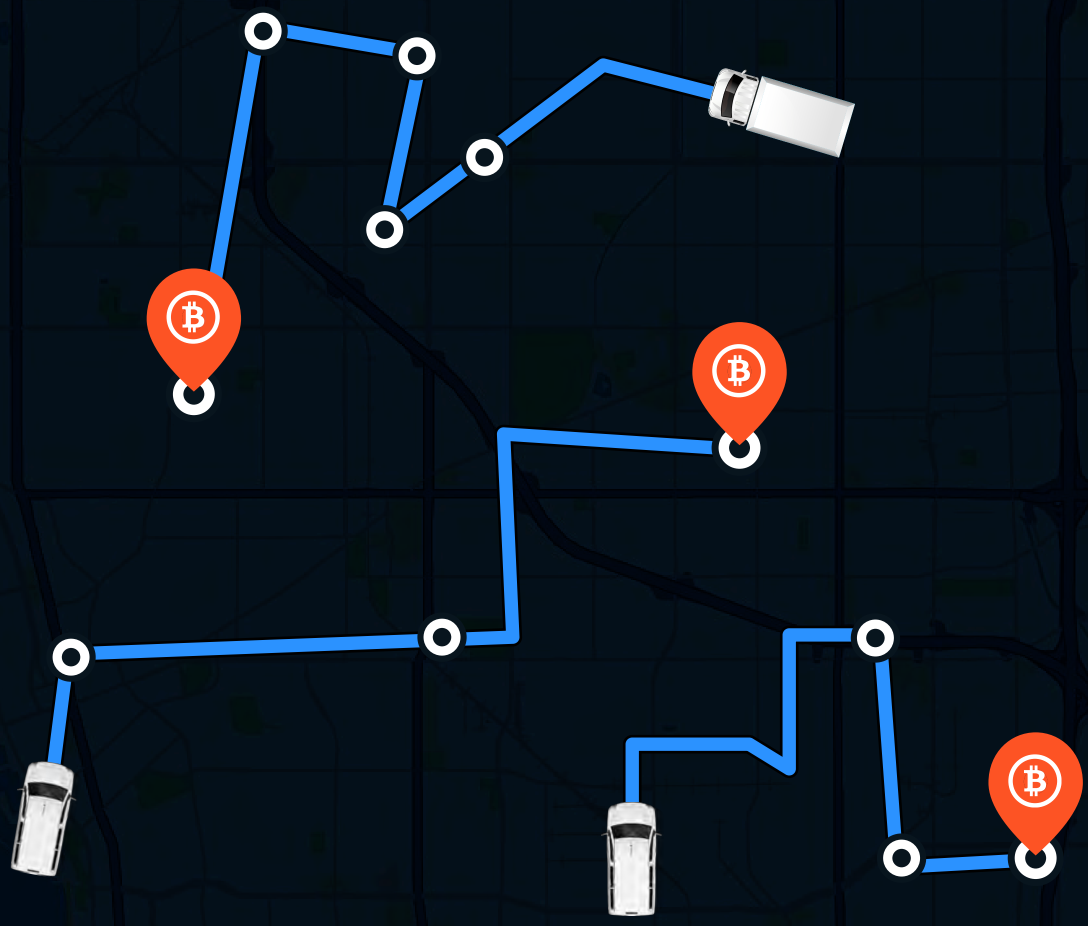
Locate Technologies

# FY25 Annual Report



Locate2u

**ASX:LOC**

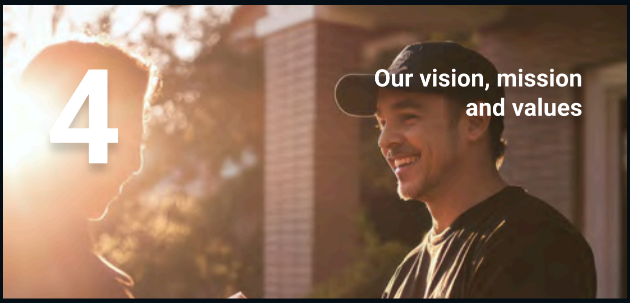
Locate Technologies Limited

Zoom2u

# Contents

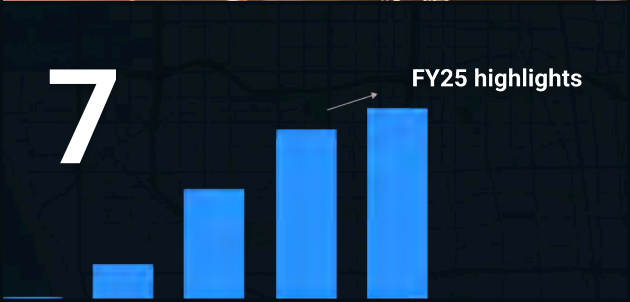


3
About Us

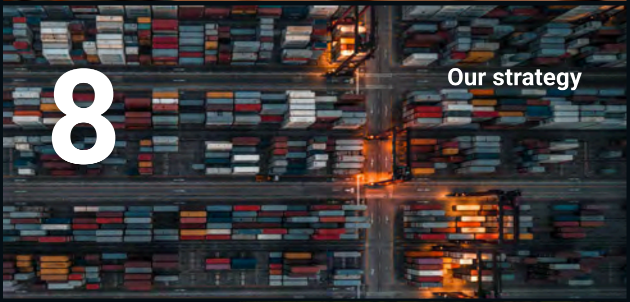



4
Our vision, mission and values


5
Letter from our Chair and CEO

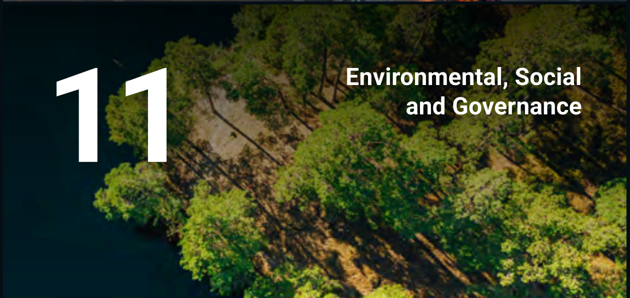



7
FY25 highlights

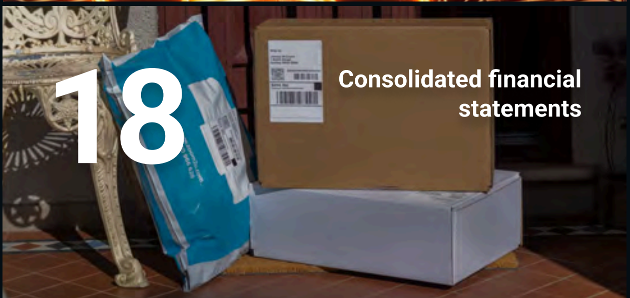



8
Our strategy


9
Bitcoin Treasury Strategy

11
Environmental, Social and Governance

18
Consolidated financial statements

# About us

As a founder-led technology-driven company, Locate Technologies is at the forefront of innovation in logistics and capital management. With a global team of passionate professionals, our mission is to revolutionise the last mile of delivery by providing customer-centric solutions while maintaining a strong and resilient financial position.

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

In addition to our operating businesses, we maintain a Bitcoin Treasury as a permanent reserve within our balance sheet. This strategic asset strengthens our capital position, preserves shareholder value over the long term, and ensures the Company operates from a position of enduring financial strength.

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

### Locate2u

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

Locate2u is a global product designed for retailers, e-commerce and transport companies of all sizes. Enterprise businesses using Locate2u include Winning Group (operator of the Appliances Online business), CBD Couriers, Amart Furniture, Bing Lee, Western Australia Return Recycle Renew, Mayo Clinic and many other large and small businesses.

### Zoom2u

Zoom2u provides a platform for customers to book a fast same-day delivery across Australia. The platform was launched in 2014 and has made over 4.4 million deliveries to date. The platform connects customers with local couriers, who are licensed to use the platform. Zoom2u services enterprise customers including DHL, Nespresso and Bunnings Warehouse together with a long tail of SMEs.

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

# Mission, Vision and Values

## Vision

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

## Mission

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

## Our Values

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

### Customer centricity

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

### Absolute transparency

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

### Continuous innovation

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

# Chair and CEO letter

Dear fellow shareholders,

We are pleased to present the 2025 Annual Report for Locate Technologies Ltd. This year has been a year of significant milestones and change for the Company which we highlight below.

## Financial Growth and Operational Momentum

The Group's consolidated revenue grew by 4% in FY25, with 13% growth in Locate2u revenue offset by a 12% decline in the Zoomu2u business's revenue. Cost efficiencies in staffing and marketing continue to drive improvements in EBITDA, with the EBITDA loss of $205k being a $628k  improvement over the $833k reported in FY24.

Locate2u maintained strong momentum in FY25, as we welcomed new enterprise customers and executed successful transitions of a number of customers from Talcasoft to Locate2u, with associated increases in revenue. A number of additional customer wins in early FY26 have been secured for Locate2u further validating the ability of the software to manage the last mile delivery needs of major enterprises.

## Customer Growth and Strategic Deployments

FY25 marked a period of significant traction across both new customer acquisition and deeper engagement with existing clients.

Several enterprise customers that were signed early in  FY25 formally went live on the Locate2u platform this year, most notably, Winning Group (operator of the Appliances Online business) following successful implementation and onboarding. Amart Furniture renewed its agreement with Locate2u and implemented use of additional features within the product. Within Locate2u's existing customer base, CBD Couriers and Middy's Electrical have expanded their usage by adding additional licences, whilst Beaumont Tiles have been upgraded to an enterprise plan.

This combination of new customer growth and organic expansion within our existing base reinforces the strength of our product offering and positions us for further enterprise wins in FY26.

Additional customer wins in early FY26 have included Coco Republic, iRise Logistics and Sydney Tools.

The customer pipeline for Locate2u remains strong, with increasing demand from retailers, logistics operators, and field service businesses seeking more intelligent delivery orchestration and visibility solutions.

Our Zoom2u marketplace remains resilient,  though it has faced headwinds from a softer consumer spending environment, likely driven by ongoing cost-of-living pressures. While this has impacted volumes relative to the prior year, we continue to explore ways to enhance the platform's efficiency and customer experience.

## Strengthened Financial Position

During the second half of FY25, we strengthened our balance sheet through capital raises of $1.95 million via placements to existing shareholders, Directors, and new wholesale investors. In parallel, we accessed $0.9 million under our At-the-Market (ATM) Facility with Novus Capital Limited, up to 30 June 2025. Consistent with our Treasury Management Policy, surplus funds beyond our immediate working capital needs were strategically allocated to Bitcoin as a long-term treasury asset. This enhanced financial position provides us with the flexibility and confidence to continue investing in initiatives that support the growth and long-term success of our businesses.

## Key highlights:

**~$6m**

Group Revenue

**$3.4m**

Cash and Bitcoin holdings as at 30 June 2025

**-$0.2m**

EBITDA for FY25

**12.3 BTC**

held at 30 July 2025

## Ten Year Anniversary

This year we celebrated Zoom2u's 10-year anniversary with an event for employees, investors, and customers. It was a great opportunity to reflect on how far we've come and to acknowledge the team, our values, and the strong culture that underpins the business.


## Name Change

In May 2025, the Company changed its name from Zoom2u Technologies to Locate Technologies. The change of name reflects the Company's strategic direction, evolving business model, and increasing emphasis on artificial intelligence (AI) technology in improving both our own and our customers' delivery experiences.

The Company's focus has increasingly shifted towards Locate2u, our flagship Software-as-a-Service (SaaS) product. The proposed name change better represents this technological evolution and positions the Company for continued growth in a global SaaS market.

## Treasury Management Policy

In FY25, we formally adopted a Treasury Management Policy to guide the allocation of excess capital. This policy enables us to hold a portion of our treasury reserves in Bitcoin, reflecting our long-term conviction in its role as a store of value and alternative asset class. As at 30 June 2025, the Company held 10.1 Bitcoin on its balance sheet and by 30 July 2025 this had been increased to 12.3 Bitcoin.

Our Bitcoin Treasury is intended to be a lasting reserve within our balance sheet — a core component of our capital structure designed to strengthen the Company for decades to come. We believe holding Bitcoin enhances our ability to preserve value across market cycles, enabling us to operate with confidence and resilience. This approach ensures Locate Technologies remains well-capitalised, stable, and positioned to thrive over the long term

## Looking Forward

With a healthy Locate2u sales pipeline and a strengthened balance sheet, FY26 is poised to be an exciting year for the Company. Our strategy remains clear — enhance value for customers, maintain a disciplined capital allocation strategy, and deliver sustainable shareholder returns.

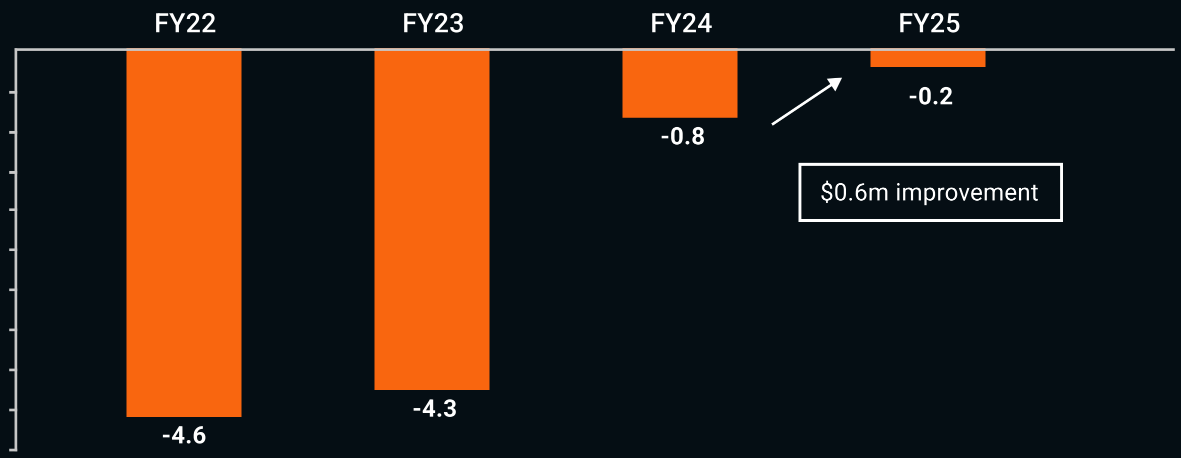
Thank you for your ongoing support.

**Drew Kelton**
Chair

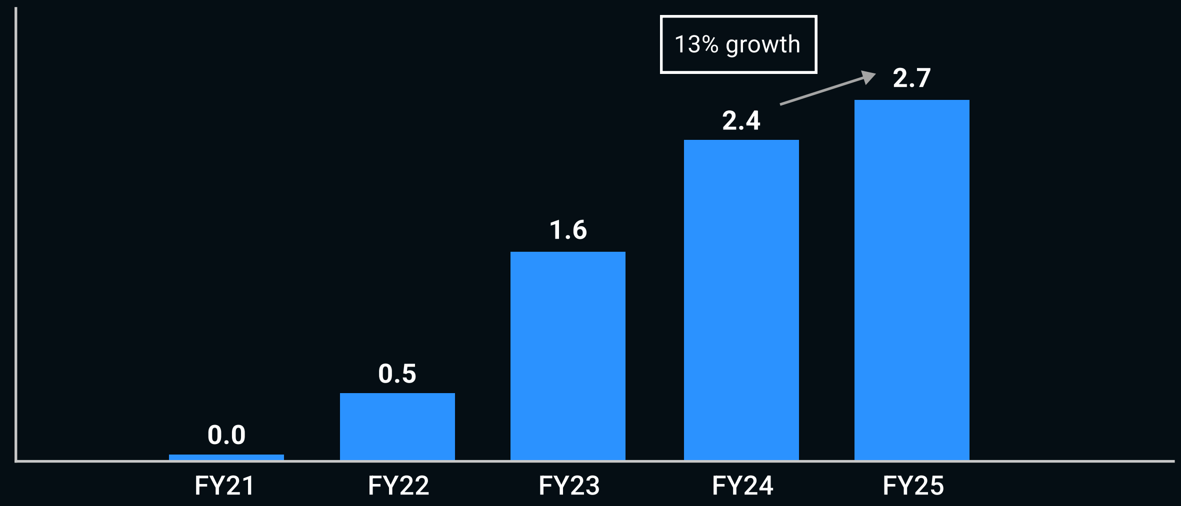
**Steve Orenstein**
CEO and Founder

# FY25 Highlights

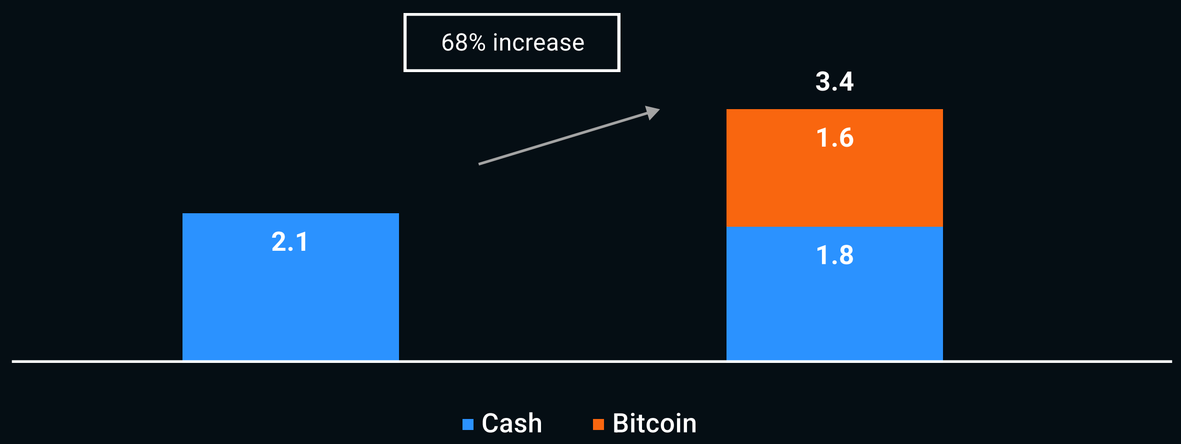
## ~$0.6 million improvement in EBITDA - close to breakeven




## Locate2u Growth continues




## Financial position strengthened - 68% increase in Treasury Assets ($m)



# Our Strategy

Our strategy is centered on delivering exceptional value to our customers by helping them enhance the delivery experience for their own customers. This customer-first mindset has been central to our approach from the early days of Zoom2u and continues to shape the development and direction of Locate2u.

Zoom2u began as a marketplace solution, offering fast same-day deliveries across Australia's major metropolitan areas. Building on that foundation, we introduced Locate2u as a SaaS platform, expanding our reach to serve logistics operations globally. Since its launch in 2019, Locate2u has evolved into a robust, end-to-end logistics solution—supporting both in-house fleet management and third-party delivery integrations.

Ongoing collaboration with our users has been key to refining the platform, ensuring it meets real-world needs while positioning us for long-term growth. By focusing on innovation and solving practical challenges for our customers, we're continuously strengthening the product and laying the groundwork for scalable, sustainable expansion.

We've now completed key aspects of the software and are ramping up our sales initiatives. As the product nears completion, we're refining our sales processes and anticipate a shorter lead-to-close time frame.

We continue to focus on acquiring customers in Australia, but will be committing additional resources to international markets going forward.

Our marketing efforts this year focused on strengthening brand visibility and driving quality engagement across all platforms. We saw steady improvements in our online presence, with increased website traffic and stronger search engine performance for Locate2u, Zoom2u, and Shred2u. A refreshed blog design helped modernize our content experience, aligning it with leading technology brands.

Encouragingly, our brands are now being referenced within large language models (LLMs), a sign of growing digital relevance in AI-driven search environments. We also conducted targeted industry research to support sales and content development, and we're preparing to launch a creative direct mail campaign to engage new customer segments.

Our capital strategy includes maintaining a Bitcoin Treasury as a permanent reserve within our balance sheet. This strengthens our capital position and ensures we can operate from a foundation of stability and confidence, regardless of broader economic conditions.

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

# Bitcoin Treasury Strategy

**Positioning Locate Technologies for the Future**

In FY25, Locate Technologies formally adopted a Treasury Management Policy that enables us to hold Bitcoin as a strategic corporate treasury asset. This decision reflects our long-term conviction that Bitcoin is a superior store of value and an innovative financial reserve, designed to protect and grow shareholder capital over time.

Just as we build software solutions that optimise the flow of goods in the physical world, we are applying the same forward-thinking mindset to our financial infrastructure. Our Bitcoin Treasury is intended to provide financial resilience, ensure we remain well-capitalised, and offer the confidence to operate from a position of enduring strength.

**Why Bitcoin?**

We believe Bitcoin offers unique characteristics that set it apart from other asset classes:

- Scarcity — A fixed supply of 21 million creates digital scarcity
- Durability & Portability — Bitcoin can be securely stored and transferred anywhere in the world, 24/7, without reliance on traditional banking hours or intermediaries.
- Liquidity — Bitcoin can be exchanged into other assets or currencies efficiently, should circumstances require.
- Decentralisation & Security — A globally distributed network with robust cryptographic security, resistant to inflationary pressures and central control.

**Strategic Objectives**

Our Bitcoin Treasury is more than an investment — it's a financial strategy designed to:

- Preserve Shareholder Value — Protect purchasing power against currency debasement and inflation.
- Maintain a Strong Capital Position — Establish a long-term reserve that reinforces our ability to weather economic cycles.
- Demonstrate Financial Discipline — Maintain a deliberate, carefully managed treasury policy that strengthens confidence among shareholders, partners, and customers.
- Align with Innovation Leadership — Reflect our position as a technology-first organisation by adopting progressive approaches to capital management.

### Implementation & Governance

Our approach to Bitcoin Treasury management is disciplined and transparent:

- Purchases are made using surplus cash, beyond immediate working capital requirements.
- Bitcoin holdings are securely stored with institutional-grade custody solutions.
- Decisions are guided by our Board-approved Treasury Management Policy, with oversight from senior management and the Board's Audit & Risk Committee.
- We will report Bitcoin holdings and their value in our financial statements each reporting period.

### Looking Ahead

We view our Bitcoin holdings as a permanent component of our corporate treasury. This reserve will underpin our capital strength over the long term, allowing us to operate from a position of stability and seize opportunities with confidence. By integrating Bitcoin into our capital strategy, we are building a foundation that we expect to endure and strengthen across decades.

# Environmental, Social and Governance

## Introduction

Locate Technologies recognises the growing importance of environmental, social, and governance (ESG) considerations and is committed to transparent reporting that meets the expectations of our stakeholders.

We listed on the Australian Securities Exchange in September 2021, and began formally shaping our ESG approach in 2022. Our progress to date reflects both the nature of our operations and our ongoing commitment to responsible business practices.

Environmentally, our operations — largely digital and people-driven — are not intensive users of energy or water. Nonetheless, we are taking steps to monitor our resource use more closely and explore opportunities to further reduce our environmental footprint.

On the social front, we continue to foster a workplace that values diversity, inclusion, and wellbeing. Our people are our most valuable resource, and we strive to create an environment that enables every team member to thrive.

From a governance standpoint, our board brings together the expertise required to provide effective oversight. Strong policies, a comprehensive Risk Management Framework, and a clearly defined Risk Appetite Statement guide our operations and decision-making.

## Environmental

As a provider of cloud-based software solutions, Locate Technologies does not operate physical transport fleets. This naturally limits our direct environmental impact. However, we remain committed to minimising any environmental footprint across our operations.

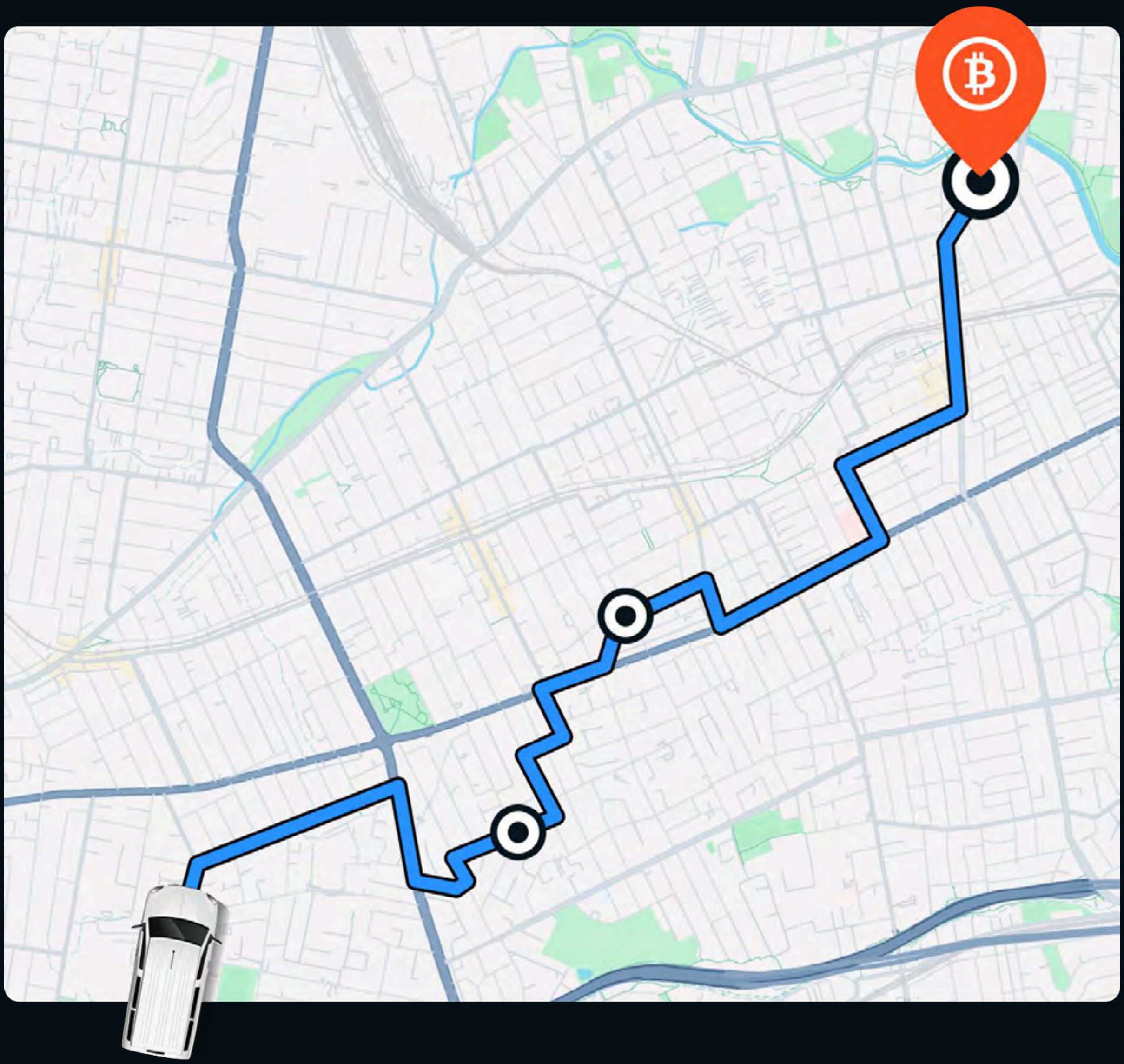
Our Zoom2u and Locate2u platforms are designed with sustainability in mind, offering customers tools like intelligent route planning and delivery planning to reduce unnecessary trips, lower fuel consumption, and streamline logistics. These features contribute to decreased emissions and more efficient fleet use.

Our cloud infrastructure supports remote work and virtual collaboration, helping to reduce commuting and the need for physical office space. In parallel, we are integrating AI capabilities into our platform with a focus on responsible usage — ensuring energy consumption is managed thoughtfully as we adopt more advanced technologies.

In addition, our Shred2u service supports ethical and sustainable document disposal. All shredded materials are recycled through a trusted partner, ensuring secure processing and a second life as paper pulp.

In FY25, we adopted a Treasury Management Policy that permits holding Bitcoin as a treasury asset. While Bitcoin creation (mining) is energy-intensive, our policy does not involve mining activity. We solely hold Bitcoin, which requires minimal incremental energy to store securely. We continue to monitor developments in the digital asset space and will align our treasury practices with our broader environmental and governance principles.

Our Bitcoin reserve is managed with the same discipline and oversight as all other components of our treasury, reflecting our commitment to responsible governance and our objective of maintaining a strong, enduring capital base.



## Social

Locate Technologies is proud to have a globally distributed and flexible workforce spanning Australia, South Africa, India, and the Philippines. Our people work in a way that supports both autonomy and impact, and we continue to foster a high-performance culture built on trust, communication, and results.

Since introducing our global workforce survey in 2022, we've continued to strengthen our culture by actively listening to employee feedback and translating it into meaningful change. Our 2025 results reflect this ongoing commitment, with an e-NPS score of 70, being well above industry averages, and a 67% participation rate. Insights from the survey have once again provided valuable guidance, and we are in the process of actioning several employee-driven suggestions to further enhance our workplace experience.

Although we are a publicly listed company, Locate Technologies continues to embrace elements of its startup roots. We operate with a flat structure, giving all team members direct access to leadership, including the CEO and CFO. Performance is evaluated based on outcomes, not hours at a desk—a reflection of our belief in trust and accountability.

## Commitment to Diversity & Inclusion

Locate Technologies is dedicated to building an inclusive workplace where varied perspectives, backgrounds, and experiences are valued. Diversity enhances our innovation, supports better decision-making, and contributes to long-term success. Our Diversity Policy underpins this commitment, promoting equal opportunity and supported by a Whistleblower Policy that empowers team members to safely and anonymously raise concerns.

The Company acknowledges that achieving diversity requires focus, especially within an industry where female representation remains low. Our policy recognises the need to appoint the most qualified individuals while actively working to create a culture of equity and safety. We are committed to actions that support underrepresented groups, address inappropriate behaviour, and create inclusive hiring practices — including for Aboriginal and Torres Strait Islander candidates.

Full details of our Diversity Policy are available at locate.tech/investors/corporate-governance.

## Diversity Objectives

The Board has set measurable objectives for achieving gender diversity and is committed to annually reviewing, assessing, and reporting on these objectives, and the Company's progress in achieving them.

Performance for the year ended 30 June 2025 is as follows:

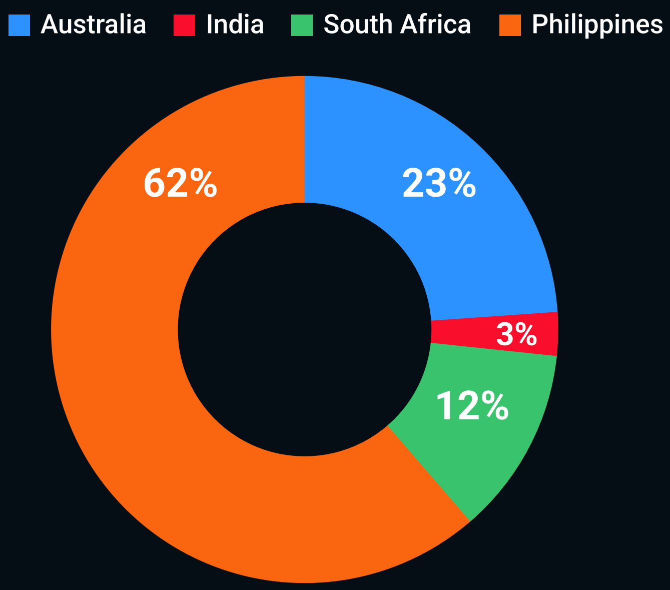
| Staff Group | Gender Objective | FY25 Performance | Achieved? |
|---|---|---|---|
| Non - executive directors | At least 30% female | 0% female | No |
| Senior Executive | At least 40% male and 40% female | 20% female | No |
| Other Roles | At least 40% male and 40% female | 38% female | No |

We will continually work towards creating a diverse and culturally aligned workforce and focus on diversity in its broadest sense when making decisions.

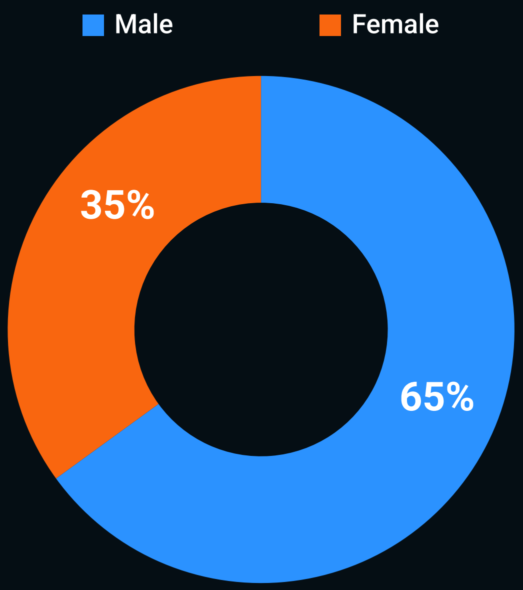
## Diversity Profile

As at 30 June 2025 we employed 68 people. The breakdown on location, gender and age is provided in the charts below.

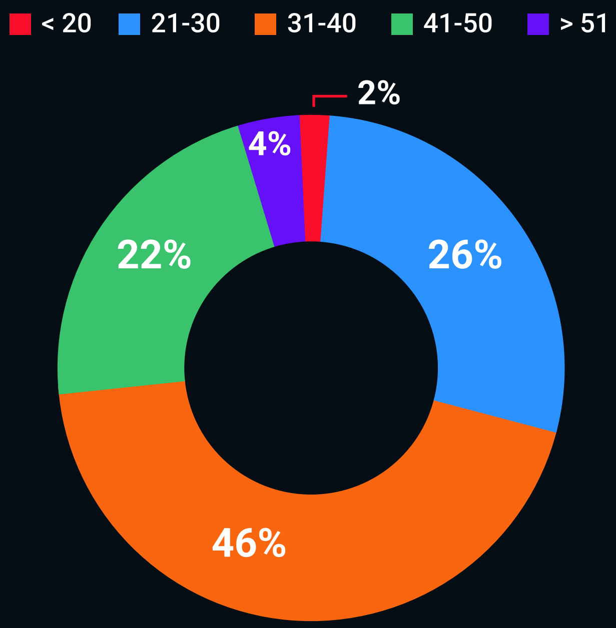
### Staff breakdown by location




### Staff breakdown by gender




### Staff breakdown by age



# Governance

## Regulatory Landscape

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

## Board Skills Matrix

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

To test and understand whether the Board of Directors has the appropriate skillset to run the Company, and is operating effectively, an annual review of the Boards' skills is conducted each year. The outcome of this process is summarised in the below skills matrix with each skill rated on a 5 point scale. The skills matrix is also a tool able to be used by the board to assess the suitability of new board members.

## Charters and Policies

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

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

These policies are all available on Locate Technologies' website at locate.tech/investors/corporate-governance.

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

- Risk Management Framework
- Company Vehicle Policy
- Occupational Health & Safety Policy
- Expense Policy
- Treasury Management Policy

# Locate Technologies Limited

ACN: 636 364 246

## Consolidated Financial Statements

For the Year Ended 30 June 2025

**Contents** **Page**

The directors present their report, together with the consolidated financial statements of Locate Technologies Limited (previously Zoom2u Technologies Limited) (**the Company**) and its controlled entities (**the Group**), for the financial year ended 30 June 2025.

# 1. General information

### Directors and company secretary

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

| Name | Appointed | Resigned |
|---|---|---|
| Drew Kelton | 30 July 2021 | |
| Stephen Orenstein | 23 September 2019 | |
| Michael Gayst | 23 July 2021 | |
| Mike Rosenbaum | 23 July 2021 | |
| Kara-Lyn Nicholls | 15 March 2022 | 31 March 2025 |

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

### Company Secretary

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

| Name | Appointed | Resigned |
|---|---|---|
| Gai Stephens | 15 May 2023 | 27 February 2025 |
| Michael Gayst | 27 February 2025 | |

Ms Stephens is an experienced Company Secretary, having held roles with multinationals, ASX-listed companies, and startups. Her expertise includes governance, M&A, capital raising, and risk management. She is a Fellow of the Governance Institute and The Tax Institute, a Chartered Accountant, and holds degrees in accounting, law, and tax.

### Principal activities

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

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

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

# 2. Operating and Financial Review

### Overview of the Group

Locate Technologies is a global provider of innovative and real time tracking delivery solutions and is the parent company for Zoom2u and Locate2u. Locate2u is a global Software-as-a-Service (**SaaS**) platform, designed to manage and optimise deliveries for couriers, retailers and ecommerce businesses. The Company's Zoom2u Platform provides an Australia-wide Marketplace connecting customers to a network of local drivers for fast deliveries. Since launching in 2014, Zoom2u has processed over 4.4 million deliveries to over 102,000 customers and has over 18,000 drivers.

**Operating and financial performance for the year**

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

| | 2025 | 2024 | Change ($) | Change (%) |
|---|---|---|---|---|
| Gross Marketplace Value (**GMV**[1]) ($m) | 11,411,667 | 12,050,701 | (639,034) | -5% |
| Revenue from operating activities | 5,992,500 | 5,723,822 | 268,678 | +5% |
| Loss before interest, tax, depreciation & amortisation (**EBITDA**[2]) | (205,207) | (832,778) | 627,570 | +75% |
| Loss after income tax expense | (1,816,025) | (3,063,262) | 1,247,237 | +41% |

Highlights of the 2025 financial year included the following:

- Group revenue growth of 5%;
- Continued growth of the Locate2u segment, with revenue increasing by 13% compared with the prior year.
- Whilst GMV for Zoom2u fell by 5%, revenue for the Zoom2u segment fell by only 2%, as a 12% reduction in revenue from Zoom2u (with larger volumes coming from enterprise customers with lower margins) was offset by growth in revenue from 2u Enterprises, with both the Shred2u business and digital marketing services revenue increasing over the prior year;
- The ~86% reduction in Normalised EBITDA[2] loss to $89,076 in the year ended 30 June 2025 from a loss of $621,297 in the year ended 30 June 2024 was achieved through a combination of increased revenue and an optimized cost base.

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

| | Consolidated | |
|---|---|---|
| | 30 June 2025 ($) | 30 June 2024 ($) |
| **Loss after income tax expense** | (1,816,025) | **(3,063,262)** |
| Add: Finance costs | 561,534 | 1,066,206 |
| Add: Depreciation and amortisation | 1,078,449 | 1,308,525 |
| Add: Income tax expense / (refund) | 37 | (80,181) |
| Less: Finance and interest income | (29,252) | (64,065) |
| **EBITDA** | **(205,257)** | **(832,778)** |
| Add: Transaction costs | | 25,264 |
| Add: Customer claim settlement | - | 150,000 |
| Add: Accelerated option vesting expense | 19,829 | 36,217 |
| Add: Employee termination costs | 59,711 | **-** |
| Add: Expenses related to December 2024 option issue | 36,642 | |
| **Normalised EBITDA** | **(89,075)** | **(621,297)** |

The EBITDA[2] for the consolidated entity for the year ended 30 June 2025 was a loss of $205,257 (30 June 2024: loss of $832,778). The result for the year was impacted by one off costs related to, employee termination costs, the requirement to accelerate the expensing of option vesting on cancellation of certain employee options and payroll tax and advisory costs for the establishment of a new employee share options plan. Excluding these one-off costs, Normalised EBITDA would have been a loss of $89,075 (30 June 2024: loss of $621,297).

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[1] Gross Marketplace Value is a non-IFRS measure that represents the total price of all Deliveries completed through the Platform after cancellations, inclusive of fees paid by Customers to Zoom2u, but excludes any applicable GST.

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

***Locate2u – Revenue***

The Locate2u business achieved revenue in the year ended 30 June 2025 of $2,725,297, being an increase of 13% over the $2,403,729 reported in the prior year. Growth in Locate2u software revenue was achieved from full year contributions from customers signing part way through the prior financial year (eg Western Australia Return Recycle Renew Limited and Couriers By Demand) and the signing of new customers including Winning Services (operator of the Appliances Online business). Other revenue (SMS revenue and implementation fees) grew whilst GPS hardware revenue and Local Delivery revenue fell versus the prior year.

***Zoom2u and 2u Enterprises - GMV and Revenue***

Zoom2u's GMV for the year ended 30 June 2025 declined by 5% from the level reported in the prior year. The decline in GMV was in part due to lower GMV from the Freight Match business and a decrease in deliveries for merchant customers.

Key metrics for Zoom2u for the year ended 30 June 2025 included:

- Signing up approximately 12,400 new accounts (versus approximately 13,700 in the prior year) and completing deliveries for over 4,800 new customers (versus 4,900 in the prior year);
- completing ~567,000 deliveries (versus ~635,000 in the prior year) due to a decrease in deliveries for merchant customers. Over 4.4 million deliveries have now been completed since the platform was launched in 2014; and
- the average GMV per delivery for the year increased to ~$20 compared to ~$19 in the prior year.

The Zoom2u business (excluding 2u Enterprises) recorded a revenue decrease of ~12% in the year ended 30 June 2025 to $2,613,798 compared to $2,975,205 reported in the prior year due to:

- the 5% decline in Zoom2u's GMV to $11,411,667; combined with
- a decrease in revenue as a percentage of GMV to 22.9% from 24.7% in the prior year.

During the year ended 30 June 2025, 2u Enterprises' revenue of $653,401 represented an 89% increase over the $344,888 recorded in the prior year. Revenue was derived from the Shred2u business which facilitates secure document shredding services and the provision of digital marketing services to clients. Shred2u's revenue for the year ended 30 June 2025 of $317,700 was a 42% increase over the $223,820 recorded in the prior year. Digital marketing services and some other minor ad hoc revenue contributed $335,701 for the year.

***EBITDA***

The Group's EBITDA loss for the year was $205,257 compared to a loss of $832,778 for the prior year. This 75% reduction in the EBITDA loss was achieved from:

- a 5% increase in operating revenue, as outlined above;
- a 17% reduction in marketing expenses to $229,914 in the year ended 30 June 2025 from $275,596 in the prior year;
- a 4% decrease in employee benefit expenses to $3,730,892 in the year ended 30 June 2025 from $3,900,693 in the prior year. This decrease was due to a number of factors, including:
    - a reduction in expenses associated with the employee share options plan, as vesting of older plans ceased during the year;
    - a part year impact of headcount reductions undertaken during the year with headcount reducing from 81 at 30 June 2024 to 68 at 30 June 2025.
- a 5% reduction in all other operating expenses to $2,331,416 in the year ended 30 June 2025 from $2,452,221 in the prior year. The reduction occurred across all major cost categories, including a 15% reduction in cost of goods sold partly attributable to the lower level of GPS sales. Telecommunications and internet expenses, together with software and subscriptions expenses were the main exception, which increased by approximately 10% and 15% in the year ended 30 June 2025 compared to the prior year.

Normalised EBITDA for the year was a loss of $89,075 compared to a loss of $621,297 in the year ended 30 June 2024 which was achieved through a combination of increased revenue and an optimized cost base.

***Consolidated loss after income tax expense***

The consolidated loss after income tax expense of the Group for the year ended 30 June 2025 amounted to $1,816,025 (2024: $3,063,262). This represented a 41% decrease in losses compared to the year ended 30 June 2024. The decreased loss after income tax expense was largely due to:

- the decrease in EBITDA loss together with:
- lower depreciation and amortisation expenses reflecting the full write-down of certain intangible assets previously acquired through the acquisitions of Talcasoft and Local Delivery; and
- the expensing in the prior financial year of the Pure Asset Management Pty Ltd (Pure) royalty (of $750,000 with a discounted value of $494,662) in accordance with AASB 9 Financial Instruments.

**Financial Position**

The Group had $1,806,984 in cash as at 30 June 2025 compared with $2,053,160 in cash as at 30 June 2024. The Group also held approximately 10.1 Bitcoin with a cost of $1,626,250 and a market value of $1,643,959 as at 30 June 2025.

During the year, the Company raised $1,950,000 from Placements to sophisticated and professional investors including Directors. The Company also raised $875,680 during the year from use of its At-the-Market Facility with Novus Capital Ltd.

The net decrease in cash for the year of $246,176 reflects the above capital raises net of the Bitcoin purchases less cash expended on operating activities combined with investments in software development during the year.

The net assets of the Group have increased to a net asset position of $1,623,681 as at 30 June 2025 from a net asset position of $481,501 at 30 June 2024.

**Dividends paid or recommended**

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

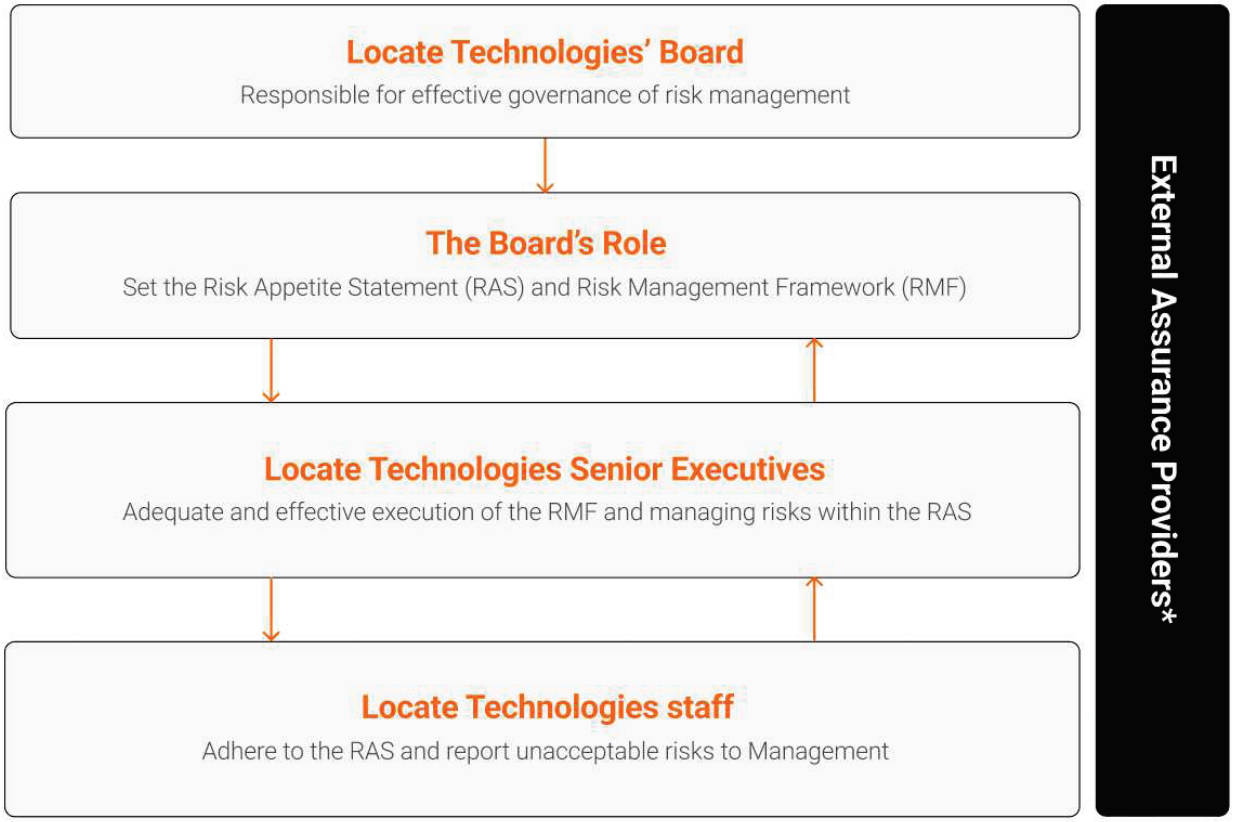
**Risk Management**

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

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

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

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




*Used where appropriate

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

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

| Material Business Risks | Mitigation strategies and activities |
| --- | --- |
| **Product Delivery Execution** | |
| • New features in the Company's platforms, products and services may not be valued by customers and thus may not convert to sales | • The Company constantly tracks trends in the delivery industry (for instance autonomous vehicles and drones) with a view to adopting new technologies in the futures<br>• Prioritisation of initiatives to focus available resources and delivery on the highest priority projects |
| **Dependency risk on third party couriers/drivers** | |
| • The Zoom2u platform relies on third-party couriers to perform services for customers. There is a risk associated with their reliability, performance, and adherence to service standards. Poor service from these partners can reflect negatively on the platform and its customers | • Drivers are required to undertake an on-boarding process prior to being registered to operate on the platform<br>• Customers have the ability to discontinue the services of particular drivers if they have had a poor delivery experience. |
| **Legal** | |
| • Complex legal arrangements which may lead to litigation which the Company should not be involved in<br>• Actions by our employees and contractors and marketplace participants could result in liabilities to third parties with whom we have no formal relationship. They could see litigation against the Company as the only option for seeking recourse<br>• Misuse or misappropriation of our intellectual property may result is costly litigation | • We maintain relationships with advisors to assist in complying with the obligations applicable to our business |
| **Compliance** | |
| • The regulatory environment which the Company operates in is complex - changes to the regulatory environment may cause additional expenditure to be incurred and / or disruption to business growth, platform / product development, and customer support activities<br>• Breach of regulations could lead to reputational damage, fines and penalties | • We maintain relationships with advisors to assist in complying with the obligations applicable to our business |

| Material Business Risks | Mitigation strategies and activities |
| --- | --- |
| **Data and cybersecurity breaches** | |
| **Breach** | |
| • Security controls and processes are insufficient leading to a breach and resulting in loss of data or system functionality, and disruption to customers' businesses | • When developing our platform and products, protecting the customer and corporate data is a core priority. We protect this information by developing coding rules, databases and application and review procedures to ensure that we are protecting this information to the greatest extent possible<br>• We use layered cyber security, regular access reviews and cyber security penetration testing to confirm the security of systems<br>• We have adopted privileged access management to ensure administrator rights are protected<br>• Multiple layers of system security to harden our systems against malware |
| **Third Party relationships** | |
| • We depend on third parties that are exposed to the same cyber risks as Locate Technologies but they are largely outside of our control | • We protect ourselves by appropriately worded contracts<br>• Where possible, we undertake a review to ensure the provider has robust controls in place |
| **Platform Stability** | |
| • Failure or disruption of our platform or products resulting in disruption to a customer's business. | • Comprehensive testing, piloting and integration of new features and functionality improvements<br>• We pursue "High Tempo" development of the platform/ products, on demand. Their stability and availability is essential to delivering new functionality and features on time<br>• Appropriate redundancy and disaster recovery processes to reduce any impact of systems failures or disruptions |
| **Digital Assets** | |
| **BTC price volatility** | |
| • Large movements in Bitcoin's price may affect asset values and covenant buffers. | • BTC purchases require Board approval if over a designated % of revenue and forecast cash needs to have a buffer above covenant levels.<br>• Portfolio regularly reviewed |

| Material Business Risks | Mitigation strategies and activities |
|---|---|
| **Liquidity risk**<br>• BTC may not be readily convertible to fiat to meet obligations. | • Maintain surplus fiat buffers.<br>• Exchange channels pre-arranged for fast liquidation. |
| **Custody and cyber risk**<br>• Theft or loss of private keys or exchange breaches. | • Multi-sig cold storage with dual control.<br>• Test deposits / withdrawals before full transfers.<br>• Specific BTC insurance reviewed |
| **Operational risk**<br>• Key-person dependency or transaction errors. | • Dual authorisation on all BTC activity.<br>• Multiple trained officers to ensure continuity. |
| **Regulatory change**<br>• Law or policy shifts may impact our ability to hold or report BTC. | • Monitor global developments.<br>• Board can exit BTC if risk profile changes. |
| **Execution risk**<br>• Losses from lending or derivative activity. | • BTC is held spot only.<br>• Any yield-generating strategies require fresh Board approval and collateralisation. |
| **Audit & transparency**<br>• Failure to verify holdings could undermine trust. | • BTC independently verified at half and full year.<br>• Quarterly investor updates provided. |

**Outlook and Likely Developments**

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

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

Our Zoom2u marketplace remains resilient, though it has faced headwinds from a softer consumer spending environment, likely driven by ongoing cost-of-living pressures. While this has impacted volumes relative to the prior year, we continue to explore ways to enhance the platform's efficiency and customer experience.

# 3. Other items

**Significant changes in state of affairs**

In January 2025, Company adopted a Treasury Management Policy (TMP) which allows Bitcoin to be acquired by the Company. In May 2025, the Company announced that any cash in excess of our working capital requirements will be held in Bitcoin, with an intention to build a long-term strategic holding of Bitcoin. We believe this strategy may support future acquisitions and growth initiatives as we expand globally.

As at 30 June 2025, the Company held approximately 10.1 Bitcoin, with a cost of $1,626,250 and a market value of $1,643,959.

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

**Events after the reporting date**

**ATM Capital Raisings**

On 7 July 2025, the Company raised $392,564 under its At-the-Market (ATM) Facility with Novus Capital Limited. A total of 1,825,322 ordinary shares were issued at an average price of $0.215 per share, utilising the Company's Listing Rule 7.1 placement capacity.

On 14 July 2025, the Company completed a further raise of $168,915 under the same ATM Facility through the issue of 1,020,078 ordinary shares at an average price of $0.166 per share utilising the Company's Listing Rule 7.1 placement capacity.

Following the above issues, the cumulative capital raised under the ATM Facility increased to $1,437,160, at an average issue price of $0.161 per share.

**Extraordinary General Meeting Outcomes**

An Extraordinary General Meeting (EGM) was held on 13 August 2025. All resolutions put to shareholders were duly passed, enabling the Company to take the following actions:

- Resolution 1: Approved the cancellation of 19,000,000 existing warrants previously issued to Pure Asset Management Pty Ltd, in exchange for the issue of 7,537,204 shares at $0.07 per share. This action simplified the Group's capital structure and removed a significant source of dilution;
- Resolution 2: Ratified the prior issue of 20,714,286 shares under the May 2025 placement:
- Resolution 3: Ratified the prior issue of 828,571 shares to PKN Consulting Pty Ltd as consideration for corporate advisory services rendered during the same placement;
- Resolution 4: Ratified the issue of 3,500,000 collateral shares to Novus Capital Pty Ltd in connection with the ATM Facility.
- Resolution 5: Ratified the issue of 6,092,249 shares to Novus under the ATM Facility

The passing of resolutions 2 to 5 replenished the Group's placement capacity under ASX Listing Rules 7.1 and 7.1A.

**Update on Bitcoin Holdings**

As at 30 June 2025, the Company held approximately 10.1 Bitcoin, with a cost of $1,626,250 and a market value of $1,643,959. Since the reporting date, the Company has acquired 2.21 additional Bitcoin, taking the total Bitcoin held to 12.3. The aggregate acquisition cost of Bitcoin held at the date of this report was $2,028,808 with a current market value of $2,082,406.

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

**Future developments and results**

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

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

**Environmental issues**

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

**Information on directors**

| | |
|---|---|
| **Drew Kelton** | **Independent Non-Executive Chairman** |
| Qualifications and Experience | Drew is a global business leader and professional board director with 40 years' experience in the information and communication technology and telecommunications arena.<br><br>Drew has been a non-executive director of Superloop Limited (ASX:SLC) since October 2018. He was previously the non-executive chairman of Firstwave Cloud Technology Limited (ASX:FCT) (resigned October 2018) and a non-executive director of Megaport Limited (ASX:MP1) (resigned June 2019).<br><br>Drew previously held senior executive roles with Docusign, T-Mobile USA, Bharti Airtel and Telstra. |
| Special responsibilities | Chair of the Remuneration and Nomination Committee and Member of the Audit and Risk Committee |
| Interest in Shares and Options | 533,532 shares, 2,130,647 options |
| **Stephen Orenstein** | **Managing Director and Chief Executive Officer** |
| Qualifications and Experience | Steve has significant software development and entrepreneurial experience, in particular around job management and job dispatch systems.<br><br>Prior to founding Zoom2u Pty Ltd in 2014, he founded a business, Connect2Field, providing field management solutions. In 2013, Connect2Field was acquired by a company listed on the New York Stock Exchange, Fleetmatics (NYSE:FLTX).<br><br>In 2014, Steve founded Zoom2u Pty Ltd in recognition of the lack of technology used by many of the traditional courier companies and having identified the opportunity to use technology to provide an exceptional customer experience. |
| Special responsibilities | None |
| Interest in Shares and Options | 48,560,283 shares, 3,714,286 options |
| **Michael Gayst** | **Executive Director. Chief Financial Officer and Company Secretary** |
| Qualifications and Experience | Michael has over 25 years of corporate finance and private equity experience.<br><br>Michael worked with Coopers & Lybrand from 1989 to 1992, in which time he completed the Institute of Chartered Accountant's professional year program and qualified as a Chartered Accountant. He joined boutique investment bank Baring Brothers Burrows in 1992 as an analyst and worked his way to Director level during his 11 years at the firm. From 2004 to 2017, Michael was a Director at Momentum Corporate, a boutique M&A and Private Equity business.<br><br>Since leaving Momentum Corporate, Michael has been the Managing Director of M&M Gayst Consulting, which provides corporate finance consulting services to small and medium sized businesses. |
| Special responsibilities | None |
| Interest in Shares and Options | 1,782,833 shares, 6,847,074 options |

| | |
|---|---|
| **Mike Rosenbaum** | **Independent Non-Executive Director** |
| Qualifications and Experience | Mike has over 20 years' experience in leading and advising high growth tech companies. He co-founded and was the CEO of DealsDirect and built it to circa $100m turnover (exit to GraysOnline in 2014) and is currently the CEO of Spacer Technologies, which is a marketplace for storage, parking and mobility services in Australia and the United States.<br><br>Mike brings a broad mix of experience across marketing, technology and scaling high growth businesses.<br><br>Mike is also an early-stage investor in a number of marketplaces in Australia. |
| Special responsibilities | Member of the Remuneration and Nomination Committee and Chair of the Audit and Risk Committee |
| Interest in Shares and Options | 898,374 shares, 1,065,324options |

| | |
|---|---|
| **Kara-Lyn Nicholls (resigned 31 March 2025)** | **Independent Non-Executive Director** |
| Qualifications and Experience | Kara has an accomplished career at senior executive levels with over 27 years of global equity capital markets, commercial, regulatory, and corporate compliance experience across the financial services (banking and investment banking), retail, property, higher education, and industrial (oil, mining and manufacturing) sectors as well as at the Australian Securities Exchange.<br><br>Kara is currently a Non-Executive Director of Ripple Learning Limited, member of the Australian Medical Association (NSW)'s Audit & Risk Committee, and a member of the ESG Council of Blackwattle Investment Partners, and a member of the NSW Anti-slavery Commissioner's Advisory Panel. |
| Special responsibilities | Chair of the Audit and Risk Committee and Member of the Remuneration and Nomination Committee |
| Interest in Shares and Options | 90,909 shares, 743,896 options [2] |

**Meetings of directors**

The number of meetings of the company's Board of Directors (**the Board**) and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

| | **Board** | | **Audit & Risk Committee** | | **Remuneration & Nominations Committee** | |
|---|---|---|---|---|---|---|
| **Director** | **Meetings Attended** | **Eligible to Attend** | **Meetings Attended** | **Eligible to Attend** | **Meetings Attended** | **Eligible to Attend** |
| Drew Kelton | 11 | 11 | 4 | 4 | 3 | 3 |
| Steve Orenstein | 11 | 11 | 4 | 4 | 3 | 3 |
| Michael Gayst | 11 | 11 | 4 | 4 | 3 | 3 |
| Mike Rosenbaum | 11 | 11 | 4 | 4 | 3 | 3 |
| Kara-Lyn Nicholls | 8 | 8 | 3 | 3 | 2 | 2 |

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

[2] Kara-Lyn Nicholls ceased to be a Non-Executive Director on 31 March 2025. Her share and option holdings are disclosed as per her Final Director's Interest Notice lodged with the ASX on 3 April 2025

# 4. Remuneration report (audited)

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

1. Reward Overview
   a. What does this report cover?
   b. Key Management Personnel (KMP)
   c. Role of the Remuneration and Nomination Committee
   d. Governance framework
   e. Remuneration framework
   f. Reward principles
2. Executive Remuneration
   a. Fixed remuneration
   b. Variable remuneration - short term
   c. Variable remuneration - long term
   d. Service agreements
   e. Securities received that are not performance-related
   f. Considerations for remuneration in the year ending 30 June 2026
3. Non-Executive Directors' remuneration
4. Share-based compensation
5. Company performance and remuneration outcomes
6. Additional disclosures relating to key management personnel

## 1. Reward Overview

### a. What does this report cover?

This remuneration report provides a summary of remuneration arrangements for the consolidated entity's Key Management Personnel (**KMP**) for the financial year ended 30 June 2025. This report has been prepared in accordance with the requirements of the Corporations Act 2001 and its Regulations and subsequently audited by the Company's External Auditor.

### b. Key Management Personnel

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

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

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

| Name | Title | Independent | Term |
|---|---|---|---|
| ***Non-Executive Directors*** | | | |
| Drew Kelton | Non-Executive Chair | Yes | Full financial year |
| Mike Rosenbaum | Non-Executive Director | Yes | Full financial year |
| Kara-Lyn Nicholls | Non-Executive Director | Yes | 1 July 2024 to 31 March 2025 |
| ***Executive Directors*** | | | |
| Stephen Orenstein | Executive Director and CEO | No | Full financial year |
| Michael Gayst | Executive Director, CFO and Company Secretary | No | Full financial year as Executive Director and CFO. Company Secretary, appointed 27 February 2025 |

### c. Role of the Remuneration and Nomination Committee

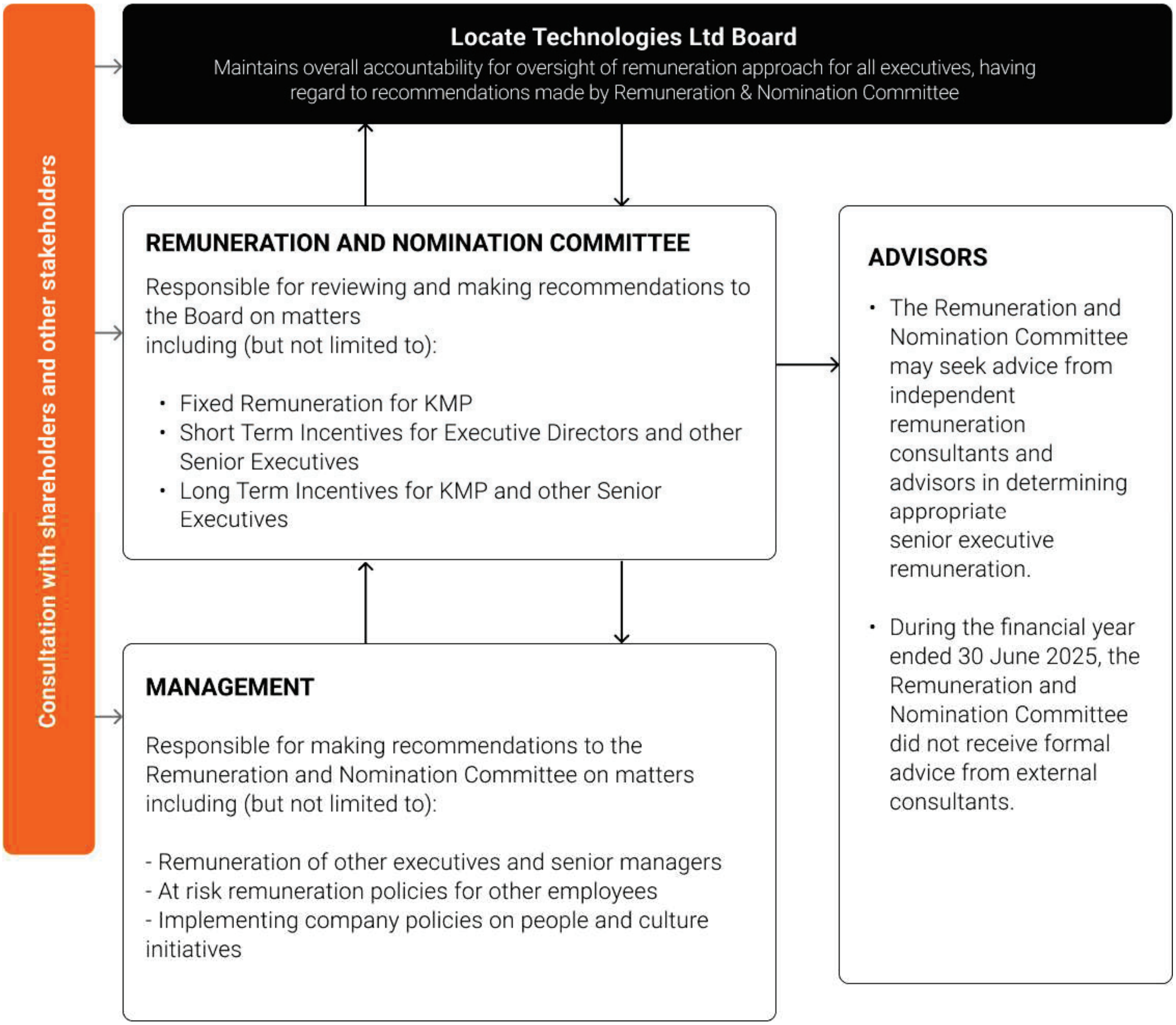
The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The remuneration philosophy is to attract, motivate and retain experienced and high performing personnel.

### d. Governance framework

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

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

During the financial year ended 30 June 2025, the Remuneration and Nomination Committee did not obtain advice or a recommendation from any remuneration consultants.




**e. Remuneration framework**

The executive reward framework consists of the following components:

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

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

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

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

**f. Reward Principles**

The structure of the Group's remuneration is aligned to business outcomes that deliver value to shareholders. Systems of evaluation for performance of senior executives are based on predetermined KPIs, including alignment with our values.

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

**Locate Technologies - Our Values**

| CUSTOMER CENTRICITY | ABSOLUTE TRANSPARENCY | CONTINUOUS INNOVATION |
| --- | --- | --- |
| We ask first, what does the customer want. Then, we deliver | We are open and honest with each other and our customers | Our speed keeps us ahead of our competitors and we will grow fast through continuous innovation |

**Reward Principles**

| | | |
| --- | --- | --- |
| Equitable, motivating and attractive to skilled executives | Aligned with long-term interest of shareholders | Incentives that are challenging and linked with sustainable returns |

## 2. Executive Remuneration

**a. Fixed remuneration**

During the year ended 30 June 2025 the Board undertook a benchmarking exercise to explore the peer group relativity of fixed remuneration, as well as consideration of market position at total target remuneration. This exercise considered the relative size and industry of comparator companies listed on the ASX. In recognising that the two Executive KMP have not had their base salaries adjusted since before listing in September 2021, the Board thought it prudent to review benchmarks to determine whether the Executive KMP are paid in line with market.

The exercise indicated that the CEO's salary is 38% and the CFO's fee is 24% below their peers in comparable companies. At this time in the company's evolution – being a small but growing company with cashflow close to breakeven, the Board has decided to retain their existing base salaries. Once the Company achieves consistent positive cashflow it will consider bringing the Executive KMP salaries closer to the observed benchmarks.

**b. Variable remuneration - short term**

During the year ended 30 June 2025 the Company continued its STI plan whereby Executive KMP and other executives had the opportunity to be awarded a component of their total remuneration as “at risk” remuneration. The maximum incentive that could be achieved by the CEO and CFO was set at $30,000 each.

The STI plan performance metrics on which any STI would be paid were revenue, EBITDA and cash balance. Payment would be made on the achievement of the budgeted Revenue, EBITDA and cash balance, with the quantum of the STI increasing with overperformance. Details of the plan are set out below.

| | |
|---|---|
| Who was invited to participate? | The CEO and CFO were the only Executive KMP who were invited to participate in the STI Plan in the year ended 30 June 2025. The Executive Directors did not participate. Other members of management were eligible to participate. |
| What was the performance measurement period? | 1 July 2024 - 30 June 2025. |
| What were the potential STI awards? | The CEO and CFO had a maximum opportunity of $30,000 each for the year ended 30 June 2025. |
| How will it be paid? | The CEO and CFO receive their reward in shares. Other participants receive their reward as a cash payment. |
| Is there a gateway? | Yes, there is a minimum level of financial performance that must be reached to ensure alignment with shareholder interests. |
| How is performance measured? | The STI is based on three equally weighted financial metrics:<br>▪ Revenue<br>▪ EBITDA<br>▪ Cash Balance[3] |
| When is it paid? | The STI award is determined after the end of the financial year following a review of performance against the financial metrics. Payments are made in September, following the release of statutory audited results. |
| What happens if a participant leaves? | If a participant resigns or is terminated prior to payment, no STI is awarded.<br>The Board reserves the right to apply discretion in the case of a participant leaving due to ill health, death, redundancy or other circumstances. |

Following the end of the year ending 30 June 2025, the Board met to review performance against the established STI targets and determine potential STI payments. For the year ended 30 June 2025, none of the targets were achieved. Accordingly, no STIs were determined to be payable to either the CEO or CFO.

[3] Cash balance target for the purpose of the STI plan excluded capital raised during the year

| | | Actual Outcome | | |
|---|---|---|---|---|
| **Name** | **STI maximum % of base salary** | **STI earned as % of base salary** | **Total STI earned ($)** | **Actual earned as a % of Maximum Opportunity** |
| Stephen Orenstein | 13.6% | 0% | - | 0% |
| Michael Gayst | 13.6%[4] | 0% | - | 0% |

**c. Variable remuneration - long term**

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

In the year ending 30 June 2025, the vesting period for certain options issued to KMP in 2021 ended. Accordingly, another tranche of options was deemed appropriate to be issued across the Company to Directors, Executive KMP and other employees.

On 3 December 2024, the CEO and CFO, were each offered 3,000,000 options under the Company's 2024 Employee Option Plan. The options were granted for nil consideration, have an exercise price set at a 67% premium to the market price at the date of grant, and are subject to a mix of service-based and performance-based vesting conditions over a three-year period. The grant of options to KMP was approved by a shareholder vote at the Annual General Meeting held in November 2024. Full details of the option grants, including vesting conditions and valuation inputs are set out in the Company's 2024 Notice of Annual General Meeting available on the Company's website at https://locate.tech/.

**d. Service agreements**

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

| **Name:** | **Stephen Orenstein** |
|---|---|
| Title: | Chief Executive Officer |
| Agreement Commenced: | 10 September 2021 |
| Term of agreement: | Ongoing employment |
| Details: | Base salary for the year ending 30 June 2025 of $220,000 plus superannuation capped at the maximum contribution base as referred to in the Superannuation Guarantee Administration Act 1992 (Cth).<br><br>Base salary is reviewed annually by the Remuneration and Nomination Committee. Eligible to participate in short-term and long- term incentive programs. 6-month termination notice by either party, non-solicitation and non-compete clauses. |

[4] % of annual contract value

| **Name:** | **Michael Gayst** |
|---|---|
| Title: | Chief Financial Officer |
| Agreement Commenced: | 1 September 2021 |
| Term of agreement: | Employed under a contractor agreement |
| Details: | Fees for the year ending 30 June 2025 of $220,000 (excluding short term incentive payment)<br>The fees paid to the CFO are reviewed annually by the Remuneration and Nomination Committee. Eligible to participate in short-term and long- term incentive programs. 3-month termination notice by either party, non-solicitation and non-compete clauses. |

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

**e. Securities received that are not performance-related**

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

**f. Considerations for remuneration in the year ending 30 June 2026**

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

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

## 3. Non-Executive Directors' remuneration

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

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

The following annual fees are payable to Non-Executive Directors:

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

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

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

**2025**

| | Cash salary and fees ($) | Equity-settled options ($) | Total ($) |
|---|---|---|---|
| *Non-Executive Directors:* | | | |
| Drew Kelton (Chair) | 80,000 | 11,341 | 91,341 |
| Mike Rosenbaum | 60,000 | 5,671 | 65,671 |
| Kara-Lyn Nicholls[5] | 45,000 | 10,879 | 55,879 |
| **Total** | **185,000** | **27,890** | **212,890** |

**2024**

| | Cash salary and fees ($) | Equity-settled options ($) | Total ($) |
|---|---|---|---|
| *Non-Executive Directors:* | | | |
| Drew Kelton (Chair) | 80,000 | 27,263 | 107,263 |
| Mike Rosenbaum | 60,000 | 13,361 | 73,361 |
| Kara-Lyn Nicholls | 60,000 | 4,631 | 64,631 |
| **Total** | **200,000** | **45,525** | **245,525** |

## 4. Share-based compensation

During the year ended 30 June 2025, the CEO and CFO, were each offered 3,000,000 options under the Company's 2024 Employee Option Plan (see 2c above), whilst Non-executive Directors were awarded the following options on the same terms and conditions as the options offered to the CEO and CFO.

| <u>**Non-Executive Directors**</u> | **Options granted** |
|---|---|
| Drew Kelton (Chair) | 1,000,000 |
| Mike Rosenbaum | 500,000 |
| Kara-Lyn Nicholls | 500,000 |

Full details of the option grants, including vesting conditions and valuation inputs are set out in the Company's 2024 Notice of Annual General Meeting available on the Company's website at https://locate.tech/.

[5] Kara-Lyn Nicholls ceased to be a Non-Executive Director on 31 March 2025.

## 5. Company performance and remuneration outcomes

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

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

| **Financial year ($)** | **2025** | **2024** | **2023** | **2022** | **2021** |
|---|---|---|---|---|---|
| Revenue from operating activities | 5,992,500 | 5,723,822 | 4,632,330 | 4,633,184 | 2,838,633 |
| EBITDA | (205,207) | (832,778) | (4,255,952) | (4,578,609) | (1,041,162) |
| Cash Balance | 1,806,986 | 2,053,160 | 3,853,671 | 4,259,091 | 2,446,484 |
| Share price at year end ($) | 0.210 | 0.072 | 0.053 | 0.145 | N/A |
| Increase/(decrease) in share price | +192% | +36% | -63% | N/A | N/A |

Details of the Executive Directors' remuneration for the two years to 30 June 2025 are shown in the table below:

**2025**

| | **Short-term benefits** | | | **Post-employment benefits** | **Long-term benefits** | **Share-based payments** | |
|---|---|---|---|---|---|---|---|
| | **Cash salary and fees ($)** | **Cash bonus ($)** | **Non-monetary ($)** | **Super-annuation ($)** | **Long service leave ($)** | **Equity-settled options ($)** | **Total ($)** |
| *Executive Directors:* | | | | | | | |
| Steve Orenstein (CEO) | 220,000 | - | - | 25,300 | 7,412 | 20,978 | 273,690 |
| Michael Gayst (CFO) | 220,000 | - | - | - | - | 28,982 | 248,982 |
| **Total** | **432,420** | | | **24,424** | **7,412** | **49,960** | **522,673** |

**2024**

| | **Short-term benefits** | | | **Post-employment benefits** | **Long-term benefits** | **Share-based payments** | |
|---|---|---|---|---|---|---|---|
| | **Cash salary and fees ($)** | **Cash bonus ($)** | **Non-monetary ($)** | **Super-annuation ($)** | **Long service leave ($)** | **Equity-settled options ($)** | **Total ($)** |
| *Executive Directors:* | | | | | | | |
| Steve Orenstein (CEO) | 220,000 | - | - | 24,200 | 8,553 | - | 252,753 |
| Michael Gayst (CFO) | 220,000 | - | 20,000 | - | - | 50,182 | 290,182 |
| **Total** | **440,000** | **-** | **20,000** | **24,200** | **8,553** | **50,182** | **542,935** |

# 6. Additional disclosures relating to key management personnel

**KMP share and option holdings**

**30 June 2025**[6]

**Ordinary shares**

The number of ordinary shares in Locate Technologies Limited held by each KMP of the Group during the financial year ended 30 June 2025 was as follows:

| Directors | Balance at beginning of year | Changes during the year | Balance at end of year |
|---|---|---|---|
| Stephen Orenstein | 46,736,612 | 1,823,671 | 48,560,283 |
| Michael Gayst | 1,248,071 | 551,262 | 1,799,333 |
| Drew Kelton | 247,818 | 285,714 | 533,532 |
| Mike Rosenbaum | 721,047 | 177,327 | 898,374 |
| Kara-Lyn Nicholls | 90,909 | - | 90,909 |
| **Total** | **49,044,457** | **2,837,974** | **51,882,431** |

**Options**

The number of options in Locate Technologies Limited held by each KMP of the Group during the financial year ended 30 June 2025 was as follows:

| Directors | Held at start of period | Granted during the period | Exercised | Any other changes | Held at end of period | Vested at end of period |
|---|---|---|---|---|---|---|
| Stephen Orenstein | - | 3,714,286 | - | - | 3,714,286 | 714,286 |
| Michael Gayst | 4,938,956 | 3,142,857 | - | (1,234,739) | 6,847,074 | 3,847,074 |
| Drew Kelton | 1,975,582 | 1,142,857 | - | (987,792) | 2,130,647 | 1,130,647 |
| Mike Rosenbaum | 987,791 | 571,428 | - | (493,895) | 1,065,324 | 565,324 |
| Kara-Lyn Nicholls | 987,791 | 500,000 | - | (743,895) | 743,896 | 743,896 |
| **Total** | **8,890,120** | **9,071,438** | **-** | **(3,460,321)** | **14,501,227** | **7,001,227** |

**30 June 2024**

**Ordinary shares**

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

| Directors | Balance at beginning of year | Changes during the year | Balance at end of year |
|---|---|---|---|
| Stephen Orenstein | 46,394,875 | 341,737 | 46,736,612 |
| Michael Gayst | 1,138,047 | 110,024 | 1,248,071 |
| Drew Kelton | 247,818 | - | 247,818 |
| Mike Rosenbaum | 721,047 | - | 721,047 |
| Kara-Lyn Nicholls | 90,909 | - | 90,909 |
| **Total** | **48,592,696** | **419,361** | **49,012,057** |

[6] Kara-Lyn Nicholls ceased to be a Non-Executive Director on 31 March 2025. Her share and option holdings are disclosed as per her Final Director's Interest Notice lodged with the ASX on 3 April 2025.

**Options**

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

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

**KMP related party transactions**

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

**Voting and comments made at the Company's 2024 Annual General Meeting ('AGM')**

At the 2024 AGM, 98.15% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Prohibitions**

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

**This concludes the Remuneration report which has been audited**.

## 5. Indemnification and insurance of officers and auditors

During the financial year the Company paid premiums totaling $64,000 (2024: $90,000) to insure the directors and management of the Company.

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

## 6. Non-audit services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the external auditor's independence has been maintained throughout the financial year. No non-audit services were provided by the external auditors during the year ended 30 June 2025.

As such, there was no need for review or approval of non-audit services by the Audit & Risk Committee. The absence of non-audit services ensured full compliance with the independence requirements of the *Corporations Act 2001* and the general principles outlined in APES 110: Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board.

## 7. Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2025 has been received and can be found on the following page.

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

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

**Dated:** 26 August 2025

walkerwayland

Walker Wayland NSW
Chartered Accountants

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26 August 2025

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

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

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2025 there have been:

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

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

Walker Wayland NSW

**Walker Wayland NSW**
**Chartered Accountants**

**Edward Chow**
**Partner**

### Corporate Governance Statement 30 June 2025

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

Copies of Locate Technologies Limited's Board and Board committee charters and key corporate governance policies are available in the Corporate Governance section of the Company's website: Locate Technologies - Governance

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

**For the Year Ended 30 June 2025**

| | Note | 2025 ($) | 2024 ($) |
|---|---|---|---|
| Revenue from contracts with customers | 6 | **5,992,500** | 5,723,822 |
| Finance income | 7 | **29,252** | 64,065 |
| Other income | 6 | **94,464** | 71,910 |
| **Total revenue** | | **6,116,216** | 5,859,797 |
| Marketing expenses | | **(229,914)** | (275,596) |
| Employee benefits expense | 8 | **(3,730,892)** | (3,900,693) |
| Other expenses | 9 | **(2,331,416)** | (2,452,221) |
| Depreciation and amortisation expense | | **(1,078,448)** | (1,308,524) |
| Finance costs | 7 | **(561,534)** | (1,066,206) |
| **Total expenses** | | **(7,932,204)** | (9,003,240) |
| **Loss before income tax** | | **(1,815,988)** | (3,143,443) |
| Income tax (paid) / benefit | 11 | **(37)** | 80,181 |
| **Loss after income tax for the year, attributable to the owners of Locate Technologies Limited** | | **(1,816,025)** | (3,063,262) |
| **Other comprehensive income for the year, net of tax** | **21** | **17,709** | - |
| **Total comprehensive income for the year attributable to the owners of Locate Technologies Limited** | | **(1,798,316)** | (3,063,262) |
| | | | |
| **Earnings per share (cents)** | | | |
| From continuing operations: | | | |
| Basic earnings per share | 10 | **(0.01)** | (0.02) |
| Diluted earnings per share | 10 | **(0.01)** | (0.02) |

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

# Consolidated Statement of Financial Position

**For the Year Ended 30 June 2025**

| | Note | 2025 ($) | 2024 ($) |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | 15 | **1,806,986** | 2,053,160 |
| Trade and other receivables | 20 | **440,102** | 572,110 |
| Bitcoin | 21 | **1,643,959** | - |
| Inventory | | **23,899** | 30,994 |
| Other assets | 24 | **146,372** | 112,819 |
| **TOTAL CURRENT ASSETS** | | **4,061,318** | 2,769,083 |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | 22 | **123,325** | 152,690 |
| Intangible assets | 23 | **3,024,040** | 2,906,649 |
| **TOTAL NON-CURRENT ASSETS** | | **3,147,365** | 3,059,339 |
| **TOTAL ASSETS** | | **7,208,683** | 5,828,422 |
| **LIABILITIES** | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 25 | **1,139,157** | 967,500 |
| Borrowings | 17 | **40,009** | 49,508 |
| Other current liabilities | 26 | **78,337** | 67,604 |
| Employee benefits | 13 | **282,559** | 213,807 |
| **TOTAL CURRENT LIABILITIES** | | **1,540,062** | 1,298,419 |
| **NON-CURRENT LIABILITIES** | | | |
| Borrowings | 17 | **3,703,204** | 3,584,956 |
| Employee benefits | 13 | **34,194** | 82,001 |
| Other non-current liabilities | 26 | **307,542** | 381,545 |
| **TOTAL NON-CURRENT LIABILITIES** | | **4,044,940** | 4,048,502 |
| **TOTAL LIABILITIES** | | **5,585,002** | 5,346,956 |
| **NET ASSETS** | | **1,623,681** | 481,501 |
| **EQUITY** | | | |
| Issued capital | 27 | **23,523,518** | 20,811,967 |
| Reserves | 28 | **2,577,644** | 2,497,170 |
| Accumulated losses | | **(24,477,481)** | (22,827,636) |
| **TOTAL EQUITY** | | **1,623,681** | 481,501 |

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

# Consolidated Statement of Changes in Equity

**For the Year Ended 30 June 2025**

**2025**

| | Note | Issued Capital ($) | Accumulated Losses ($) | Reserves ($) | Total ($) |
|---|---|---|---|---|---|
| **Balance at 1 July 2024** | | **20,811,967** | **(22,827,636)** | **2,497,170** | **481,501** |
| Loss attributable to members of the parent entity | | **-** | **(1,816,025)** | **-** | **(1,816,025)** |
| Other comprehensive income for the year | | **-** | **-** | **17,709** | **17,709** |
| **Total comprehensive income for the year** | | **-** | **(1,816,025)** | **17,709** | **(1,798,316)** |
| **Transactions with owners in their capacity as owners** | | | | | |
| Share based payments | 28 | **-** | **-** | **179,445** | **179,445** |
| Cancellation of options | | | **166,180** | **(166,180)** | **-** |
| Issue of ordinary shares | 28 | **2,903,680** | **-** | **-** | **2,903,680** |
| Capital raising costs | 28 | **(142,629)** | **-** | **-** | **(142,629)** |
| Issue of options | 28 | **(49,500)** | **-** | **49,500** | **-** |
| **Balance at 30 June 2025** | | **23,523,518** | **(24,477,481)** | **2,577,644** | **1,623,681** |

**2024**

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

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

# Consolidated Statement of Cash Flows

**For the Year Ended 30 June 2025**

| | Note | 2025 ($) | 2024 ($) |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES:** | | | |
| Receipts from customers (inclusive of GST) | | **6,736,959** | 6,239,349 |
| Payments to suppliers and employees (inclusive of GST) | | **(6,548,079)** | (6,818,126) |
| Interest received | | **29,252** | 64,065 |
| Finance costs | | **(481,716)** | (456,039) |
| Receipt from grants | | **94,464** | 71,910 |
| Income tax (paid) / refund received | | **(37)** | 80,181 |
| Net cash used in operating activities | 16 | **(169,157)** | (818,660) |
| | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES:** | | | |
| Purchase of Bitcoin | 21 | **(1,626,250)** | - |
| Payment for intangibles | 23 | **(1,139,130)** | (941,841) |
| Purchase of property, plant and equipment | | **(29,620)** | (76,035) |
| Net cash used in investing activities | | **(2,795,000)** | (1,017,876) |
| | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES:** | | | |
| Proceeds from issue of shares, net of transaction costs | | **2,825,680** | - |
| Proceeds from borrowings, net of borrowing costs | | **130,000** | 46,595 |
| Payment of finance lease liabilities | | **(153,068)** | (10,570) |
| Payment of share issue transaction costs | | **(84,629)** | - |
| Net cash provided by financing activities | | **2,717,983** | 36,025 |
| | | | |
| Net (decrease) / increase in cash and cash equivalents | | **(246,174)** | (1,800,511) |
| Cash and cash equivalents at beginning of year | | **2,053,160** | 3,853,671 |
| Cash and cash equivalents at end of financial year | 15 | **1,806,986** | 2,053,160 |

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

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

# About this Report

The consolidated financial report covers Locate Technologies Limited (“the Company”) and its controlled entities ('the Group'). Locate Technologies Limited is a for-profit public company limited by shares, incorporated in Australia.

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

Comparatives are consistent with prior years, unless otherwise stated.

## 1. Basis of preparation

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

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

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

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

## 2. Critical accounting estimates and judgments

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

### 2.1. Key estimates – going concern basis of accounting

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

### 2.2. Key estimates - receivables

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

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 2. Critical accounting estimates and judgments (continued)

### 2.3. Key estimates - impairment of goodwill and intangible assets

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

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

- growth in revenue;
- growth in earnings before interest, tax, depreciation and amortisation ("EBITDA");
- long-term growth rates for use in terminal values; and
- the selection of discount rates to reflect the risks involved.

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

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

### 2.4. Key judgments - taxes

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

### 2.5. Key Estimates - Useful Life of Developed Technology

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

### 2.6. Key Estimates - Pure Loan Facility

The valuation of the Pure Loan Facility involves a significant estimate that impact the financial statements. As of June 30, 2025, the assessed value of the loan, determined in accordance with AASB 9 was $3,678,004. The effective interest rate for the loan, calculated at 14.38%, was derived from the projected cash flows and the loan's termination value of $4,000,000 in November 2026. The determination of the effective interest rate is a critical estimate that impacts the value of borrowings at any point in time. As the effective interest rate exceeds the actual loan rate of 9.95%, a credit adjustment is continually made to the balance of borrowings through to termination in November 2026.

### 2.7. Key Estimates - share-based payments

The Group measures the cost of equity-settled share-based payments at fair value on the grant date using valuation models such as Black-Scholes or Monte Carlo simulations, depending on the terms of the award. This requires judgement in selecting key inputs including expected volatility, risk-free interest rates, expected option life, and the probability of achieving non-market performance conditions. These estimates involve inherent uncertainty and are determined at the grant date. Further details on the valuation methodology and assumptions used are provided in Note 28.

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 2. Critical accounting estimates and judgments (continued)

### 2.8. Key Judgments and Estimates – Bitcoin

The accounting treatment of the Company's Bitcoin holdings involves significant judgment and estimation. Management has determined that Bitcoin are most appropriately classified as an intangible asset under AASB 138 *Intangible Assets* and that an active market exists, allowing use of the revaluation model. This requires judgment in assessing whether market conditions meet the criteria in AASB 13 *Fair Value Measurement* for an active market, including sufficient trading frequency and publicly observable pricing. Fair value is estimated at each reporting date using quoted market prices, which are considered Level 1 inputs under the AASB 13 fair value hierarchy. As Bitcoin is classified as having an indefinite useful life, it is not amortised but is subject to annual impairment testing in accordance with AASB 136 *Impairment*, and more frequently if indicators of impairment arise. Revaluation increases are recognised in other comprehensive income and credited to a reserve balance in equity, while decreases are recognised in profit or loss to the extent they exceed any related revaluation surplus. Management has designated Bitcoin as a current asset due to its liquidity, as it can be converted into cash within the usual operating cycle or within 12 months without incurring significant financial costs. These assets are considered part of the Company's Treasury operations, as they could be sold and converted into cash to support operations if necessary. Presenting Bitcoin as a current asset helps users of the financial statements better understand the Group's capacity to fulfil its short-term obligations.

## 3. Going concern basis of accounting

The financial statements have been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group recorded a loss for the year ended 30 June 2025 of $1,816,025 (2024: loss of $3,063,262) and had net cash outflows from operating activities of $169,157 (2024: outflows of $818,660), net current assets (working capital) at 30 June 2025 of $2,521,256 (30 June 2024: $1,470,664) and had net assets at 30 June 2025 of $1,623,681 (2024: net assets of $481,501).

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

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

- The Directors have reviewed the cash flow forecast for the Group through to December 2026. The cash flow forecast indicates that the Group will have sufficient cash on hand and cash flows from operations to meet short term debts as and when they fall due over the 12 to 15 months from the date of signing this financial report;

- The Group has a $4 million loan facility with Pure Asset Management Pty Ltd (note 17), which is scheduled to mature in November 2026. Management has held discussions with Pure, who have indicated a positive disposition toward rolling the $4 million principal into a new facility upon maturity. While no binding agreement has been entered into at the date of this report, the Directors are confident that ongoing access to funding will be available based on the strength of the Group's relationship with Pure and its current financial position. However, as with any refinancing, there is a risk that terms may differ or that refinancing may not be available on acceptable terms, which could impact the Group's funding position beyond the facility's maturity.

- The Group's cash and cash equivalent balance as of the date of this report is $1,582,947.

- The fair value of Bitcoin held (note 33) as of the date of this report is $2,082,406.

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

## 3. Going concern basis of accounting (continued)

- As disclosed under note 33, on 7 July 2025, the Company raised $392,564 under its At-the-market (ATM) Facility with Novus Capital Limited. A total of 1,825,322 ordinary shares were issued at an average price of $0.215 per share, utilising the Company's Listing Rule 7.1 placement capacity.

  On 14 July 2025, the Company completed a further raise of $168,915 under the same ATM Facility through the issue of 1,020,078 ordinary shares at an average price of $0.166 per share.

  Following the above issues, the cumulative capital raised under the ATM Facility increased to $1,437,160, at an average issue price of $0.161 per share.

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

## 4. Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time on 30 June 2025. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

# Performance for the year

## 5. Segment reporting

### Identification of reportable segments

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

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

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

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

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

- Zoom2u and 2u Enterprises
- Locate2u.

The Zoom2u and 2u Enterprises segment provides delivery and tracking services to customers via an internally developed platform which allows customers to arrange for the delivery of items which are allocated to the closest driver. Fees earned include a fixed booking fee charged to customers (if applicable) and a platform fee charged to drivers. This segment also includes other revenue from the Shred2u business and fees for providing digital marketing services to clients.

Locate2u derives revenue from clients paying a monthly subscription fee for access to the Locate2u SaaS product which allows clients to manage their own portfolio of drivers and optimise delivery routes. Locate2u also sells GPS units in conjunction with the Locate2u software in addition to reselling SMS services to some clients. This segment also derives revenue from the Talcasoft business, which provides transport management software systems to transport industry customers and subscriptions for the Local Delivery Shopify App.

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

## 5. Segment reporting (continued)

### Basis of accounting for purposes of reporting by operating segments

### 5.1. Accounting policies adopted

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

### 5.2. Segment assets and liabilities

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

### 5.3. Unallocated items

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

- corporate costs which are not allocated to segments; and
- finance income / costs

### 5.4. Segment performance

| | Zoom2u and 2u Enterprises | | Locate2u | | Total | |
|---|---|---|---|---|---|---|
| | **2025 ($)** | **2024 ($)** | **2025 ($)** | **2024 ($)** | **2025 ($)** | **2024 ($)** |
| **Revenue from external customers** | **3,267,203** | 3,320,093 | **2,725,297** | **2,403,729** | **5,992,500** | 5,723,822 |
| **Segment result** | **1,420,345** | 1,508,480 | **(1,064,985)** | **(1,630,934)** | **355,360** | (122,454) |
| Unallocated corporate expenses | | | | | **(1,639,066)** | (2,018,848) |
| Finance (costs) / income | | | | | **(532,282)** | (1,002,141) |
| **Net loss before tax** | | | | | **(1,815,988)** | (3,143,443) |

## 6. Revenue and other income

### Revenue from continuing operations

| | **2025 ($)** | **2024 ($)** |
|---|---|---|
| Revenue from contracts with customers | | |
| - provision of goods and services | **5,992,500** | 5,723,822 |
| Other income (a) | **94,464** | 71,910 |
| Total Revenue and Other Income | **6,086,964** | 5,795,732 |

(a) During the year the Group received grants under the Export Market Development Grants from the Australian Trade and Investment Commission (Austrade), which are intended to assist with the promotion of the Company's products and services in overseas markets and from a Research and Development (R&D) tax incentive claim.

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

## 6. Revenue and other income (continued)

### Disaggregation of revenue from contracts with customers

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

| | 2025 ($) | 2024 ($) |
|---|---|---|
| **Geographical regions** | | |
| Australia | **5,936,160** | 5,678,830 |
| Rest of the World[1] | **56,340** | 44,992 |
| **Revenue from contracts with customers** | **5,992,500** | 5,723,822 |
| **Timing of revenue recognition** | | |
| At a point in time | **3,006,461** | 3,388,098 |
| Over time | **2,986,039** | 2,335,724 |
| **Revenue from contracts with customers** | **5,992,500** | 5,723,822 |
| **Type of contract** | | |
| Fee revenue - customer booking fees and courier platform fees | **2,613,801** | 2,975,205 |
| Fee revenue - shredding services | **317,701** | 223,820 |
| Software license fees | **2,499,852** | 2,026,137 |
| Sale of GPS units | **74,959** | 189,073 |
| Website development and other services | **486,187** | 309,587 |
| **Revenue from contracts with customers** | **5,992,500** | 5,723,822 |

### Accounting treatment

*Revenue from contracts with customers*

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

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

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

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

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 6. Revenue and other income (continued)

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

**Fee revenue - customer booking fees and courier platform fee**

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

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

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

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

**Fee revenue - shredding services**

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

**Software licence fees**

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

**Sale of GPS units and other hardware**

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

**Website development and other services**

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

**Contract assets and liabilities**

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

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

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

**Other income**

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

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

## 7. Finance income and expenses

**Finance income**

| | Note | 2025 ($) | 2024 ($) |
|---|---|---|---|
| Interest income | | **29,252** | **64,065** |
| **Total finance income** | | **29,252** | **64,065** |

**Finance expenses**

| | Note | 2025 ($) | 2024 ($) |
|---|---|---|---|
| Finance cost – loss on extinguishment of Pure Facility | 25 | **-** | 55,124 |
| Royalty expense | 17 | **-** | 494,662 |
| Interest expense – Pure Facility | | **542,547** | 505,438 |
| Interest expense - other | | **18,987** | 10,982 |
| **Total finance expenses** | | **561,534** | 1,066,206 |

## 8. Employee benefit expenses

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

| | 2025 ($) | 2024 ($) |
|---|---|---|
| Wages | **1,581,150** | 1,759,240 |
| Contractor payments | **1,631,120** | 1,610,634 |
| Superannuation contributions | **210,532** | 219,789 |
| Payroll tax | **83,245** | 95,236 |
| Other [1] | **224,845** | 215,794 |
| **Total employee benefit expenses** | **3,730,892** | 3,900,693 |

(1) The primary component of these expenses relates to the Company's Employee Option Plans, which amounted to $174,447 for the year ended 30 June 2025 (30 June 2024: $233,096). These totals also include costs associated with annual leave and fringe benefits tax.

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

## 9. Other expenses

The result for the year includes the following other expenses:

| | | 2025 ($) | 2024 ($) |
|---|---|---|---|
| Cost of sales - 2u Enterprises | | **155,386** | 171,179 |
| Cost of sales – Locate2u and Talcasoft | | **161,277** | 210,920 |
| Merchant fees and credit checks | | **76,092** | 80,853 |
| Consulting and professional fees | | **184,688** | 193,290 |
| Office and related expenses | | **149,448** | 158,295 |
| Provision for settlement of customer dispute | 24(a) | **-** | 150,000 |
| Telecommunications and internet expenses | | **176,089** | 160,336 |
| Software and subscription expenses | | **878,342** | 763,514 |
| Insurance expenses | | **207,930** | 243,740 |
| Filing fees | | **59,337** | 69,815 |
| Motor vehicle expenses | | **65,912** | 22,408 |
| Travel | | **92,768** | 103,526 |
| Sundry expenses | | **124,147** | 124,345 |
| | | **2,331,416** | 2,452,221 |

## 10. Earnings per share (EPS)

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

| | 2025 ($) | 2024 ($) |
|---|---|---|
| Loss for the year | **(1,816,025)** | **(3,063,262)** |
| Earnings used to calculate basic EPS from continuing operations | **(1,816,025)** | **(3,063,262)** |
| Earnings used in the calculation of dilutive EPS from continuing operations | **(1,816,025)** | **(3,063,262)** |

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

| | 2025 (No.) | 2024 (No.) |
|---|---|---|
| Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS | **197,864,418** | 193,785,927 |

**Accounting treatment**

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

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

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

# Income taxes

## 11. Income tax expense

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

| | 2025 ($) | 2024 ($) |
|---|---|---|
| Current tax expense / (benefit)[1] | **37** | (80,181) |
| Deferred tax expense | **-** | - |
| **Total income tax expense** | **37** | (80,181) |

(1) In 2024 this related to an ATO refund loss carry back claimed

### 11.2. Reconciliation of income tax to accounting loss:

| | 2025 ($) | 2024 ($) |
|---|---|---|
| Loss before income tax expense | **(1,815,988)** | (3,143,034) |
| Statutory tax rate | **25%** | 25% |
| Tax at the statutory rate | **(453,997)** | (785,758) |
| Tax effect amounts which are: | | |
| - non-deductible expenses | **(103,331)** | (103,331) |
| - other non-allowable items | **4,075** | (7,021) |
| | **(99,257)** | (110,352) |
| Income tax benefit | **(553,254)** | (896,111) |
| Tax losses not brought to account | **553,254** | 896,366 |
| Tax refund | **-** | 80,181 |
| Income tax expense – offshore | **(37)** | - |
| Income tax expense | **(37)** | 80,181 |

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 11. Income tax expense (continued)

**Accounting treatment**

*Tax Consolidation*

The Company and its wholly owned Australian resident entities formed a tax consolidated group with effect from 1 July 2020. Locate Technologies Limited is the head entity of the tax consolidated group and under the Tax sharing agreement, assumes any current tax liabilities of the members in the tax consolidated group.

*Income tax*

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

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

*Deferred tax assets and liabilities*

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

Deferred tax is not provided for the following:

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

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

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

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

## 12. Tax assets and liabilities

**Unrecognised deferred tax assets**

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

| | 2025 ($) | 2024 ($) |
|---|---|---|
| Tax losses | **22,681,731** | **20,468,715** |

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

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

# Employee rewards

## 13. Employee benefits

| | 2025 ($) | 2024 ($) |
|---|---|---|
| Current liabilities | | |
| Annual leave | **196,546** | 170,243 |
| Long service leave | **86,013** | 43,564 |
| | **282,559** | 213,807 |
| Non-current liabilities | | |
| Long service leave | **34,194** | 82,001 |
| | **34,194** | 82,001 |

**Accounting treatment**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

## 14. Key Management Personnel Remuneration

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

| | 2025 ($) | 2024 ($) |
|---|---|---|
| Short-term employee benefits | **625,000** | 660,000 |
| Long-term benefits | **7,412** | 8,553 |
| Post-employment benefits | **25,300** | 24,200 |
| Share based payments | **77,851** | 95,707 |
| | **735,563** | 788,460 |

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

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

# Cash and financial risk management

## 15. Cash and cash equivalents

| | 2025 ($) | 2024 ($) |
|---|---|---|
| Cash and cash equivalents | **1,806,986** | 2,053,160 |
| | **1,806,986** | 2,053,160 |

**Accounting treatment**

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

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

## 16. Cash flow information

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

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

| | 2025 ($) | 2024 ($) |
|---|---|---|
| Loss for the year | **(1,816,025)** | (3,007,036) |
| Non-cash flows in loss: | | |
| - depreciation | **1,078,448** | 1,317,476 |
| - share based payments expenses | **179,447** | 233,096 |
| - interest and other finance costs | **79,818** | 610,167 |
| - other | **9,769** | - |
| Changes in assets and liabilities: | | |
| - (increase)/decrease in trade and other receivables | **132,008** | (51,687) |
| - (increase)/decrease in other assets | **(26,458)** | 37,852 |
| - increase/(decrease) in trade and other payables | **162,158** | 47,254 |
| - increase/(decrease) in other liabilities | **31,678** | 50,444 |
| Cashflows used in operations | **(169,157)** | (818,660) |

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 16. Cash flow information (continued)

### 16.2. Changes in liabilities arising from financing activities

| | 2024 ($) | Cash flows ($) | Fair value changes ($) | Other changes ($)(1) | 2025 ($) |
|---|---|---|---|---|---|
| Long term borrowings | **3,674,930** | **-** | **-** | **144,547** | **3,819,477** |
| Borrowings - Lease Finance | **68,265** | **(18,357)** | **-** | **-** | **49,908** |
| Borrowing costs | **(141,473)** | **-** | **-** | **-** | **(141,473)** |
| Borrowings - other | **32,742** | **(17,441)** | **-** | **-** | **15,301** |
| **Total liabilities from financing activities** | **3,634,464** | **(35,798)** | **-** | **144,547** | **3,743,213** |

(1) Amortisation of the finance component of the PURE loan facility ($144,473). Refer to Note 17 for further information.

| | 2023 ($) | Cash flows ($) | Fair value changes ($) | Other changes ($)(2) | 2024 ($) |
|---|---|---|---|---|---|
| Long term borrowings | **3,512,368** | **-** | **-** | **162,562** | **3,674,930** |
| Borrowings - Lease Finance | **29,712** | **38,553** | **-** | **-** | **68,265** |
| Borrowing costs | **(141,473)** | **-** | **-** | **-** | **(141,473)** |
| Borrowings - other | **-** | **32,742** | **-** | **-** | **32,742** |
| **Total liabilities from financing activities** | **3,400,607** | **71,295** | **-** | **162,562** | **3,634,464** |

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

### 16.3. Borrowing facilities

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

| | 2025 ($) | 2024 ($) |
|---|---|---|
| **Total facilities** | | |
| Pure loan facility | **4,000,000** | 4,000,000 |
| **Used at reporting date** | | |
| Pure loan facility | **4,000,000** | 4,000,000 |
| **Unused at reporting date** | | |
| Pure loan facility | **-** | - |

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

## 17. Borrowings

| | 2025 ($) | 2024 ($) |
|---|---|---|
| **Borrowing - current** | | |
| Borrowings – lease finance | **15,301** | 16,766 |
| Borrowings - other | **24,708** | 32,742 |
| **Total current borrowings** | **40,009** | 49,508 |
| **Borrowing – non-current** | | |
| Borrowings – lease finance | **25,200** | 51,499 |
| PURE loan facility | **4,000,000** | 4,000,000 |
| Fair value of attaching warrants(1) | **(576,706)** | (576,706) |
| Transaction costs(1) | **(141,473)** | (141,473) |
| Amortisation of finance component (2) | **396,183** | 251,636 |
| **Total non-current borrowings** | **3,703,204** | 3,584,956 |

(1) The fair value of long-term borrowings provided by Pure Asset Management Pty Ltd (PURE loan facility) 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 (14.38%) 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 in the year ended 30 June 2024 represented a substantial modification of the terms of the existing liability and required the original financial liability to be extinguished and a new financial liability to be recognised. Upon recognition of the new loan, a loss on extinguishment of the existing loan of $55,123 has been recognised in the amortisation of the finance component, together with interest accrued to 30 June 2024 of $196,513. As at 30 June 2025, the carrying amount of the amortised finance component was $396,183. The $144,547 increase from the $251,636 opening balance is the incremental interest for the year, being the excess of interest recognised at the 14.38% effective rate versus the 9.95% contractual rate.

**Pure loan facility – Review events**

For the quarter ended 31 December 2024 a Review Event under the Pure Loan Facility was identified due to the December 2024 financial quarter EBITDA failing to reach the Covenant hurdle for EBITDA. For the quarter ended 31 March 2025 a Review Event under the Pure Loan Facility was identified due to the March 2025 financial quarter EBITDA failing to reach the Covenant hurdle for EBITDA and the Cash Balance temporarily falling below its minimum required. For the quarter ended 30 June 2025 a Review Event under the Pure Loan Facility was identified due to the June 2025 financial quarter EBITDA failing to reach the Covenant hurdle for EBITDA. Pure has confirmed in writing to the Company that it has waived its rights that accrued in relation to these Review Events.

On 14 August 2025, the Company entered into a deed with Pure to adjust the Cash Balance covenant in the Pure Loan Facility. Currently an Event of Default shall occur if the Cash Balance is less than $1,000,000 at any time. It has been agreed with Pure that this covenant will be changed to reduce the minimum Cash Balance from $1,000,000 to $850,000, whilst a new covenant requires that the Company hold a minimum Bitcoin Balance of $500,000 and that the aggregate of the Cash Balance and the Bitcoin Balance be no less than $1,350,000.

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

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

## 17. Borrowings (continued)

### Accounting treatment

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

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

## 18. Fair value measurement

### Fair value hierarchy

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

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

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

| 30 June 2025 | Level 1 ($) | Level 2 ($) | Level 3 ($) | Total ($) |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Bitcoin | 1,643,959 | - | - | 1,643,959 |
| **Financial liabilities** | | | | |
| Pure loan facility | - | - | 3,678,004 | 3,678,004 |
| Royalty liability | - | - | 385,879 | 385,879 |

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

# Notes to the Financial Statements
## For the Year Ended 30 June 2025

## 19. Financial risk management

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

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

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

*Specific risks*

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

*Financial instruments used*

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

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

| | 2025 ($) | 2024 ($) |
|---|---|---|
| **Financial assets** | | |
| Held at amortised cost | | |
| - Cash and cash equivalents | **1,086,986** | 2,053,160 |
| - Trade and other receivables | **440,102** | 572,110 |
| Held at fair value | | |
| - Bitcoin | **1,643,959** | - |
| **Total financial assets** | **3,891,047** | 2,625,270 |
| **Financial liabilities** | | |
| Financial liabilities measured at amortised cost | | |
| - Trade and other payables | **1,139,157** | 965,962 |
| - Borrowings - lease finance | **49,908** | 68,265 |
| - Borrowings - other | **15,301** | 32,742 |
| Financial liabilities at fair value | | |
| - Pure loan facility | **3,678,004** | 3,533,457 |
| - Royalty liability | **385,879** | 449,149 |
| - Phantom equity plan liability | **-** | 1,538 |
| **Total financial liabilities** | **5,268,249** | 5,051,113 |

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 19. Financial risk management (continued)

### Objectives, policies and processes

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

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

Mitigation strategies for specific risks faced are described below:

### Liquidity risk

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

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

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

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

*Financial liability maturity analysis - Non-derivative*

| | Within 1 Year | | 1 to 5 Years | | Total | |
|---|---|---|---|---|---|---|
| | **2025 ($)** | **2024 ($)** | **2025 ($)** | **2024 ($)** | **2025 ($)** | **2024 ($)** |
| Financial liabilities due for payment | | | | | | |
| Trade payables and other liabilities | **1,139,157** | 965,962 | | - | **1,139,157** | 965,962 |
| Royalty liability | **83,674** | 72,3714 | **557,543** | 614,359 | **641,217** | 686,730 |
| Phantom equity plan liability | **-** | 1,538 | - | - | **-** | 1,538 |
| Borrowings - lease finance | **24,708** | 16,766 | **25,200** | 51,499 | **49,908** | 68,265 |
| Borrowings - other | **15,301** | 32,742 | **-** | - | **15,301** | 32,742 |
| Borrowings – Pure loan facility | **-** | - | **4,000,000** | 4,000,000 | **4,000,000** | 4,000,000 |
| **Total contractual outflows** | **1,262,840** | 1,089,379 | **4,582,743** | 4,665,858 | **5,845,583** | 5,755,237 |

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

### Credit risk

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

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

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 19. Financial risk management (continued)

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

*Trade receivables and contract assets*

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

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

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

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

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

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

The other classes of receivables do not contain impaired assets.

**Market risk**

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

*(i) Foreign exchange risk*

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

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

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

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 19. Financial risk management (continued)

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

| **2025 (A$)** | **USD** | **PHP** | **ZAR** | **Total AUD** |
|---|---|---|---|---|
| **Nominal amounts** | | | | |
| **Financial assets** | **129,565** | **-** | **-** | **129,565** |
| **Financial liabilities** | **41,702** | **45,866** | **22,593** | **110,161** |
| **Short-term exposure** | **87,863** | **45,866** | **22,953** | **19,404** |

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

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

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

| | **2025** | | **2024** | |
|---|---|---|---|---|
| | **+5%** | **-5%** | **+5%** | **-5%** |
| **USD** | | | | |
| Result | **(4,393)** | **4,393** | (2,471) | 2,471 |
| Equity | **(4,393)** | **4,393** | (2,471) | 2,471 |
| **PHP** | | | | |
| Result | **2,293** | **(2,293)** | 2,439 | (2,439) |
| Equity | **2,293** | **(2,293)** | 2,439 | (2,439) |
| **ZAR** | | | | |
| Result | **1,130** | **(1,130)** | 1,222 | (1,222) |
| Equity | **1,130** | **(1,130)** | 1,222 | (1,222) |

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

*(ii)* *Interest rate risk*

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

# Notes to the Financial Statements

## For the Year Ended 30 June 2025

## 19. Financial risk management (continued)

*(iii) Price risk*

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

The Group holds Bitcoin (BTC) as a treasury asset. As a result, it is subject to price risk due to the inherent volatility in the market price of Bitcoin. Changes in the fair value of BTC held at the reporting date could significantly impact the Group's financial position and performance. The Group continually monitors market conditions and may adjust its BTC holdings or employ risk mitigation strategies where appropriate. The Board reviews BTC holdings and its market value at every monthly Board meeting in light of the inclusion of BTC in the company's covenants with Pure (see note 17). No hedging instruments are currently in place in relation to the Company's BTC holding.

Based on the Group's BTC holding at 30 June 2025 of 10.1 BTC, had the BTC price strengthened or weakened by 10% with all other variables held constant, the Group's loss before tax (result) and equity for the period would have been affected as follows:

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | **+10%** | **-10%** | **+10%** | **-10%** |
| **BTC** | | | | |
| Result | **164,396** | **(164,396)** | - | - |
| Equity | **164,396** | **(164,396)** | - | - |

### Accounting treatment

***Foreign currency transactions***

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

At the end of the reporting period:

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

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

***Financial instruments***

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

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

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 19. Financial risk management (continued)

***Financial Assets***

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

*Classification*

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

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

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

*Amortised cost*

Assets measured at amortised cost are financial assets where:

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

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

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

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

*Financial assets through profit or loss*

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

*Impairment of financial assets*

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

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

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

# Notes to the Financial Statements

## For the Year Ended 30 June 2025

## 19. Financial risk management (continued)

***Trade receivables and contract assets***

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

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

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

*Financial liabilities*

The Group classifies financial liabilities into either:

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

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

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

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

# Operating assets and liabilities

## 20. Trade and other receivables

| | 2025 ($) | 2024 ($) |
|---|---|---|
| CURRENT | | |
| Trade receivables | **444,302** | 578,810 |
| Provision for expected credit losses | **(4,200)** | (6,700) |
| **Total current trade and other receivables** | **440,102** | 572,110 |

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

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

### Provision for expected credit losses

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

| **30 June 2025** | **Current** | **< 30 days overdue** | **< 90 days overdue** | **> 90 days overdue** | **Total** |
|---|---|---|---|---|---|
| **Expected loss rate (0.9%)** | | | | | |
| **Gross carrying amount ($)** | **370,875** | **61,736** | **6,598** | **5,093** | **444,302** |
| **ECL provision** | **-** | **-** | **-** | **(4,200)** | **(4,200)** |
| **30 June 2024** | | | | | |
| Gross carrying amount ($) | 472,231 | 84,309 | 21,478 | 792 | 578,810 |
| ECL provision | - | - | (5,908) | (792) | (6,700) |

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

| | 2025 ($) | 2024 ($) |
|---|---|---|
| Balance at beginning of the year | **6,700** | 10,600 |
| Additional provisions recognised | **-** | - |
| Unused amounts reversed | **(2,500)** | (3,900) |
| **Balance at end of the year** | **4,200** | 6,700 |

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

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

# Notes to the Financial Statements

## For the Year Ended 30 June 2025

## 21. Bitcoin

| | 2025 ($) | 2024 ($) |
|---|---|---|
| Opening Balance | **-** | - |
| Purchases[1] | **1,626,250** | - |
| Revaluation [2] | **17,709** | - |
| **Closing balance** | **1,643,959** | - |

1. During the year ended 30 June 2025, the Company acquired 10.1 Bitcoin at an average price (including transaction fees) of A$161,195
2. Bitcoin was measured at fair value using quoted prices as at 30 June 2025. Refer to note 33 (events after reporting date) for the number of BTC owned and its market value at the date of this report.

### *Accounting for Bitcoin*

Bitcoin uses an open-source software-based online system where transactions are recorded in a public ledger (blockchain) using its own unit of account. Bitcoin is an emerging technology and asset class, and as such there are no specific accounting standards that cover the treatment, rather Bitcoin is assessed by applying existing accounting standards in conjunction with guidance released by the accounting standard setting bodies such as the IASB.

*Accounting Framework*

The Group considers that the accounting treatment of Bitcoin is governed by AASB 138 'Intangible Assets'. Bitcoin is classified as an intangible asset due to its lack of physical substance and its ineligibility to be recognised as a financial asset under AASB 9. It does not give rise to a contractual right to receive cash or another financial asset, nor does it constitute inventory under AASB 102 as it is not held for sale in the ordinary course of business. Accordingly, the Company recognises Bitcoin as an intangible asset with an indefinite useful life.

*Initial Recognition and Measurement*

In accordance with AASB 138, intangible assets acquired separately shall be measured initially at cost. Cost is defined under AASB 138 as the purchase price plus any directly attributable costs of preparing the asset for its intended use. Given this definition, the Company has capitalised transaction fees associated with the acquisition of Bitcoin. This treatment reflects the direct nature of the fees in securing ownership of the digital asset.

*Subsequent Measurement and Impairment*

After initial recognition at cost, AASB 138 allows an entity to choose either the cost model or the revaluation model for subsequent measurement of intangible assets. Under the cost model, intangible assets with finite useful lives are carried at cost less accumulated amortisation and impairment losses. However, intangible assets with indefinite useful lives, such as Bitcoin, are not amortised, but are instead tested for impairment annually. Under the revaluation model, intangible assets with indefinite useful lives, such as Bitcoin, are carried at a revalued amount (i.e., fair value at the date of revaluation). They are not amortised but are tested for impairment annually or more frequently if indicators of impairment exist.

*Active market*

The revaluation model under AASB 138 may only be applied to an intangible asset if there is an active market for that asset. While AASB 138 does not define the term explicitly, the concept is addressed in AASB 13 Appendix A, which defines an active market as *“a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.”* The Group considers this definition appropriate for assessing the eligibility of Bitcoin for revaluation treatment. Given the high trading volumes, homogeneity of Bitcoin units, and publicly observable prices across multiple major exchanges, the Group has concluded that an active market exists for its Bitcoin holdings in accordance with this standard.

In light of these considerations, the Group has elected to apply the revaluation model for subsequent measurement of its Bitcoin holdings, as permitted by AASB 138. This policy choice requires the asset’s carrying value to be updated to fair value at each reporting date.

# Notes to the Financial Statements

## For the Year Ended 30 June 2025

## 21. Bitcoin (continued)

Fair value is determined with reference to the active market price of Bitcoin, as quoted on Google Finance, which the Group uses as a proxy for the principal market price, consistent with AASB 13’s guidance on fair value measurement for assets traded in active markets.

*Accounting for Bitcoin under the Revaluation Model*

At each reporting date, Bitcoin is re-measured to its current fair value. Any increase in carrying amount compared to the previous balance is recorded as a revaluation gain in Other Comprehensive Income (OCI) and accumulated in a revaluation surplus within equity. However, if an increase in carrying amount occurs, the increase shall be recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss.

This means that under the revaluation model, subsequent recoveries in Bitcoin’s value can be reflected in the accounts – in contrast to the cost model, under which any impairment loss on an indefinite-life intangible cannot be reversed in profit or loss once recognized.

If Bitcoin’s carrying amount is decreased as a result of a revaluation, and if there is an existing credit balance in the revaluation surplus for Bitcoin, the decrease is first charged against that surplus (i.e. recorded in OCI) to the extent of the surplus, with only any excess drop beyond the surplus recognized in profit or loss.

This approach aligns with AASB 138’s revaluation model mechanics and ensures that upward revaluations generally bypass profit or loss (unless reversing a prior drop), while downward revaluations impact earnings only after any offset against past revaluation gains.

*Balance sheet classification*

Management has classified Bitcoin as a current asset to reflect its liquidity, being readily convertible to cash within the normal operating cycle or within 12 months without significant financial penalty. Bitcoin is viewed by management as forming part of the Group's treasury function, as it can be sold and converted to cash to facilitate operations, where required. Presenting Bitcoin as a current asset provides users of the financial statements with a clearer understanding of the Group's ability to meet its short-term obligations

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

## 22. Property, plant and equipment

| | 2025 ($) | 2024 ($) |
|---|---|---|
| PLANT AND EQUIPMENT | | |
| Motor vehicles | | |
| At cost | **72,097** | 69,342 |
| Accumulated depreciation | **(17,090)** | (7,609) |
| Total motor vehicles | **55,007** | 61,733 |
| | | |
| Office equipment | | |
| At cost | **55,835** | 47,210 |
| Accumulated depreciation | **(26,485)** | (21,040) |
| Total office equipment | **29,350** | 26,170 |
| | | |
| Computer equipment | | |
| At cost | **111,287** | 158,268 |
| Accumulated depreciation | **(72,319)** | (93,481) |
| Total computer equipment | **38,968** | 64,787 |
| | | |
| **Total property, plant and equipment** | **123,325** | 152,690 |

### Movements in carrying amounts of property, plant and equipment

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

| | Motor Vehicles ($) | Office Equipment ($) | Computer Equipment ($) | Total ($) |
|---|---|---|---|---|
| **Year ended 30 June 2025** | | | | |
| Balance at the beginning of year | **61,733** | **26,170** | **64,787** | **152,690** |
| Additions | **2,754** | **10,299** | **16,565** | **29,618** |
| Disposals | **-** | **(502)** | **(24,012)** | **(24,514)** |
| Depreciation expense | **(9,480)** | **(6,617)** | **(18,372)** | **(34,469)** |
| **Balance at the end of the year** | **55,007** | **29,350** | **38,968** | **123,325** |
| | | | | |
| **Year ended 30 June 2024** | | | | |
| Balance at the beginning of year | 27,677 | 16,855 | 73,213 | 117,745 |
| Additions | 38,941 | 13,000 | 24,094 | 76,035 |
| Disposals | - | - | | - |
| Depreciation expense | (4,885) | (3,685) | (32,520) | (41,090) |
| **Balance at the end of the year** | 61,733 | 26,170 | 64,787 | 152,690 |

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 22. Property, plant and equipment (continued)

### Accounting treatment

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

*Depreciation*

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

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

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

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 23. Intangible assets

| | 2025 ($) | 2024 ($) |
|---|---|---|
| **Goodwill** | | |
| Cost | **423,000** | 423,000 |
| Accumulated impairment losses | **-** | - |
| **Net carrying value** | **423,000** | 423,000 |
| **Patents, trademarks and other rights** | | |
| Cost | **188,646** | 185,024 |
| Accumulated amortisation and impairment | **(132,511)** | (124,339) |
| **Net carrying value** | **56,135** | 60,685 |
| **Customer list** | | |
| Cost | **757,500** | 757,500 |
| Accumulated amortisation and impairment | **(585,818)** | (468,402) |
| **Net carrying value** | **171,682** | 289,098 |
| **Acquired software** | | |
| Cost | **1,494,077** | 1,494,077 |
| Accumulated amortisation and impairment | **(1,393,391)** | (1,123,184) |
| **Net carrying value** | **100,686** | 370,893 |
| **Developed software** | | |
| Cost | **3,630,637** | 2,495,129 |
| Accumulated amortisation and impairment | **(1,358,100)** | (732,156) |
| **Net carrying value** | **2,272,537** | 1,762,973 |
| **Total Intangible assets** | **3,024,040** | 2,906,649 |

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 23 Intangible assets (continued)

### Movement in carrying amounts of intangible assets

| | Goodwill ($) | Patents, trademarks and other rights ($) | Customer list ($) | Acquired software ($) | Developed software ($) | Total ($) |
|---|---|---|---|---|---|---|
| **Year ended 30 June 2025** | | | | | | |
| Balance at the beginning of the year | **423,000** | **60,685** | **289,098** | **370,893** | **1,762,973** | **2,906,649** |
| Additions | **-** | **3,622** | **-** | **-** | **1,135,508** | **1,139,130** |
| Amortisation expense | **-** | **(8,172)** | **(117,416)** | **(270,207)** | **(625,944)** | **(1,021,739)** |
| **Closing value at 30 June 2025** | **423,000** | **56,135** | **171,682** | **100,686** | **2,272,537** | **3,024,040** |
| **Year ended 30 June 2024** | | | | | | |
| Balance at the beginning of the year | 423,000 | 64,730 | 490,350 | 1,012,929 | 1,250,185 | 3,241,194 |
| Additions | - | 3,904 | - | - | 923,949 | 927,853 |
| Amortisation expense | - | (7,949) | (201,252) | (642,036) | (411,161) | (1,262,398) |
| **Closing value at 30 June 2024** | 423,000 | 60,685 | 289,098 | 370,893 | 1,762,973 | 2,906,649 |

### Recoverable amount testing for goodwill and indefinite life intangibles

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

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

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

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

(1) Talcasoft revenue has been assumed to reduce in the 2027 financial year as one customer is assumed to cease using the product. Thereafter revenues are assumed to remain flat.

*Impairment assumptions*

Goodwill is allocated to the Freight Match and Talcasoft Businesses which are the cash generating unit (CGU) for the purpose of impairment testing. The recoverable amount of the CGU is determined based on value in use calculations. These calculations use cash flow projections covering a three year period. Cash flows past the three year period are extrapolated using a terminal value with an estimated growth rate.

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

## 23 Intangible assets (continued)

*Sensitivity analysis*

Sensitivity analyses has been performed on key assumptions in the valuation models, including the discount rate and terminal growth rate, to evaluate whether reasonably possible changes would result in impairment. For Talcasoft, the recoverable amount exceeded the carrying value across all reasonably possible scenarios, including terminal growth rates as low as negative 50% and discount rates up to 100%. For Freight Match, the recoverable amount remained above the carrying value for terminal growth rates down to negative 30% and discount rates up to 50%. As such, impairment would arise only under more extreme combinations of assumptions, which management does not consider reasonably probable. Accordingly, no impairment has been recognised for either CGU as at the reporting date.

**Accounting treatment**

***Goodwill***

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

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

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

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

***Patents and trademarks***

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

***Amortisation***

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

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

Software development costs are amortised over their useful life of 5 years.

***Impairment***

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

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

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

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

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

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

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 24. Other assets

| | 2025 ($) | 2024 ($) |
|---|---|---|
| CURRENT | | |
| Prepayments | **100,655** | 64,232 |
| Accrued income | **24,817** | 27,687 |
| Other assets | **20,900** | 20,900 |
| | **146,372** | 112,819 |

## 25. Trade and other payables

| | Note | 2025 ($) | 2024 ($) |
|---|---|---|---|
| CURRENT | | | |
| Trade payables | | **399,548** | 379,476 |
| GST and PAYG wages payable | (1) | **365,840** | 117,662 |
| Accrued expenses | (2) | **289,662** | 380,616 |
| Deferred income | | **31,599** | 33,554 |
| Other payables | | **52,508** | 56,192 |
| | | **1,139,157** | 967,500 |

(1) The balance as at 30 June 2025 includes a payment arrangement of $283,215 with the Australian Taxation Office (ATO) in respect of outstanding taxation liabilities. The arrangement was formalised on 18 June 2025 and is structured over a 24-month term with monthly repayments inclusive of interest at a fixed annual rate of 5.00%. The total liability under the plan at inception was $296,695, comprising both principal and interest components. Monthly instalments commenced in June 2025, with initial payments totalling approximately $13,300 per month, progressively decreasing in line with the amortisation of the principal balance. The final repayment under the arrangement is scheduled for May 2027. Over the life of the arrangement, total interest payable is $27,098. All scheduled payments have been met in accordance with the agreed terms and there were no arrears at the reporting date.

(2) Accrued expenses as at 30 June 2025 includes $50,000 (30 June 2024: $150,000) owing to a customer in relation to the settlement of a historical dispute. The amount owing will be credited to the client on future invoices.

## 26. Other liabilities

| **Current** | **2025 ($)** | **2024 ($)** |
|---|---|---|
| Royalty liability | **78,337** | 67,604 |
| **Non-Current** | | |
| Royalty liability | **307,542** | 381,545 |

Following 31 December 2022, a ‘review event’ was identified in relation to the EBITDA covenant contained in the PURE Facility Agreement. As a result of this “review event”, an agreement was executed on 25 July 2023, which resulted in new EBITDA covenants under the Facility Agreement and royalty payments, calculated as 2.5% of Locate2u revenues, capped at $750,000 to be paid to PURE quarterly. Repayments of the royalty may extend beyond the term of the PURE facility. The current and non-current royalty liabilities as at 30 June 2025 represents the discounted value of the amount of royalty owing at that date. Interest at a rate of 15% per annum is payable should the royalty payments not be made by the due date.

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 26. Other liabilities (continued)

In a substantial modification scenario (see note 17), any fees between the borrower and the lender are required to be expensed as part of the gain/loss on extinguishment. Accordingly, the Royalty expense was fully expensed in the year ended 30 June 2024. The amount included in Royalty liability as at 30 June 2025 is the discounted amount remaining to be paid to PURE pursuant to the Royalty in accordance with AASB 9, Financial Instruments. The undiscounted principal amount outstanding as at 30 June 2025 was $641,217.

# Capital structure

## 27. Issued capital

| | 30 June 2025 Shares | 30 June 2024 Shares | 30 June 2025 $ | 30 June 2024 $ |
|---|---|---|---|---|
| **Ordinary shares - fully paid** | **232,328,937** | **193,785,927** | **23,523,518** | **20,811,967** |

| **Movements in ordinary share capital** | | **Date** | **Shares (Number)** | **Issue Price[1] $** | **Total $** |
|---|---|---|---|---|---|
| Balance | | 30 June 2024 | **193,785,927** | | **20,811,967** |
| Share capital issued | (a) | 24 December 2024 | 265,048 | 0.075 | 20,000 |
| Share capital issued | (b) | 20 March 2025 | 5,000,000 | 0.07 | 350,000 |
| Share capital issued | (b) | 1 May 2025 | 2,142,856 | 0.07 | 150,000 |
| Share capital issued | (c) | 29 May 2025 | 3,500,000 | 0.00 | 0 |
| Share capital issued | (d) | 2 June 2025 | 20,714,286 | 0.07 | 1,450,000 |
| Share capital issued | (d) | 2 June 2025 | 828,571 | 0.07 | 58,000 |
| Share capital issued | (e) | 16 June 2025 | 2,400,000 | 0.132 | 316,500 |
| Share capital issued | (f) | 23 June 2025 | 1,692,249 | 0.141 | 239,180 |
| Share capital issued | (g) | 30 June 2025 | 2,000,000 | 0.16 | 320,000 |
| Transfer to Reserves | (b) | | | | (49,500) |
| Less: capital raising costs | | | | | (142,629) |
| **Balance** | | | **232,328,937** | | **23,523,518** |

(1) Issue prices have been rounded to 3 decimal places were required

Notes:

(a) Executive Director, Mr Michael Gayst (or to an entity designated by Mr Gayst) was granted shares as payment of his annual short-term incentive award of $20,000 for the year ended 30 June 2024. The number of shares to be issued to Mr Gayst was determined by dividing the award of $20,000 by $0.075458 (the volume weighted average price of the Company's shares traded on the ASX over the five trading days following the publication of the Company's audited financial results on 23 August 2024), with the result then rounded down to the nearest whole number to determine the number of shares to be allocated.

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 27. Issued capital (continued)

(b) On 11 March 2025, the Company announced that it has received binding commitments from wholesale investors to subscribe for an aggregate 7,142,856 ordinary shares at a price of $0.07 (7 cents) per ordinary share to raise $500,000 via a Placement. On 20 March 2025, the Company issued 5,000,000 of the Placement shares to raise $350,000 from wholesale investors. On 1 May 2025, following receipt of shareholder approval at an Extraordinary General Meeting on that date, the Company issued the remaining 2,142,856 Placement shares to raise $150,000 from directors of the Company. For every two new shares issued in the Placement, investors received one free-attaching option with an exercise price of $0.09 (9 cents), and an expiry date of 10 September 2026 (Investor Options") . Accordingly, 3,571,428 Investor Options were issued to Placement participants. The placement proceeds were allocated between share capital and the options reserve based on their relative fair values. The transfer to reserves removes the value attributed to the options from share capital.

(c) On 29 May 2025, the Company announced that it had entered into a $2 million At-the-Market (ATM) facility with Novus Capital Limited, providing the Company with the flexibility to raise capital progressively, as needed, by issuing new shares at prevailing market prices. As collateral to activate the facility, the Company issued 3,500,000 collateral shares, at no consideration, to Novus. These shares were issued on 29 May 2025.

(d) On 29 May 2025, the Company announced that it had received binding commitments from wholesale investors to subscribe for an aggregate 20,714,286 ordinary shares at a price of $0.07 (7 cents) per ordinary share to raise $1,450,000 via a Placement. These shares were issued on 2 June 2025. As part of the Placement, the Company agreed to issue 828,571 shares at $0.07 per share to PKN Consulting Pty Ltd who acted as corporate adviser for the Placement, in satisfaction of a 4% capital raising fee. These shares were also issued on 2 June 2025.

(e) On 16 June 2025, the Company raised $316,500 (inclusive of costs) and issued 2,400,000 shares at an average price of approximately $0.132 per share to Novus to replenish shares previously issued to Novus as collateral shares under the ATM.

(f) On 23 June 2025, the Company raised $239,180 (inclusive of costs) and issued 1,692,249 shares at an average price of approximately $0.141 per share to Novus to replenish shares previously issued to Novus as collateral shares under the ATM.

(g) On 30 June 2025, the Company raised $320,000 (inclusive of costs) and issued 2,000,000 shares at an average price of $0.16 per share to Novus to replenish shares previously issued to Novus as collateral shares under the ATM.

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

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

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

**Capital Management**

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

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

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

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 28. Reserves

Balances of reserves as at 30 June 2025 were as follows:

| | Note | 30 June 2025<br>$ | 30 June 2024<br>$ |
|---|---|---|---|
| Employee share option plan | (a) | **1,704,930** | 1,686,991 |
| New employee share option plan | (b) | **136,395** | 91,126 |
| 2024 employee share option plan | (c) | **116,237** | - |
| Lead manager options | (d) | **-** | 166,180 |
| Warrants reserve | (e) | **552,873** | 552,873 |
| Options reserve | (f) | **49,500** | - |
| Revaluation reserve | (21) | **17,709** | - |
| **Total** | | **2,577,644** | 2,497,170 |

**Share Based Payments**

The assessed fair value at issue date of share based payment issued during the year ended 30 June 2025 has been determined using either a Black-Scholes Model, or a Monte Carlo simulation model that takes into account the exercise price, any price cap on the securities, the term of the securities, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the securities and the correlations and volatilities of the Company and a group of peer companies. The valuations determined have been adjusted to reflect the likelihood of vesting conditions being met.

### (a) Employee Share Option Plan

The Company has established an umbrella equity-based long-term employee option plan (ESOP) to assist in the attraction, motivation, retention and reward of key management personnel, and other eligible employees. Under the rules of the ESOP, the Board has a discretion to offer options to acquire shares (Options) to senior management, Directors or other nominated key employees subject to service-based conditions and/or performance hurdles. Once vested, the Options remain exercisable for a period of 60 months from the issue date. Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable each Option is convertible into one ordinary share. The exercise price of Options is $0.20 per share.

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

As at 30 June 2025, 7,408,434 Options were on issue to eligible employees. These Options all had an issue date of 10 September 2021.

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

| | Held at start of period | Granted during the period | Exercised | Any other changes | Held at end of period |
|---|---|---|---|---|---|
| **2025** | **10,371,807** | **-** | **-** | **(2,963,373)** | **7,408,434** |
| 2024 | 15,310,763 | - | - | (4,938,956) | 10,371,807 |

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 28. Reserves (continued)

**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 was based on the historic volatility of a group of peer companies; and
- a risk-free interest rate of 0.4%, consistent with the yield on a 10 year Commonwealth Government Bond at around the issue date.

**(b) New Employee Share Option Plan**

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

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

As at 30 June 2025, 7,643,895 New Options had been granted to eligible employees. 493,896 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.

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

| | Held at start of period | Granted during the period | Exercised | Any other changes | Held at end of period |
|---|---|---|---|---|---|
| **2025** | **8,637,791** | **-** | **-** | **(993,896)** | **7,643,895** |
| 2024 | 6,237,791 | 2,500,000 | - | (100,000) | 8,637,791 |

**Fair Value Measurement**

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

The assessed fair value of 2,390,000 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 3,510,000 New Options that are subject to performance hurdles ranged between approximately $0.036 and $0.041 per option.

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 28. Reserves (continued)

### (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 30 June 2025, 14,900,000 2024 Options were on issue to eligible employees under the New ESOP with an exercise price of $0.135 per share and all 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 30 June 2025, there were no Lead Manager Options on issue as they had lapsed in September 2024 without being exercised.

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;
- 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.

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

## 29. Reserves (continued)

### (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.

### (f) Options Reserve

On 11 March 2025, the Company announced that it has received binding commitments from wholesale investors to subscribe for an aggregate 7,142,856 ordinary shares at a price of $0.07 (7 cents) per ordinary share to raise $500,000 via a Placement.

For every two new shares issued in the Placement, investors received one free-attaching option with an exercise price of $0.09 (9 cents), and an expiry date of 10 September 2026 (“Investor Options”) . As at 30 June 2025 3,571,428 Investor Options had been granted to participants in the Placement with an exercise price of $0.09 (9 cents) per share and all remain unexercised.

**Fair Value Measurement**

The assessed fair value of Investor Options issued to participants in the Placement is approximately $0.035 per share.

The assessed fair value at issue date of Investor Options during the year ended 30 June 2025 has been determined using the Black-Scholes Model that takes into account the exercise price, the term of the securities, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk-free interest rate for the term of the securities and the correlations and volatilities of the Company and a group of peer companies.

- Investor Options are granted for no consideration and vest immediately on issue;
- an exercise price of $0.09 per Option;
- Options being exercisable for a period of approximately 18 months from the issue date;
- expected price volatility of the Company’s shares of 70%. 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 4.42%, consistent with the yield on a 10 year Commonwealth Government Bond at around the issue date.

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

# Group structure

## 29. Interests in subsidiaries

**Composition of the Group**

| | Principal place of business / Country of Incorporation | Percentage Owned (%)* 2025 | Percentage Owned (%)* 2024 |
|---|---|---|---|
| **Subsidiaries:** | | | |
| Zoom2u Pty Limited | Australia | **100** | **100** |
| Locate 2u Pty Limited | Australia | **100** | **100** |
| 2u Enterprises Pty Limited | Australia | **100** | **100** |
| Locate IP Pty Limited | Australia | **100** | **100** |
| Locate2u USA Inc | United States of America | **100** | **100** |
| Locate2u UK Ltd | United Kingdom | **100** | **100** |
| Locate2u Pte Ltd | Singapore | **100** | **100** |
| Talcasoft Australia Pty Ltd | Australia | **100** | **100** |
| Drivers2u Pty Ltd | Australia | **100** | **100** |

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

## 30. Related parties

**The Group's main related parties are as follows:**

- Key management personnel - refer to Note 14.
- Subsidiaries - refer to Note 29.
- Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

Other than the above, there were no related party transactions during the years ending 30 June 2025 and 30 June 2024.

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

## 31. Parent entity

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

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

*Investments in subsidiaries, associates and joint ventures*

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

| | 2025 ($) | 2024 ($) |
|---|---|---|
| **Statement of Financial Position** | | |
| **Assets** | | |
| Current assets | 2,437,597 | 1,239,736 |
| Non-current assets | 8,894,380 | 7,227,239 |
| **Total Assets** | 11,331,977 | 8,466,975 |
| **Liabilities** | | |
| Current liabilities | 428,615 | 379,316 |
| Non-current liabilities | 9,395,080 | 7,460,134 |
| **Total Liabilities** | 9,823,695 | 7,839,450 |
| **Equity** | | |
| Issued capital | 23,523,518 | 20,811,967 |
| Reserves | 2,577,644 | 2,497,170 |
| Retained earnings | (24,592,880) | (22,681,612) |
| **Total Equity** | 1,508,282 | 627,525 |
| **Statement of Profit or Loss and Other Comprehensive Income** | | |
| Total loss for the year | (1,911,268) | (2,637,693) |
| Other comprehensive income | 17,709 | - |
| **Total comprehensive income for the year** | (1,893,559) | (2,637,693) |

**Contingent liabilities**

The parent entity did not have any contingent liabilities as at 30 June 2025 or 30 June 2024.

**Contractual commitments**

The parent entity did not have any commitments as at 30 June 2025 or 30 June 2024.

# Notes to the Financial Statements

**For the Year Ended 30 June 2025**

# Unrecognised and further items

## 32. Contingent liabilities and contingent assets

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2025 (30 June 2024: None).

## 33. Events occurring after the reporting date

**ATM Capital Raisings**

On 7 July 2025, the Company raised $392,564 under its At-the-Market (ATM) Facility with Novus Capital Limited. A total of 1,825,322 ordinary shares were issued at an average price of $0.215 per share, utilising the Company's Listing Rule 7.1 placement capacity.

On 14 July 2025, the Company completed a further raise of $168,915 under the same ATM Facility through the issue of 1,020,078 ordinary shares at an average price of $0.166 per share.

Following the above issues, the cumulative capital raised under the ATM Facility increased to $1,437,160, at an average issue price of $0.161 per share.

**Extraordinary General Meeting Outcomes**

An Extraordinary General Meeting (EGM) was held on 13 August 2025. All resolutions put to shareholders were duly passed, enabling the Company to take the following actions:

- Resolution 1: Approved the cancellation of 19,000,000 existing warrants previously issued to Pure Asset Management Pty Ltd, in exchange for the issue of 7,537,204 shares at $0.07 per share. This action simplified the Group's capital structure and removed a significant source of dilution;
- Resolution 2: Ratified the prior issue of 20,714,286 shares under the May 2025 placement:
- Resolution 3: Ratified the prior issue of 828,571 shares to PKN Consulting Pty Ltd as consideration for corporate advisory services rendered during the same placement;
- Resolution 4: Ratified the issue of 3,500,000 collateral shares to Novus Capital Pty Ltd in connection with the ATM Facility.
- Resolution 5: Ratified the issue of 6,092,249 shares to Novus under the ATM Facility.  for working capital purposes, restoring the Group's capacity for future share issues.

The passing of resolutions 2 to 5 replenished the Group's placement capacity under ASX Listing Rules 7.1 and 7.1A.

**Update on Bitcoin Holdings**

As at 30 June 2025, the Company held approximately 10.1 Bitcoin, with a cost of $1,626,250 and a market value of $1,643,959**.** Since the reporting date, the Company has acquired 2.21 additional Bitcoin, taking the total Bitcoin held to approximately 12.3 BTC. The aggregate acquisition cost of Bitcoin held at the date of this report was $2,028,808 with a current market value of $2,082,406.

**Cash Balance covenant**

Subsequent to 30 June 0225, the Company has agreed with Pure to adjust the Cash Balance covenant in the Pure Loan Facility.  Currently an Event of Default shall occur if the Cash Balance is less than $1,000,000 at any time. It has been agreed with Pure that this covenant will be changed to reduce the minimum Cash Balance from $1,000,000 to $850,000, whilst a new covenant requires that the Company hold a minimum Bitcoin Balance of $500,000 and that the aggregate of the Cash Balance and the Bitcoin Balance be no less than $1,350,000.

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

# Notes to the Financial Statements
**For the Year Ended 30 June 2025**

## 34. Remuneration of auditors

The Company's auditors for the year ended 30 June 2025, were Walker Wayland NSW, who were appointed on 26 March 2024.

| | 2025 ($) | 2024 ($) |
|---|---|---|
| **Remuneration of the auditor Walker Wayland NSW, for:** | | |
| - auditing and reviewing the financial statements | **70,000** | 45,000 |
| - other services | **-** | - |
| **Total** | **70,000** | 45,000 |
| **Remuneration of the auditor BDO Audit Pty Ltd, for:** | | |
| - reviewing the half-year financial statements | **-** | 38,000 |
| - other services | **-** | 7,100 |
| **Total** | **-** | 45,100 |

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

## 35. Statutory Information

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

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

# Consolidated entity disclosure statement as at 30 June 2025

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

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

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

# Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2025 are in accordance with the Corporations Act 2001 and:

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

    b. give a true and fair view of the financial position as at 30 June 2025 and the financial performance of the consolidated group for the year then ended;

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

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

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

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

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

3. the declaration by the Chief Executive Officer and Chief Finance Officer provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

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

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

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

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

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

**Dated:**
26 August 2025

walkerwayland

Walker Wayland NSW
Chartered Accountants

ABN 55 931 152 366

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

***Opinion***

We have audited the financial report of Locate Technologies Limited and its controlled entities, which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

***Basis of Opinion***

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

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

### *Key Audit Matters*

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

| Key audit matters | How our audit addressed the KAM |
|---|---|
| **Developed Software Costs Capitalised – Recognition and Carrying Value (Note 23 Intangible Assets)**<br><br>Software development costs at 30 June 2025 have a net carrying value in the consolidated statement of financial position of \$2,272,537 (2024: \$1,762,973). AASB 138 *Intangible Assets* requires that specific criteria are met in order to capitalise development costs. The software development costs are amortised over the period of expected future benefits being 5 years.<br><br>This area is a key audit matter due to subjectivity and management judgment applied in the assessment of whether the costs meet the capitalisation criteria and in determining the useful life that forms the basis for the amortisation period. | **Our procedures included, amongst others:**<br><br>• assessing the group's accounting policy in respect of product development costs for adherence to AASB 138 *Intangible Assets*;<br>• testing a sample of amounts capitalised to supporting documentation and assessing compliance with the recognition criteria of AASB 138 *Intangible Assets*;<br>• testing the fair value calculations used in impairment testing models including significant inputs used;<br>• assessing the reasonableness of the amortisation period by reference to comparable market data; and<br>• assessing the adequacy of related disclosures within the financial report. |
| **Revenue Recognition (Note 6 Revenue and Other Income)**<br><br>The Group has recognised revenue from contracts with customers amounting to \$5,992,500.<br><br>The Group recognises revenue across five separate revenue streams: Customer booking fees and courier platform fees, Shredding services, Software license fees, Sale of GPS units, and Website development and other services. The revenue recognition process and policies differ for each stream depending on the nature of the products and services provided to the customer in accordance with AASB 15 *Revenue from Contracts with Customers*.<br><br>This area is a key audit matter due to the material nature of the balance, the volume of transactions, and the importance of the revenue balance to the current stakeholders. | **Our procedures included, amongst others:**<br><br>• reviewing appropriateness of accounting policies and compliance with AASB 15 *Revenue from Contracts with Customers* including reviewing their consistency with the prior year;<br>• testing a sample of revenue recognised to contracts with customers;<br>• testing a sample of revenue recognised to supporting documents such as invoices, bank statements, booking data or jobs reports and other evidences of performance obligations delivered;<br>• testing a sample of deferred revenue balances by tracing through to service agreements, invoices and bank statements assessing the identification of performance obligations, and evaluating the timing of revenue recognition<br>• assessing the adequacy of related disclosures within the financial report. |

| Key audit matters | How our audit addressed the KAM |
|---|---|
| **Accounting for Bitcoin (existence and valuation) (Note 21)**<br><br>At 30 June 2025, the Group held Bitcoin with a carrying value of $1,643,959 (2024: $nil), recognised and measured as an intangible asset in the consolidated statement of financial position. The Group has applied AASB 138 *Intangible Assets* and elected to use the revaluation model for subsequent measurement of its Bitcoin holdings, with reference to active market prices.<br><br>This area is a key audit matter due to the significance of the balance and the level of judgement involved in applying AASB 138 to a new asset class, including management's determination that an active market exists for Bitcoin and in assessing the appropriateness of the fair value measurement and related disclosures. The inherent volatility of Bitcoin prices further increases the risk of material misstatement. | **Our procedures included, amongst others:**<br><br>• assessing the group's accounting policy for Bitcoin against the requirements of AASB 138;<br>• assessing the basis for management's determination that an active market exists for Bitcoin, including consideration of trading volumes, homogeneity of units, and availability of observable prices.<br>• testing the year-end fair value of Bitcoin holdings against observable quoted market prices from principal exchanges.<br>• recalculating the revaluation adjustments and assessing the accounting treatment of revaluation gains and losses in accordance with AASB 138; and<br>• assessing the adequacy of the financial report disclosures regarding the group's accounting policy, revaluation methodology, and associated risks. |
| **Classification of PURE loan facility (Note 17 Borrowings)**<br><br>During the 30 June 2025 financial year, the Group breached certain financial covenants under the Pure Loan Facility as described in Note 17. Under AASB 101 *Presentation of Financial Statements*, such covenant breaches would require consideration as to whether the liability should be classified as current, as they may give the lender the right to demand repayment within 12 months. Pure Asset Management Pty Ltd has confirmed in writing that it has waived its rights that accrued in relation to these Review Events. Accordingly, management has classified the facility as a non-current liability at 30 June 2025.<br><br>This area is considered a key audit matter because the timing of the facility repayment has a significant impact on the Group's working capital. It also requires considerable judgement in assessing how covenant breaches and any lender waivers affect the classification of borrowings in the financial report. | **Our procedures included, amongst others:**<br><br>• recalculating compliance with the financial covenants for all of the quarters based on the Group's financial information.<br>• obtaining and evaluating written correspondence from Pure confirming the waivers of rights arising from the Review Events.<br>• obtaining direct confirmation from Pure Asset Management Pty Ltd of the loan balance, interest payable, and any other events of covenant breaches.<br>• assessing whether the waivers were effective at balance date and covered all relevant breaches.<br>• considering the implications of the covenant breaches and waivers on the classification of the facility between current and non-current liabilities; and<br>• assessing the adequacy of the financial report disclosures regarding the covenant breaches, waivers, and related risks. |

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

The Directors are responsible for the other information. The other information comprises the information included in the company's annual report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of the Directors for the Financial Report*

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

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

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

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

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

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

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

### *Auditor's Responsibilities for the Audit of the Financial Report*

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

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

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

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

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

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

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

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

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

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

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

**Report on Remuneration Report**

***Opinion***

We have audited the Remuneration Report included the Directors' Report on pages 33 to 44 for the year ended 30 June 2025. In our opinion, the Remuneration Report of Locate Technologies Limited and its controlled entities for the year ended 30 June 2025, complies with Section 300A of the *Corporations Act 2001*.

***Responsibilities***

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

Walker Wayland NSW

**Walker Wayland NSW** | **Edward Chow**
**Chartered Accountants** | **Partner**

Dated this 26th of August 2025, Sydney

# Shareholder Information

The shareholder information set out below was applicable as at 14 August 2025.
At 14 August 2025, there was a total of 242,711,541 Ordinary shares of the Company on issue.

## Substantial holders in the company

| Holder of equity securities | Class of equity securities | Number of equity securities held | % of total issued securities in relevant class |
|---|---|---|---|
| Steve Orenstein and his controlled entities | Ordinary | 48,560,283 | 20.01% |
| JM Future Holdings Pty Limited | Ordinary | 16,006,727 | 6.59% |
| Keldoulis Investments Pty Ltd | Ordinary | 14,285,714 | 5.89% |
| Paul and Mary Orenstein and their controlled entities | Ordinary | 12,876,280 | 5.31% |

## Distribution of quoted ordinary shares

| Holding ranges | Holders | Shares | % |
|---|---|---|---|
| 1 -1000 | 178 | 127,811 | 0.05% |
| 1,001 - 5,000 | 657 | 1,726,379 | 0.71% |
| 5,001 - 10,000 | 277 | 2,179,783 | 0.90% |
| 10,001 - 100,000 | 452 | 14,944,363 | 6.18% |
| >100,000 | 152 | 223,683,205 | 92.16% |
| **Total** | **1,716** | **242,711,541** | **100.00%** |

## Number of holders and securities held

| Security Name | Total Holders | Total Holdings |
|---|---|---|
| FULLY PAID ORDINARY SHARES | 1,716 | 242,711,541 |
| ESOP@ $0.20 EXP 5YRS FROM ISSUE | 2 | 2,222,530 |
| ESOP@ $0.20 EXP 5YRS FROM ISSUE ESC 24M | 3 | 5,185,904 |
| ESOP@ $0.20 EXP 7-MAR-2029 | 13 | 4,400,000 |
| ESOP@ $0.20 EXP 28-JUL-2029 | 7 | 1,150,000 |
| ESOP @ $0.12 EXP 21-MAR-2030 | 1 | 1,250,000 |
| ESOP@ $0.35 EXP 28-MAR-2027 | 1 | 493,896 |
| ESOP @ $0.135 EXPIRING 20-DEC-2029 | 22 | 14,850,000 |
| OPTIONS @ $0.09 EXP 10-SEP-2026 | 7 | 3,571,428 |
| **Total** | | **275,835,299** |

## Less than marketable parcels (UMP) of ordinary shares

Based on last closing price of $0.083 on 14 August 2025

| Total ordinary shares | UMP ordinary shares | UMP holders | % of issued ordinary shares held by UMP holders |
|---|---|---|---|
| 242,711,541 | 2,236,969 | 903 | 0.9% |

### Top 20 shareholders

| Holder name | Holding | % Issued capital |
|---|---|---|
| SMO FUNDS PTY LIMITED <THE SMO FUNDS A/C> | 44,835,407 | 18.47% |
| JM FUTURE HOLDINGS PTY LTD <THE JONO FUTURE FUND A/C> | 16,006,727 | 6.60% |
| KELDOULIS INVESTMENTS PTY LTD | 14,285,714 | 5.89% |
| BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT> | 11,656,777 | 4.80% |
| PAUL V ORENSTEIN & ASSOCIATES PTY LTD <ORENSTEIN FAMILY A/C> | 11,549,280 | 4.76% |
| RIVER STYX INVESTMENTS PTY LTD | 8,750,060 | 3.61% |
| SANDHURST TRUSTEES LTD <CYAN C3G FUND A/C> | 7,785,829 | 3.21% |
| APPWAM PTY LTD | 7,740,805 | 3.19% |
| J P MORGAN NOMINEES AUSTRALIA PTY LIMITED | 7,537,204 | 3.11% |
| MANHOL PTY LTD <NEABERGE SUPER FUND A/C> | 6,895,063 | 2.84% |
| WHEN I'M 65 PTY LTD ATF SUPER IT SUPERANNUATION FUND | 4,944,816 | 2.04% |
| MR ANTHONY KLOK & MRS KERRY RYAN KLOK RYAN FAMILY S/F A/C | 3,800,000 | 1.57% |
| NOVUS CAPITAL NOMINEES PTY LIMITED <NOMINEE A/C> | 3,401,041 | 1.40% |
| MANHOL PTY LTD <D B SUPERANNUATION FUND A/C> | 3,349,815 | 1.38% |
| WCGM HEDGE PTY LTD | 2,857,143 | 1.18% |
| GREGLEY PTY LTD <THE JUSHGRHA SUPER A/C> | 2,857,143 | 1.18% |
| MR ELLIOT ALEXANDRE GILES HEITMAN | 2,813,232 | 1.16% |
| MATHEW 19 PTY LIMITED | 2,771,738 | 1.14% |
| MISTARET PTY LIMITED <WOODFORDE FAMILY S/F A/C> | 2,609,919 | 1.08% |
| CITICORP NOMINEES PTY LIMITED | 2,360,192 | 0.97% |
| MARK POWER | 2,083,333 | 0.86% |
| **Total** | **170,891,238** | **70.41%** |
| **Total issued capital - ordinary shares** | **242,711,541** | **100.00%** |

Locate Technologies

Level 4, 55 Miller Street Pyrmont NSW 2009

www.locate.tech