

Locate Technologies Limited

Company Number 937 11 62

**Interim report for the half-year period ended
31 December 2025**

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For the half-year period ended 31 December 2025

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Consolidated statement of profit or loss and other comprehensive income
For the half-year period ended 31 December 2025

	Note	31 Dec 2025 (\$)	31 Dec 2024 (\$)
Revenue		3,508,646	3,511,553
Finance income		2,334	22,408
Other income		36,765	81,903
Total revenue		3,547,745	3,615,864
Expenses			
Marketing expenses		(83,429)	(144,428)
Employee benefits expense		(2,024,260)	(2,038,244)
Other expenses	5	(2,520,697)	(1,365,150)
Depreciation and amortisation expense		(532,670)	(700,060)
Finance costs		(387,007)	(302,430)
Total expenses		(5,548,063)	(4,550,312)
Loss before income tax expense		(2,000,318)	(934,448)
Income tax benefit / (expense)		-	(23)
Loss after income tax expense for the half-year		(2,000,318)	(934,471)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income attributable to Members of the Parent entity		(2,000,318)	(934,471)
		Cents	Cents
Earnings per share		(0.8)	(0.5)

**Consolidated statement of financial position
As at 31 December 2025**

	Note	31 Dec 2025 (\$)	30 Jun 2025 (\$)
Assets			
Current assets			
Cash and cash equivalents		1,604,983	1,945,761
Trade and other receivables		709,802	473,902
Bitcoin	6	1,885,115	1,770,215
Inventory		32,019	25,735
Other current assets		266,271	157,613
Total current assets		4,498,190	4,373,226
Non-current assets			
Property, plant and equipment	7	128,526	132,796
Intangible assets	8	3,588,708	3,256,287
Total non-current assets		3,717,234	3,389,083
Total assets		8,215,424	7,762,309
Liabilities			
Current liabilities			
Trade and other payables		1,820,477	1,226,646
Borrowings	9	4,463,284	43,081
Other current liabilities	10	119,096	84,353
Employee benefits		345,650	304,260
Total current liabilities		6,748,507	1,658,340
Non-current liabilities			
Borrowings	9	22,323	3,987,611
Employee benefits		60,714	36,820
Other non-current liabilities	10	433,518	331,162
Total non-current liabilities		516,555	4,355,593
Total liabilities		7,265,062	6,013,933
Net assets		950,362	1,748,376
Equity			
Issued capital	11	29,002,670	25,330,125
Reserves	12	2,424,023	2,775,607
Accumulated losses		(30,476,331)	(26,357,356)
Total equity		950,362	1,748,376
Net tangible assets per share (cents)		(1.5)	(1.7)

Consolidated statement of changes in equity
For the half year period ended 31 December 2025

Consolidated	Issued capital (\$)	Accumulated losses (\$)	Reserves (\$)	Total equity (\$)
Balance at 1 July 2025	25,330,125	(26,357,356)	2,775,607	1,748,376
Loss after income tax expense for the half-year	-	(2,000,318)	-	(2,000,318)
Other comprehensive income for the half-year, net of tax	-	-	(19,069)	(19,069)
Total comprehensive income for the half-year	-	(2,000,318)	(19,069)	(2,019,387)
Transactions with owners in their capacity as owners:				
Foreign currency translation reserve	1,919,519	(2,118,657)	208,891	9,753
Share based payments	-	-	99,042	99,042
Cancellation of options	-	-	(640,448)	(640,448)
Issue of ordinary shares	2,291,907	-	-	2,291,907
Capital raising costs	(538,881)	-	-	(538,881)
Balance at 31 December 2025	29,002,670	(30,476,331)	2,424,023	950,362

Consolidated	Issued capital (\$)	Accumulated losses (\$)	Reserves (\$)	Total equity (\$)
Balance at 1 July 2024	22,741,236	(24,943,758)	2,728,658	526,136
Loss after income tax expense for the half-year	-	(934,471)	-	(934,471)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	(934,471)	-	(934,471)
Transactions with owners in their capacity as owners:				
Foreign currency translation reserve	246,136	(269,366)	30,948	7,718
Share based payments	-	-	57,597	57,597
Issue of ordinary shares	21,536	-	-	21,536
Balance at 31 December 2024	23,008,908	(26,147,595)	2,817,203	(321,484)

Consolidated statement of cash flows
For the half year period ended 31 December 2025

	31 Dec 2025 (\$)	31 Dec 2024 (\$)
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	3,646,093	3,477,661
Payments to suppliers and employees (inclusive of GST)	(3,912,348)	(3,408,295)
Interest received	2,333	22,407
Interest and other finance costs paid	(285,572)	(151,941)
Receipt from grants		81,903
Income taxes (paid) / received	-	(23)
Net cash from / (used) in operating activities	(634,424)	21,712
Cash flows from investing activities		
Purchase of Bitcoin	(452,487)	-
Payments for intangibles	(600,234)	(656,793)
Payments for property, plant and equipment	(1,633)	(23,951)
Net cash used in investing activities	(1,054,354)	(680,744)
Cash flows from financing activities		
Proceeds from issue of shares, net of transaction costs	1,630,529	-
Repayment of borrowings	(24,347)	(12,686)
Payment of share issue transaction costs	(343,112)	-
Net cash used in financing activities	1,263,070	(12,686)
Net (decrease) / increase in cash and cash equivalents	(425,708)	(671,718)
Cash and cash equivalents at the beginning of the financial half-year	1,945,761	2,258,271
Cash and cash equivalents at the end of the financial half-year	1,604,983	1,586,553

Notes to the financial statements

Note 1 Basis of preparation

On 16 December 2025, Locate Technologies Limited (the Company) acquired 100% of the issued share capital of Locate Technologies Limited (incorporated in Australia) (the Australian Entity) by way of a one-for-one share exchange.

The Company was incorporated on 11 September 2025 and completed an initial public offering on the New Zealand Exchange (NZX) on 3 December 2025. As a result of the share exchange, the Company became the holding company of the Australian Entity and the consolidated Group was formed.

The condensed interim financial statements comprise the Company and its subsidiaries (the Group) and are presented for the six-month period ended 31 December 2025, with comparative information for the six-month period ended 31 December 2024. The condensed interim financial statements, including comparative information, have been prepared on the assumption that the Group restructure had been implemented for the entirety of the current and comparative periods.

These condensed interim financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting and comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The condensed interim financial statements do not include all the information and disclosures required in a full set of annual financial statements prepared in accordance with New Zealand International Financial Reporting Standards (NZ IFRS) and should be read in conjunction with the Group's annual financial statements for the year ending 30 June 2026.

The accounting policies applied in these condensed interim financial statements are intended to be consistent with those that will be applied in the Group's annual financial statements for the year ending 30 June 2026.

The condensed interim financial statements are presented in New Zealand dollars (NZD), which is the functional and presentation currency of the Company. See note 14 for a condensed consolidated statement of profit or loss and other comprehensive income for the period presented in Australian dollars (AUD).

The preparation of the condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates. These judgements and estimates are consistent with those applied in the preparation of the Group's annual financial statements, in accordance with the requirements of NZ IAS 34.

Note 2 Business combinations

On 16 December 2025, the Company completed an internal group reorganisation under which the Company was interposed as the parent entity of the Locate group, with the Australian Entity becoming a wholly owned subsidiary of the Company.

This transaction was outside the scope of NZ IFRS 3 Business Combinations because it involved entities under common control. In accordance with NZ IAS 8, the Group applied a predecessor basis of accounting. Assets and liabilities were recognised at their existing carrying amounts and no goodwill was recognised.

Transaction costs not directly attributable to the issue of equity instruments were expensed as incurred. Costs directly attributable to the issue of equity instruments were recognised in equity.

Note 3 Going Concern

As at 31 December 2025, the Group had a net current asset deficiency of \$2,250,317. During the period, the Company's debt facility with Pure Asset Management (Pure)¹ was moved from a non-current to a current liability, as the facility, which originally had a 4-year term, is scheduled to terminate in November 2026. The Company has commenced discussions with several financiers for the refinancing of the debt facility.

¹ The obligations in relation to the Pure debt facility arose from the operations of the Australian entity prior to its acquisition. The principal amount owing on the facility is AUD\$4,000,000.

Excluding this debt facility (with an accounting balance of \$4,371,330 as at 31 December 2025) from current liabilities, the Group had a net current asset position as at 31 December 2025 of \$2,121,013, including a cash balance of \$1,604,983 and Bitcoin with a market value of \$1,885,115.

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

- Achieving projected revenue growth through the continued success of the Locate2u sales team, and in particular the ability to secure new Enterprise customers for Locate2u, whilst stabilising the recent revenue declines for the Zoom2u business;
- Managing and controlling operating costs;
- Generating positive cash flow from operations;
- Meeting its covenants in relation to the Pure debt facility; and
- Successfully refinancing the Pure debt facility prior to its termination in November 2026.

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

The financial report has been prepared on a going concern basis as the Directors are confident that the above objectives will be met. In addition, if these objectives are not met, the Group has access to a range of equity and debt-raising possibilities to support its operations and ensure the continued viability of the Group. In particular, the Company has an established At-the-Market (ATM) facility, which provides the ability to progressively raise capital through the equity market in an efficient and flexible manner, subject to market conditions. This facility allows the Company to potentially access funding as required without the need for a single, large capital raising, thereby reducing execution risk and potential dilution. Consequently, the Directors believe the Group has the ability to continue its normal operations into the foreseeable future.

Note 4 Operating segments

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

- Zoom2u and 2u Enterprises; and
- Locate2u.

Zoom2u and 2u Enterprises provide delivery and tracking services to customers via an internally developed platform which allows customers to arrange for the delivery of items which are allocated to the closest driver. Fees earned include a fixed booking fee charged to some customers and a platform fee charged to drivers. This segment also includes other revenue from the Shred2u business, ad hoc web development services and bespoke distribution operations.

Locate2u derives most of its revenue from clients paying a monthly subscription fee for access to the Locate2u SaaS product which allows clients to manage their own portfolio of drivers and optimise delivery routes. The Talcasoft business is included in the Locate2u segment.

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

The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. The information reported to the CODM is reported on a monthly basis. The CODM does



not regularly review segment assets and segment liabilities. Refer to the statement of financial position for Group assets and liabilities.

Operating segment information

	Zoom2u and 2u Enterprises		Locate2u		Total	
	31 Dec 2025 (\$)	31 Dec 2024 (\$)	31 Dec 2025 (\$)	31 Dec 2024 (\$)	31 Dec 2025 (\$)	31 Dec 2024 (\$)
Revenue from external customers	1,626,427	2,054,746	1,882,219	1,456,807	3,508,646	3,511,553
Segment result	899,971	1,084,568	(278,190)	(897,107)	621,781	187,461
Unallocated corporate expenses					(2,237,426)	(841,887)
Net finance costs					(384,673)	(280,022)
Net loss before tax					(2,000,318)	(934,448)

Note 5 Other expenses

	31 Dec 2025 (\$)	31 Dec 2024 (\$)
Cost of sales - 2u Enterprises	14,475	109,038
Cost of sales - Locate2u and Talcasoft	138,082	91,638
Merchant fees and credit checks	39,916	44,671
Consulting and professional fees	740,341	109,538
Office and related expenses	93,383	88,996
Bitcoin revaluation loss	451,257	-
Telecommunications and internet expenses	383,299	108,601
Software and subscription expenses	241,628	469,853
Insurance	100,903	114,877
Sundry expenses	317,413	227,938
Total other expenses	2,520,697	1,365,150

Note 6 - Bitcoin

	31 Dec 2025 (\$)	30 Jun 2025 (\$)
Opening Balance	1,770,215	-
Purchases ¹	452,487	1,751,146
Revaluation ²	(337,587)	19,069
Closing balance	1,885,115	1,770,215

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. In the half year ended 31 December 2025, the Company acquired 2.21 Bitcoin at an average price (including transaction fees) of A\$182,190.
2. As the Group's Bitcoin holding up to 31 December 2025 was acquired in Australian dollars, whilst the financial statements are presented in New Zealand dollars, the fair value of Bitcoin at each reporting date is translated into New Zealand dollars using the spot exchange rate at that date, with movements arising from both changes in Bitcoin prices and foreign currency exchange rates reflected in the revaluation of the asset in accordance with NZ IAS 38 and NZ IAS 21 "The Effects of Changes in Foreign Exchange Rates".

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 NZ IAS 38 '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 NZ IFRS 9. It does not give rise to a contractual right to receive cash or another financial asset, nor does it constitute inventory under NZ IAS 2 as it is not held for sale in the ordinary course of business. Accordingly, the Group recognises Bitcoin as an intangible asset with an indefinite useful life.

Initial Recognition and Measurement

In accordance with NZ IAS 38, intangible assets acquired separately are measured initially at cost. Cost is defined under NZ IAS 38 as the purchase price plus any directly attributable costs of preparing the asset for its intended use. Given this definition, the Group 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, NZ IAS 38 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 NZ IAS 38 may only be applied to an intangible asset if there is an active market for that asset. While NZ IAS 38 does not define the term explicitly, the concept is addressed in NZ IFRS 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.

Based on these considerations, the Group has elected to apply the revaluation model for subsequent measurement of its Bitcoin holdings, as permitted by NZ IAS 38. This policy choice requires the asset's carrying value to be updated to fair value at each reporting date.

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 NZ IAS 38'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 NZ IAS 38'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

Note 7 Property, plant and equipment

	Consolidated	
	31 Dec 2025 (\$)	30 Jun 2025 (\$)
Motor vehicles		
At cost	83,517	77,634
Accumulated depreciation	(24,615)	(18,402)
	58,902	59,232
Office equipment		
At cost	64,679	60,123
Accumulated depreciation	(34,111)	(28,519)
	30,568	31,604
Computer equipment		
At cost	130,597	119,833
Accumulated depreciation	(91,541)	(77,873)
	39,056	41,960
Total property, plant and equipment	128,526	132,796

Note 8 Intangible assets

	31 Dec 2025 (\$)	30 Jun 2025 (\$)
Goodwill - at cost	490,003	455,486
Customer list – at cost	877,488	815,677
Accumulated amortisation	(708,297)	(630,809)
Net carrying value	169,191	184,868
Software acquired – at cost	1,730,739	1,608,822
Accumulated amortisation	(1,654,646)	(1,500,403)
Net carrying value	76,093	108,419
Developed software – at cost	4,824,444	3,909,470
Accumulated amortisation	(2,031,234)	(1,462,402)
Net carrying value	2,793,210	2,447,068
Trademarks – at cost	218,528	203,134
Accumulated amortisation	(158,317)	(142,688)
Net carrying value	60,211	60,446
Total intangible assets	3,588,708	3,256,287

Note 9 Borrowings

	31 Dec 2025 (\$)	30 Jun 2025 (\$)
Borrowing - current		
Borrowings – Insurance premium funding	79,554	16,476
Borrowings – Lease finance	12,401	26,606
Pure - Loan facility	4,633,600	-
Fair value of attaching warrants ¹	(668,056)	-
Transaction costs ¹	(163,882)	-
Amortisation of finance component ²	569,667	-
Total current borrowings	4,463,284	43,082
Borrowing – non-current		
Borrowings – Lease finance	22,323	27,135
Pure - Loan facility	-	4,307,200
Fair value of attaching warrants ¹	-	(620,997)
Transaction costs ¹	-	(152,338)
Amortisation of finance component ²	-	426,610
Total non-current borrowings	22,323	3,987,610
Total Borrowings	4,485,607	4,030,692

- The fair value of long term borrowings provided by Pure are based on cash flows discounted using an effective market discount rate available to the Group. The fair values of attaching warrants (A\$576,706) and transaction costs (A\$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 A\$4,000,000. The effective interest rate method is a method of calculating the amortised cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability. The repayment date of the loan is 7 November 2026 and a fixed interest rate of 9.95% per annum applies.
- Pursuant to NZ IFRS 9 Financial Instruments, the payment of the royalty to Pure (see note 10) represents a substantial modification of the terms of the existing liability and requires the original financial liability to be extinguished and a new financial liability to be recognised. Upon recognition of the new loan, a loss on extinguishment of the existing loan of A\$55,123 was recognised in the amortisation of the finance component, together with interest accrued to 31 December 2025 of A\$436,648.

Note 10 Other liabilities

	31 Dec 2025 (\$)	30 Dec 2024 (\$)
Current		
Royalty payable	101,844	84,353
Deferred revenue - Government grants	17,252	-
Other current liabilities	119,096	84,353
Non-Current		
Royalty payable	390,389	331,162
Deferred revenue - Government grants	43,129	-
Other non-current liabilities	433,518	331,162

Following a 'review event' being identified in relation to the EBITDA covenant contained in the Pure Facility Agreement 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 AUD\$750,000

to be paid to Pure quarterly. Pursuant to NZ IFRS 9, Financial Instruments, the payment of the royalty to Pure represented a substantial modification of the terms of the existing liability.

In a substantial modification scenario, any fees between the borrower and the lender are required to be expensed as part of the gain/loss on extinguishment. The amount included in royalty payable as at 31 December 2025 is the amount remaining to be paid to Pure pursuant to the Royalty (AUD \$603,517) which has been discounted to a value of AUD \$424,925 (NZD\$ 492,233) in accordance with NZ IFRS 9, Financial Instruments.

Note 11 Issued capital

	31 Dec 2025 (Shares)	30 Jun 2025 (Shares)	31 Dec 2025 (\$)	30 Jun 2025 (\$)
Ordinary shares - fully paid	297,643,833	232,328,937	29,002,670	25,330,125

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

Note 12 Reserves

	Note	31 Dec 2025 (\$)	30 Jun 2025 (\$)
New employee share option plan	(a)	2,142,291	1,982,739
2024 employee share option plan	(b)	214,638	125,164
Warrants reserve	(c)	-	595,334
Options reserve	(d)	57,341	53,302
Revaluation reserve		-	19,069
Foreign exchange movement		9,753	-
Total		2,424,023	2,775,607

Prior to its IPO, the Company entered into option sale and purchase agreements with each holder of Options pursuant to which it agreed to acquire all of the vested and unvested Options held by the relevant holder in the Australian Entity in exchange for the issue of the same number of Options to acquire shares in the Company, on generally equivalent terms. Upon acquisition of Options, the Company forfeited the Options acquired by it. The issue of the Options occurred immediately following the acquisition of the Australian Entity.

(a) New Employee Share Option Plan

The Company has established an equity-based long-term employee option plan (New ESOP) to assist in the attraction, motivation, retention and reward of key management personnel, and other eligible employees. 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.

At the time of the initial public offering of the Australian Entity on the Australian Securities Exchange in 2021, a number of options were issued to eligible participants. These New Options are fully vested, carry no dividend or voting rights, and are exercisable into one ordinary share for a fixed period, expiring in September 2026.

Other New Options, once vested, remain exercisable for a period of 60 or 72 months from the issue date of the options originally issued by the Australian Entity. New Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable each New Option is convertible into one ordinary share.

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

As at 31 December 2025, 14,702,330 New Options granted to eligible employees under the New ESOP are unexercised. 5,550,000 New Options have an exercise price of either \$0.216 or \$0.218 per share, 493,896 New Options have an exercise price of \$0.377 per share, 7,408,434 have an exercise price of \$0.207 per share and 1,250,000 New Options have an exercise price of \$0.13 per share.

(b) 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. 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 of the options originally issued by the Australian Entity. 2024 Options are granted under the plan for no consideration and carry no dividend or voting rights. When exercisable each 2024 Option is convertible into one ordinary share.

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

As at 31 December 2025, 16,050,000 Options had been granted to eligible employees under the 2024 ESOP. 14,850,000 options with an exercise price of \$0.149 per share and 1,200,000 options with an exercise price of \$0.114 remain unexercised.

(c) Warrants reserve

The proceeds received on issue of the Pure loan facility were allocated into a liability and equity component. The amount initially attributed to the debt component equaled 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 was accounted for as a financial liability measured at amortised cost until extinguished on maturity.

The remainder of the proceeds were allocated to the conversion option and were recognised in the "Warrant Reserve" within shareholders' equity, net of income tax.

Subsequent to initial recognition, the warrants were cancelled following approval by shareholders at an Extraordinary General Meeting of the Australian Entity held on 13 August 2025. In accordance with the terms approved at the meeting, a total of 19,000,000 warrants were cancelled in consideration for the issue of 7,537,204 fully paid ordinary shares to Pure. As a result of the cancellation, the balance previously recognised in the Warrant Reserve was transferred to retained earnings, with no impact on profit or loss.

(d) Options Reserve

On 11 March 2025, the Australian Entity announced that it has received binding commitments from wholesale investors to subscribe for an aggregate 7,142,856 ordinary shares at a price of A\$0.07 per ordinary share to raise A\$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 A\$0.09, and an expiry date of 10 September 2026 ("Investor Options"). A total of 3,571,428 Investor Options were granted to participants in the Placement with exercise prices of either \$0.097 or \$0.099 per share and all remain unexercised.

Note 13 Contingent liabilities

The consolidated entity had no contingent liabilities as at 31 December 2025.

Note 14 Consolidated statement of profit or loss and other comprehensive income for the period presented in AUD

	31 Dec 2025 (AUD\$)	31 Dec 2024 (AUD\$)
Revenue	3,122,125	3,192,607
Finance income	2,076	20,372
Other income	32,715	74,464
Total revenue	3,156,916	3,287,443
Expenses		
Marketing expenses	(74,238)	(131,310)
Employee benefits expense	(1,801,264)	(1,853,113)
Other expenses	(2,189,840)	(1,237,621)
Depreciation and amortisation expense	(473,991)	(636,475)
Finance costs	(344,372)	(274,961)
Total expenses	(4,883,705)	(4,133,480)
Loss before income tax expense	(1,726,789)	(846,037)
Income tax benefit / (expense)	-	(21)
Loss after income tax expense for the half-year	(1,726,789)	(846,058)
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive income attributable to Members of the Parent entity	(1,726,789)	(846,058)

Note 15 Events after the reporting period

There has been no matter or circumstance that has arisen since 31 December 2025 that has significantly affected or may significantly affect the consolidated entity's operations, the results of those operations, or the group's state of affairs in future financial years.

The financial statements presented in this Interim Report are unaudited.