

Locate Technologies Limited (NZX:LOC) Company Number 937 11 62

Review of operations For the half-year ended 31 December 2025

Principal activities

During the half-year ended 31 December 2025, the principal continuing activities of the consolidated entity consisted of:

- Zoom2u: a delivery technology platform connecting customers with drivers for fast delivery services; and
- Locate2u: a software as a service (SaaS) product for delivery and services business

During the half-year, the Group continued to execute on its strategy of scaling recurring SaaS revenues, positioning the Company for long-term sustainable growth. Throughout the period, the Group maintained a strong focus on cost discipline, with the introduction of AI-enabled processes providing opportunities for improved efficiency. The successful completion of the Company's NZX listing and group reorganisation has established a solid platform from which to support future growth and expansion.

The loss after income tax expense for the consolidated entity for the half-year ended 31 December 2025 amounted to \$2,000,318 (31 December 2024: \$934,471). A reconciliation of loss after income tax to Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA¹) and normalised EBITDA² is set out below

| | Consolidated | |
|--|-------------------------|-------------------------|
| | 31 Dec 2025 (\$) | 31 Dec 2024 (\$) |
| Loss after tax | (2,000,318) | (934,471) |
| Add: Finance costs | 387,007 | 302,430 |
| Add: Depreciation and amortisation | 532,670 | 700,060 |
| Add: Income tax expense | - | 23 |
| Less: Finance and interest income | (2,334) | (22,408) |
| EBITDA | (1,082,975) | 45,634 |
| Add: Transaction costs | 608,275 | - |
| Add: Unrealised Bitcoin revaluation loss | 451,257 | - |
| Normalised EBITDA | (23,443) | 45,634 |

¹ EBITDA is a non-IFRS measure that is presented to provide an understanding of the performance of the Group's operations. In the opinion of the Directors, the Group's EBITDA reflects the results generated from ongoing operating activities. The non-IFRS financial information is unaudited.

² Normalised EBITDA adjusts EBITDA for non-recurring transaction costs and non-cash fair value movements in the value of Bitcoin that are not reflective of the Group's underlying operating performance.

Group revenue for the half-year ended 31 December 2025 was \$3,508,646, broadly consistent with the prior corresponding period (“pcp”) revenue of \$3,511,553. Group revenue stability was achieved from growth in the Group’s Locate2u SaaS revenues being offset by lower activity on the Zoom2u platform.

Locate2u recorded revenue for the half-year ended 31 December 2025 of \$1,882,219, representing growth of approximately 29% over the pcp revenue of \$1,456,807.

This growth was primarily driven by continued expansion within existing enterprise customers together with new customer wins. The Locate2u segment recorded a segment loss of \$278,190, a significant improvement on the pcp loss of \$897,107, reflecting improved operating leverage as revenues scale.

The revenue of the Zoom2u business segment (which includes the Zoom2u platform and 2u Enterprises) for the half-year ended 31 December 2025 was \$1,626,427, compared with \$2,054,746 in the pcp.

The Zoom2u courier platform continued to be impacted by subdued consumer demand and competitive pricing conditions. Despite lower revenues, the segment remained profitable at the operating level, delivering a segment result of \$899,971 (pcp: \$1,084,568), reflecting continued discipline on direct operating costs.

Employee benefits expense for the period was \$2,024,260, broadly consistent with the pcp (\$2,038,244), reflecting stable headcount across the Group. Marketing expenses declined to \$83,429 from \$144,428 in the pcp, consistent with the Group’s continued focus on targeted, ROI-driven marketing activity.

Other expenses increased to \$2,520,697 (pcp: \$1,365,150), primarily due to higher professional fees associated with the NZX IPO and group restructure, increased telecommunications and platform operating costs, and the recognition of an unrealised Bitcoin revaluation loss of \$451,257 during the period.

Depreciation and amortisation expense decreased to \$532,670 from \$700,060 in the pcp, reflecting the continued amortisation of certain intangible assets acquired as part of the Local Delivery and Talcasoft acquisitions, resulting in those assets being amortised to a nil carrying value.

Finance costs increased to \$387,007 (pcp: \$302,430), largely due to effective interest rate accounting applied to the Pure debt facility, together with a reassessment of the accounting value of the royalty liability owed to Pure.

As at 31 December 2025, the Group had a cash balance of \$1,604,983 (30 June 2025: \$1,945,761) and Bitcoin holdings with a market value of \$1,885,115 (30 June 2025: \$1,770,215).

The Directors remain confident in the Group’s strategy, particularly the continued scaling of Locate2u’s recurring SaaS revenues, optimisation of the Zoom2u business, and disciplined treasury and capital management.