



Treasury Management Policy

1. Purpose

The purpose of this Treasury Management Policy (Policy) is to establish principles and procedures to manage the financial resources of Locate Technologies Limited (Company Number 9371162) and its subsidiaries (Company or Locate) efficiently. This includes cash management, risk management, and investment strategies, also incorporating Bitcoin as the only cryptocurrency for digital investment as part of the treasury mix.

2. Scope

This policy applies to all financial management activities conducted by the Company, including traditional and digital asset management. It governs employees, directors, and any third parties engaged in treasury activities.

3. Objectives

The primary objectives of this policy are:

- **Liquidity Management:** Ensure sufficient liquidity to meet operational and strategic requirements.
 - **Risk Management:** Minimise exposure to financial risks, including currency, market, and credit risks.
 - **Diversification:** Investments are able to be diversified across asset classes, including digital investment in Bitcoin.
 - **Compliance:** Adhere to all relevant regulatory and governance requirements .
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4. Governance and Oversight

4.1 Delegation

The Board delegates responsibility for compliance with this policy to the CEO and CFO as per the Delegation of Authority.

Delegated responsibilities include:

- Approving treasury strategy operational matters in accordance with this Policy.
- Monitoring treasury performance in accordance with this Policy.
- Reviewing and authorising Bitcoin transactions in accordance with this Policy.

4.2 Authority Limits

Investment decisions in relation to Treasury operations must comply with this Policy.

Authority under this Policy:

- Digital Investments will be limited exclusively to Bitcoin.
- CEO and CFO to receive board approval before any Bitcoin is purchased or disposed of with a value of greater than US \$2 million.
- Cash holdings, excluding Bitcoin, must meet or exceed the minimum requirements stipulated by lender's covenants at all times.
- Any minimum requirements stipulated by lender's covenants in relation to the amount of Bitcoin held must be met or exceeded at all times
- Bitcoin should only be purchased if the forecast cash holdings, after the purchase, remain at least 20% above any cash covenant requirement specified in management's monthly 12 month cashflow forecast. Bitcoin holdings must be converted to cash, if necessary, to ensure compliance with cash covenant requirements.
- The Board retains discretion to allow investments or divestments of Treasury assets outside this range to avoid forced selling or buying when market conditions are considered adverse.

5. Treasury Activities

5.1 Cash Management

- Adequate cash reserves must be maintained for operational requirements and to ensure compliance with lender's covenants, and ensure that cash reserves are at all times > 20% higher than forecast cash required to meet covenant requirements as forecast in management's most recent monthly cashflow forecast.
- Use banking and payment solutions to manage working capital efficiently.
- Forecast cashflows to be prepared on a monthly basis by the finance team for the CEO and CFO to enable monitoring of future cash requirements.

5.2 Bitcoin Strategy

The Company recognises Bitcoin as a digital asset. Bitcoin holdings must follow these guidelines:

- **Investment Focus:** Only Bitcoin will be purchased as part of the digital asset strategy.
- **Custody:** All Bitcoin holdings will be secured through institutional-grade custody solutions or cold storage to mitigate security risks.
- **Monitoring:** Bitcoin prices and market conditions will be monitored monthly to manage volatility.
- **Usage:** Bitcoin may be utilised for long-term investment, strategic transactions, or payment acceptance (if deemed feasible).

5.3 Risk Mitigation

- Monthly portfolio reviews will be undertaken to maintain alignment with the Company's financial strategy, and risk manifest.
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6. Risk Management

6.1 Currency Risk

- Managing exposure to foreign currencies through forward contracts or other hedging instruments should be considered, and Board approval sought if necessary.

6.2 Credit Risk

- Accredited financial institutions and exchanges must only be used for acquiring or divesting Bitcoin.

6.3 Market Risk

- Exposure to high-risk investments, including Bitcoin must be adequately managed, and a regular risk-reward profile be considered on a monthly basis, and before investment or divestment.
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7. Reporting and Monitoring

- Monthly reporting to the CEO and CFO from the finance team. CFO to escalate any potential or actual non-compliance to the Board.

- Monthly reporting to the Board of Directors via the CFO report on compliance with this Policy, acquisitions, investments or divestments made under the policy including the acquisition price, where it is held, liquidity status, and an updated mark to market price, market trends, and management insights.
 - Half year and full year reporting should include a verification update from the Company's external auditor on the ownership, existence, and value of Bitcoin holdings
 - Quarterly independent assurance covering:
 - Testing cut-off to ensure transactions are recorded in the correct period.
 - Testing existence
 - Testing carrying values
 - Ensuring any matters relating to rights and obligations have been appropriately managed.
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8. Compliance and Audit

- Adhere to all applicable regulations, including those related to digital assets such as Bitcoin.
 - External auditors to be provided with access to the CEO and CFO for the purpose of verifying the ownership, existence and valuation of Bitcoin holdings.
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9. Review and Amendments

This policy will be reviewed annually or as necessary to adapt to changes in market conditions, regulations, or strategic priorities. Any amendments must be approved by the Board of Directors.

10. Policy Approval

Approved by: Board of Directors

Date: 30 October 2025

Next Review Date: 30 October 2026