



21 June 2024

Locality Planning Energy Holdings Limited (ASX: LPE) – off-market takeover bid by River Capital Pty Ltd as trustee for River Capital Embedded Network Trust – lodgement of Second Supplementary Target’s Statement

On 16 May 2024, Locality Planning Energy Holdings Limited (ABN 90 147 867 301) (**LPE**) provided to the Australian Securities Exchange (**ASX**), as well as ASIC and LPE shareholders, a Target’s Statement in response to the off-market takeover bid by River Capital Pty Ltd (ACN 073 531 469) as trustee for River Capital Embedded Network Trust (**River Capital**) for all of the fully paid ordinary shares in LPE (**Target’s Statement**).

We attach, as required by section 647(3)(b) of the *Corporations Act 2001* (Cth), a copy of a second supplementary target’s statement (**Second Supplementary Target’s Statement**) of LPE which supplements and should be read with LPE’s First Supplementary Target’s Statement dated 20 June 2024 and the Target’s Statement.

The Second Supplementary Target’s Statement sets out the reasons for LPE Directors unanimously recommending that LPE shareholders **REJECT** River Capital’s offer. To **REJECT** the offer LPE shareholders should **TAKE NO ACTION** and ignore any documents received from River Capital.

The Second Supplementary Target’s Statement has been sent to River Capital and lodged with the Australian Securities and Investments Commission today.

Authorised by the Board.

For further information:

David Jarjoura

Executive Chairman

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About LPE

LPE is a growing electricity provider to strata communities challenging the way customers receive their electricity; leaders in innovation, supporting communities to think of tomorrow. With first to market technology, LPE has delivered renewable solutions for apartment living and carbon neutral centralised hot water systems, creating shareholder value through long term supply agreements that provide strong recurring revenue.

LPE predominantly service the Queensland energy market, selling electricity, hot water, solar and battery systems to strata communities. Supporting those living in strata communities to reduce their carbon footprint and energy bills with no upfront cost.



If you have any questions on this announcement or any past LPE announcements, check out our InvestorHub. Like, comment, ask a question and view video summaries on important announcements. You can find this through the following link or scanning the QR code: investorhub.localityenergy.com.au



THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to its contents, you should contact your financial, tax or other professional adviser immediately

Second Supplementary Target's Statement

This Second Supplementary Target's Statement supplements, and is to be read together with, the Target's Statement dated 16 May 2024 (**Target's Statement**) and the Supplementary Target's Statement dated 20 June 2024 (**First Supplementary Target's Statement**) issued by Locality Planning Energy Holdings Limited (ASX:LPE) (ABN 90 147 867 301) (**LPE**) in respect of the off-market takeover bid made by River Capital Pty Ltd (ACN 073 531 469) as trustee for River Capital Embedded Network Trust (**River Capital**)

REJECT THE OFFER

Your LPE Directors continue to advise you to **REJECT THE OFFER** and **DO NOTHING** in relation to any documents received from River Capital

Important notices

This document is given by LPE under Part 6.5 Division 4 of the Corporations Act and is the second supplementary target's statement (**Second Supplementary Target's Statement**) to the Target's Statement issued by LPE and lodged with ASIC on 16 May 2024 and the First Supplementary Target's Statement issued by LPE and lodged with ASIC on 20 June 2024, in relation to the off-market takeover bid by River Capital (**Offer**). This Second Supplementary Target's Statement supplements, and is to be read together with, the Target's Statement and the First Supplementary Target's Statement. You should read each of the Second Supplementary Target's Statement, the First Supplementary Target's Statement and the Target's Statement in their entirety before deciding whether or not to accept the Offer for your LPE Shares.

If you have recently sold all of your LPE Shares, please disregard this document.

Defined terms and interpretation

Unless the context otherwise requires, capitalised terms and certain abbreviations used but not defined in this Second Supplementary Target's Statement have the meanings given to them in Section 8.1 of the Target's Statement. The interpretation rules set out in Section 8.2 of the Target's Statement also apply to this Second Supplementary Target's Statement. This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement and the First Supplementary Target's Statement.

ASIC and ASX disclaimer

A copy of this Second Supplementary Target's Statement was lodged with ASIC and given to ASX on 20 June 2024. None of ASIC, ASX or any of their respective officers takes any responsibility for the content of this Second Supplementary Target's Statement.

Key dates

Date of Offer	16 April 2024
Date of Target's Statement	16 May 2024
Date of First Supplementary Target's Statement	20 June 2024
Date of Second Supplementary Target's Statement	21 June 2024
Scheduled close of Offer Period (unless withdrawn or extended)	7:00pm (Sydney time) on 5 July 2024

LPE provides the following updates to its shareholders:

1. LPE Directors' recommendation

YOUR DIRECTORS CONTINUE TO RECOMMEND YOU REJECT THE OFFER

On 19 June 2024 River Capital released a Supplementary Bidder's Statement (**Supplementary Bidder's Statement**) setting out the following changes to its Offer:

- (a) River Capital increased its offer price from \$0.08 to \$0.105 per LPE Share (**Revised Offer Price**);
- (b) River Capital declared the Offer unconditional by waiving all of the defeating Conditions; and
- (c) the time for payment of the Offer Consideration has been accelerated to within 7 business days of acceptance of the Offer.

Consistent with your Directors' previous recommendation to reject River Capital's initial Offer, your Directors unanimously recommend that you **REJECT the revised Offer** as it continues to undervalue LPE. Section 2 of this Second Supplementary Target's Statement sets out the reasons for your Directors' recommendation.

To reject the Offer, LPE Shareholders are advised to **DO NOTHING** and **TAKE NO ACTION**.

2. Reasons to **REJECT the revised Offer**

- (a) **The Offer continues to undervalue LPE:** Your Directors are of the view that the Revised Offer Price continues to undervalue LPE and that the value of LPE's current business and long term prospects significantly exceeds \$0.105 per LPE Share.

Sections 1.1 to 1.4 of the Target's Statement provide further information regarding the reasons for your Directors' views on the value and prospects of LPE.

Those views continue to apply in light of the Revised Offer Price. In addition, your Directors consider that:

- (i) the Revised Offer Price does not reflect LPE's expected significant improvement in the net profit result for FY24, with the Board's full year updated guidance set out in the Target's Statement being in the range of \$1.95m to \$2.0m, and EBITDA guidance being between \$3.3m and \$3.5m¹. Your Directors note that the financial information for the month ended 31 May 2024 has now been received and that the results are consistent with the previous guidance; and
 - (ii) the appointment of Mr Scott Taylor as Chief Executive Officer of LPE (as set out in the First Supplementary Target's Statement) will strengthen LPE's management team and help LPE deliver on the initiatives and opportunities for growth set out in the Target's Statement.
- (b) **The Revised Offer Price is below the current and recent trading price of LPE Shares:** LPE notes that LPE Shares have traded on ASX at a premium to the Revised Offer Price of \$0.105 at all times since the release of the Supplementary Bidder's Statement on 19 June 2024.

The Revised Offer Price represents a significant discount to recent trading prices of LPE Shares, including:

¹ This guidance extrapolates the 10-month net profit position to 30 April 2024 out to the end of FY24. However, the Board is not aware of any reason that extrapolating the result in that way is not reasonable. As with all forward-looking information, it is subject to circumstances outside the control of LPE and both revenue and cost metrics may be higher or lower than anticipated. As a result, there can be no assurance that the ultimate result will be consistent with guidance.

- (i) a **discount** of 13.93% to \$0.122, the 30 day volume weighted average price of LPE Shares as at 18 June 2024 (being the last trading day before River Capital announced its Revised Offer Price); and
- (ii) a **discount** of 8.70% to \$0.115, the closing share price of LPE Shares on 20 June 2024 (being the last trading date prior to the release of this Second Supplementary Target's Statement).

For completeness, LPE notes that the Revised Offer Price represents a premium to certain historic trading prices (as set out in section 1 of the Supplementary Bidder's Statement). However, LPE does not consider that these metrics are particularly relevant given the Offer was opportunistically timed to take advantage of LPE Shares trading at a lower price.

- (c) **Your Directors intend to REJECT the revised Offer:** Each of your Directors has confirmed that they consider the Revised Offer Price of \$0.105 per LPE Share undervalues LPE and that they have no intention to accept the Offer in respect of the LPE Shares which they hold or control. The Directors' holdings in aggregate represent approximately 23.88% of the issued LPE Shares.

LPE Director	Number of LPE Shares held directly or indirectly	Voting power
Mr David Jarjoura	200,000	0.11%
Mr Simon Tilley	24,300,000	13.48%
Mr Stan Kolenc	18,537,944	10.29%

Additionally, two of your Directors, Mr Simon Tilley and Mr Stan Kolenc, have separately indicated that they are interested in increasing their respective shareholdings in LPE (to up to 19.99% each) and that they see value in acquiring additional LPE Shares above the Revised Offer Price, as circumstances permit.

- (d) **If you accept the Offer you will be unable to withdraw your acceptance:** Given that River Capital has now declared its Offer unconditional, if you accept the Offer you will be unable to withdraw your acceptance and you will lose control of your LPE Shares. Additionally, if you sell your LPE Shares on market, you will not receive the benefit of any subsequent increase in the Offer Consideration by River Capital, should this arise.

3. LPE Share Buyback

As part of the Board's strategic plans for the future, in April 2024 LPE announced an intention to undertake an on-market share buyback over the course of the next 12 months (within LPE's 10% / 12 month capacity under the Corporations Act) (**LPE Share Buyback**).²

LPE notes that given the Offer has been declared unconditional by River Capital, LPE is now able to conduct the LPE Share Buyback during the Offer Period without triggering the Prescribed Occurrences Condition to the Offer. In light of this, the LPE Directors will make an assessment closer to the end of the Offer Period whether to take steps to initiate the LPE Share Buyback and will advise LPE Shareholders and the ASX accordingly.

4. Takeovers Panel

As announced to the ASX by the Takeovers Panel (**Panel**) on 29 May 2024, River Capital made an application to the Panel on 28 May 2024 seeking a declaration of unacceptable circumstances in relation to certain affairs of LPE. In accordance with Panel rules, LPE can make no comments in respect of the application while it is under consideration by the Panel.

² Further details of the LPE Share Buyback are set out in section 1.7 of the Target's Statement.

5. Additional information

This Supplementary Target's Statement is dated 21 June 2024, which is the date on which it was lodged with ASIC and provided to ASX.

This Supplementary Target's Statement has been approved by a resolution passed by the LPE Directors on 21 June 2024.

A handwritten signature in black ink, consisting of a horizontal line with a loop above it and a larger loop below it.

David Jarjoura
Executive Chair
Locality Planning Energy Holdings Limited