

23 July 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 Fourth Supplementary 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 fourth supplementary target's statement (**Fourth Supplementary Target's Statement**) of LPE which supplements and should be read with LPE's Third Supplementary Target's Statement dated 12 July 2024, LPE's Second Supplementary Target's Statement dated 21 June 2024, LPE's First Supplementary Target's Statement dated 20 June 2024 and the Target's Statement.

The Fourth Supplementary Target's Statement provides an update in relation to the takeover offer and attaches the June quarterly report that was released to the ASX earlier today.

The Fourth Supplementary Target's Statements reiterates the LPE Directors' unanimous recommendation that LPE shareholders should **REJECT** River Capital's offer. To **REJECT** the offer LPE shareholders should **TAKE NO ACTION** and ignore any documents received from River Capital.

The Fourth 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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1300 040 168

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 or ask a question 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

Fourth Supplementary Target's Statement

This Fourth Supplementary Target's Statement supplements, and is to be read together with, the Target's Statement dated 16 May 2024 (**Target's Statement**), the Supplementary Target's Statement dated 20 June 2024 (**First Supplementary Target's Statement**), the Second Supplementary Target's Statement dated 21 June 2024 (**Second Supplementary Target's Statement**) and the Third Supplementary Target's Statement dated 12 July 2024 (**Third 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. You should read each of the Fourth Supplementary Target's Statement, the Third Supplementary Target's Statement, 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 Fourth 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 Fourth Supplementary Target's Statement. This Fourth Supplementary Target's Statement prevails to the extent of any inconsistency with the Target's Statement, the First Supplementary Target's Statement, the Second Supplementary Target's Statement and the Third Supplementary Target's Statement.

ASIC and ASX disclaimer

A copy of this Fourth Supplementary Target's Statement was lodged with ASIC and given to ASX on 23 July 2024. None of ASIC, ASX nor any of their respective officers takes any responsibility for the content of this Fourth 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
Date of Third Supplementary Target's Statement	12 July 2024
Date of Fourth Supplementary Target's Statement	23 July 2024
Scheduled close of Offer Period (unless withdrawn or extended)	7:00pm (Sydney time) on 26 July 2024

LPE provides the following updates to its shareholders:

1. Update on Unsolicited Takeover Offer

On 19 July 2024 River Capital announced that it would not be extending the Offer beyond the scheduled close of the Offer Period. The Offer will therefore expire this Friday 26 July 2024 at 7:00pm (Sydney time).

The LPE Board has consistently advised LPE Shareholders to **REJECT the Offer** and **TAKE NO ACTION** in relation to any correspondence received from River Capital. The Directors continue to believe that the revised Offer Price of \$0.105 per LPE Share significantly undervalues LPE, particularly given the progress of LPE's financial metrics for a second consecutive quarter under LPE's new Board. The Board also maintains its unanimous view that LPE's medium to long term prospects significantly exceed the revised Offer Price of \$0.105 per LPE Share.

It is noted that LPE Shares continue to trade above this revised Offer Price.

The Board continues to work with LPE management to identify and review new revenue opportunities from its business focus, as well as pursue cost efficiencies. LPE's people remain engaged and focused, and LPE acknowledges their culture of support and customer engagement, all which continue to strengthen LPE.

With the commencement this week of Scott Taylor as LPE's new CEO, the Board is confident about the long term future of LPE. Mr Taylor's leadership abilities and deep industry experience will serve to build LPE Shareholder value and strengthen LPE's business.

LPE Shareholders are therefore strongly advised to **REJECT the Offer** and **TAKE NO ACTION** in relation to any correspondence received from River Capital.

2. Financial update

Earlier today, LPE lodged its Appendix 4C (see Annexure 1 of this Fourth Supplementary Target's Statement).

LPE notes that the fourth quarter of FY24 has been a positive quarter for LPE. LPE looks forward to delivering ongoing positive momentum with the expectation that FY25 will show a significant improvement to FY24.

3. LPE Share Buyback

As previously announced, LPE has lodged forms with ASIC which will permit LPE to acquire LPE Shares on-market on and from 25 July 2024.

However, the amount and timing of the previously announced LPE Share Buyback will be dependent on market conditions, including the LPE Share price. Further details of the LPE Share Buyback are set out in the Appendix 4C (see Annexure 1). At this stage, the LPE Share Buyback will be funded by cashflow and cash reserves.

4. Additional information

This Fourth Supplementary Target's Statement is dated 23 July 2024, which is the date on which it was lodged with ASIC and provided to ASX.

This Fourth Supplementary Target's Statement has been approved by a resolution passed by the LPE Directors on 23 July 2024.



David Jarjoura
Executive Chair
Locality Planning Energy Holdings Limited

23 July 2024

Quarterly Report for the period ending 30 June 2024

Highlights

- LPE reports positive cash flow for the FY24 June Quarter and for the full FY24.
- LPE funded all capital growth works in FY24 through working capital and will continue this into FY25.
- Subject to completion of our audit, the Board maintains its guidance for FY24 net profit of \$1.95m to \$2m.
- The Board expects profitability for FY25 to significantly exceed the levels achieved in FY24 and expects to commence its share buyback in Q1 FY25.
- New CEO Scott Taylor has now commenced with LPE and the Board is very excited about LPE's prospects moving forward under Scott's guidance as an experienced executive.

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Embedded electricity provider, Locality Planning Energy Holdings Limited (ASX: LPE) (the **Company** or **LPE**), is pleased to provide an overview of activities for the period ending 30 June 2024 (**Quarter**).

During the Quarter, our people continued their focus on:

- Ensuring efficient operations,
- Growing the number of our service points,
- Improving our customer experience, and
- Strengthening our revenue per customer.

Subject to the completion of our company audit, the Board maintains its guidance for the financial year 2024 net profit of \$1.95m to \$2.0m.

Update on Unsolicited Takeover Offer

On 19 July 2024 River Capital Pty Ltd (ACN 073 531 469) as trustee for River Capital Embedded Network Trust (**River Capital**) announced that it would not be extending its unconditional takeover offer (**Offer**) beyond the scheduled close of the Offer Period. The Offer will therefore expire this Friday 26 July 2024 at 7:00pm (Sydney time).

The Board of LPE has consistently advised LPE shareholders to **REJECT the Offer** and **TAKE NO ACTION** in relation to any correspondence received from River Capital. The Directors continue to believe that the revised offer price of 10.5 cents per LPE share significantly undervalues LPE, particularly given the progress of LPE's financial metrics for a consecutive second quarter under LPE's new Board. The Board also maintains its unanimous view that LPE's medium to long term prospects significantly exceed the revised offer price of 10.5 cents per LPE share.

We note that LPE shares continue to trade above this revised offer price.

The Board continues to work with LPE management to identify and review new revenue opportunities from its business focus, as well as pursue cost efficiencies. LPE's people remain engaged and focused, and we acknowledge their culture of support and customer engagement, all which continue to strengthen LPE.



With the commencement this week of Scott Taylor as LPE's new CEO, the Board is confident about the long term future of LPE. Mr Taylor's leadership abilities and deep industry experience will serve to build LPE shareholder value and strengthen LPE's business.

LPE shareholders are therefore strongly advised to **REJECT the Offer** and **TAKE NO ACTION** in relation to any correspondence received from River Capital.

Strategy Review

The Board will share its revised strategy for the future of LPE in detail with the release of its Annual Report, prior to 30 August 2024. Our strategy, which includes our revised purpose, vision, values and customer value proposition, will be LPE's roadmap for its future.

Bundaberg BioHub

On 1 July 2024, following discussions and the lodgement of the BioHub development application, LPE varied its loan agreement with Bundaberg BioHub Pty Ltd (**Bundaberg BioHub**) to extend the repayment date for the full loan repayment amount by 90 days, to 30 September 2024. LPE confirms that Bundaberg BioHub continues to meet its monthly interest payment obligations, with interest on the outstanding debit being 15% per annum.

Financial Commentary

Cash inflows of \$10.4m for the Quarter comprised \$9.5m in customer receipts and \$0.87m from closing the electricity hedge book.

For the Quarter, LPE applied \$0.6m of the Queensland Government's Cost of Living Rebate towards settling customer accounts which translated to \$10.1m in normalised receipts against \$9.5m in operating outflows. The Board notes it has expensed a significant portion of the costs of River Capital's Offer in the Quarter. With River Capital confirming it will not extend the Offer beyond 26 July 2024, the Board is expecting that significantly less time and cost will be spent on the Offer in FY25.

Product manufacturing and operating costs were \$7.5m for the Quarter, a reduction of \$1.7m on the third quarter of FY24. Meanwhile, all other costs totalled \$2m which included an extra pay cycle over the third quarter of FY24.

Payments to related parties as shown in the accompanying Appendix 4C were for LPE directors' fees, remuneration and superannuation.

As previously announced, LPE received \$22.4m from the Queensland Government's Cost of Living Rebate and \$6.9m from the Commonwealth Government's Energy Rebate and LPE has commenced crediting these amounts against open customer accounts.

The Quarter has been a positive quarter for LPE. LPE looks forward to delivering ongoing positive momentum with the expectation that FY25 will show a significant improvement to FY24.

Share Buyback

Amounts and timing will be dependent on market conditions, including LPE's share price. At this stage the proposed Buyback will be funded by cashflow and cash reserves.

Authorised by the Board.

For further information:
David Jarjoura
Executive Chairman
investors@localityenergy.com.au
1300 443 735

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About LPE

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Locality Planning Energy Holdings Ltd

ABN

90 147 867 301

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	10,381	32,129
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	(7,486)	(30,495)
(c) advertising and marketing	(16)	(101)
(d) leased assets	(89)	(353)
(e) staff costs	(1,173)	(4,881)
(f) administration and corporate costs	(738)	(2,888)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	296	1026
1.5 Interest and other costs of finance paid	(157)	(675)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (provide details if material)	16	13,256
1.9 Net cash from / (used in) operating activities	1,034	7,018
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	0	(112)
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	(20)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	18	63
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	110
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from / (used in) investing activities	18	41

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings	0	54
3.6	Repayment of borrowings	(821)	(5,164)
3.7	Transaction costs related to loans and borrowings	(3)	(17)
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	(824)	(5,127)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,250	1,546
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,034	7,018
4.3	Net cash from / (used in) investing activities (item 2.6 above)	18	41

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(824)	(5,127)
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	3,478	3,478

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,478	3,250
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,478	3,250

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	83
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	10,720	4,053
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	10,720	4,053
7.5 Unused financing facilities available at quarter end		6,668
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>As at the quarter end, \$0.721m of the Company's loan drawn in item 7.1 (Hedge Facility) represents the upfront payment by Roadnight Capital Pty Ltd to retire all the Company's debts (see ASX announcement 26 September 2022). The repayment of the upfront payment is fully covered and serviced by outstanding cashflows through to January 2025 from the unwinding of the wholesale electricity hedge positions, with the receivable balance being \$0.75m as at the quarter end. This represents a 10% discount to the face value of the future cashflow. The effective interest rate of the discount is 16.7% per annum due to the short timeframe and accelerated repayments from the closed derivative position being mostly repaid within initial 12 months.</p> <p>The Company has access to a \$10m loan facility to grow its embedded network business with Roadnight Capital Pty Ltd, maturing December 2025 (Growth Facility). \$3.332m of the Growth Facility has been utilised. Interest is calculated at 8% per annum plus an annualised adjustment based on the 30-day BBSW and is paid monthly.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	1,034
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,478
8.3 Unused finance facilities available at quarter end (item 7.5)	6,668
8.4 Total available funding (item 8.2 + item 8.3)	10,146
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 23 July 2024

Authorised by: the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.