

Locality Planning Energy Holdings Limited

Appendix 4E – Preliminary Final Report

For the year ended 30 June 2024

Name of entity:	Locality Planning Energy Holdings Limited
ABN or equivalent company reference:	90 147 867 301
Current reporting period:	1 July 2023 to 30 June 2024
Previous reporting period:	1 July 2022 to 30 June 2023

Results for announcement to the market

Revenue for ordinary activities	Up	5.1%	to	\$42,023,618
Net profit from ordinary activities after tax attributable to members	Up	116.7%	to	\$2,006,424
Net profit from ordinary activities attributable to members	Up	116.7%	to	\$2,006,424

Net Tangible assets per share

	30 June 2024	30 June 2023
	\$	\$
Net Tangible assets per share	0.0564	0.0441
Final & interim dividend paid	nil	nil

PERFORMANCE HIGHLIGHTS

Revenue \$42 million up 5.1

Increase Net Tangible Assets (NTA) by 27%

Reduced our Debt to Total Asset ratio to 17% from 36%

Net Profit After Tax (NPAT) is up 117% to \$2 million

This reflects a \$14m turnaround from the 2023 Financial Year.

First underlying profit in LPE's history as a listed entity (2016).

FY2024 is the first year LPE has not relied upon additional capital to increase the cash position which has strengthened from \$1.5m to \$3.5m.

OPERATIONAL AND FINANCIAL REVIEW

Our refocused strategy and business plan has successfully delivered a profit of \$2 million with notable improvement over the second half of the year. This includes expensing extraordinary items for defending the recent unsolicited hostile takeover bid. The FY2024 impact has been \$190k with the total to be circa \$270k.

- LPE is now a sustainable business
- Our GP% improved to 26%
- Operating costs remained static and
- We received interest payments of \$461k from the Biohub

This report should be read in conjunction with Locality Planning Energy Holdings Limited Directors' Reporting incorporating the Operating and Financial Review and the 2024 Annual Report released to market on 27th August 2024.

The Consolidated Financial Statements contained with the 2024 Financial Report, upon which this report is based, have been audited by Bentley's.



Annual Report 2024

Locality Planning Energy
Holdings Limited

Ready for the future

OUR VALUES

Integrity

We do what we say we will do

Teamwork

We are one team



Service

We are customer focused

Performance

We strive for better performance

Growth

We are always learning



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WHO WE ARE

Our Purpose

Is to work with customers to deliver better local solutions

Our Vision

Is to be the provider of choice to deliver better local solutions

LPE is based on the Sunshine Coast in Queensland, Australia.

LPE was established in 2012, listed on the Australian Stock Exchange (ASX) in 2016 and is an Embedded Network Manager (ENM) providing electricity, hot water, solar and battery systems, creating shareholder value through long term supply agreements that provide strong recurring revenue.

LPE services customers, communities, townhouses, apartment complexes and new developments throughout Queensland and Northern New South Wales.

Understanding our customers

We understand that our customers have specific needs individual to them. We believe that working together through our innovative thinking we can create resilient, sustainable communities of the future, providing simple and transparent energy solutions for the customers we serve.

Delivering the latest solutions

We achieve this by providing practical innovative solutions that adopt the latest technologies and products within our privately owned networks, reducing our dependency on the grid. Examples include smarter and more efficient water heating solutions and Electric Vehicle (EV) charging options that are easy for the end user and not onerous on owners. We offer simple bills that are transparent for all stakeholders.

Offering a seamless experience

With a renewed focus on our core business as an ENM, we deliver embedded electricity networks, centralised hot water, behind the meter renewable energy generation, and EV charging solutions for strata communities.

From concept through to operations we manage every step, delivering a hassle-free result making it easy for the developer, builder, body corporate, and strata manager as a complete service with the community and customer remaining front of mind.



ENERGY SOLUTIONS: HOW WE CREATE VALUE FOR ALL

LPE is a services company that empowers local places with the best energy solutions to over 371 communities and 25,582 customers equaling 32,200 billable service points.

We continue to work with customers, communities and partners to find new ideas and solutions to take us into the future.

With 32,200 contracted service points, we provide infrastructure like returns with long-term supply contracts, long-term annuity style income and regulated based revenues. We have a significantly diversified asset base and business platform to add innovative products and leverage digital opportunities.

Communities, Customer & Tenants

We offer affordability, lowering the cost of living with better than default market rates with reduced maintenance and ongoing capital responsibility. We offer reliability with the opportunity for local generation via solar PV, onsite storage with batteries, EV charging and improved productivity. Above all, we offer Choice with different pricing options.

Owners & Body Corporate

We strive to provide superior customer, owner and body corporate experience with a reduced total cost of ownership for infrastructure by buying electricity in bulk.

We make the process easier by transferring maintenance and capital responsibility to LPE and actively managing green targets. We are a bespoke utility and partner strategically managing the future adoption of innovations and new solutions.

Asset Management

We make it easy for strata managers to deliver cost effective services to communities and improve the user experience by eliminating pain points to optimise demand, revenue and earnings. We also ease the burden of market compliance.

Builder

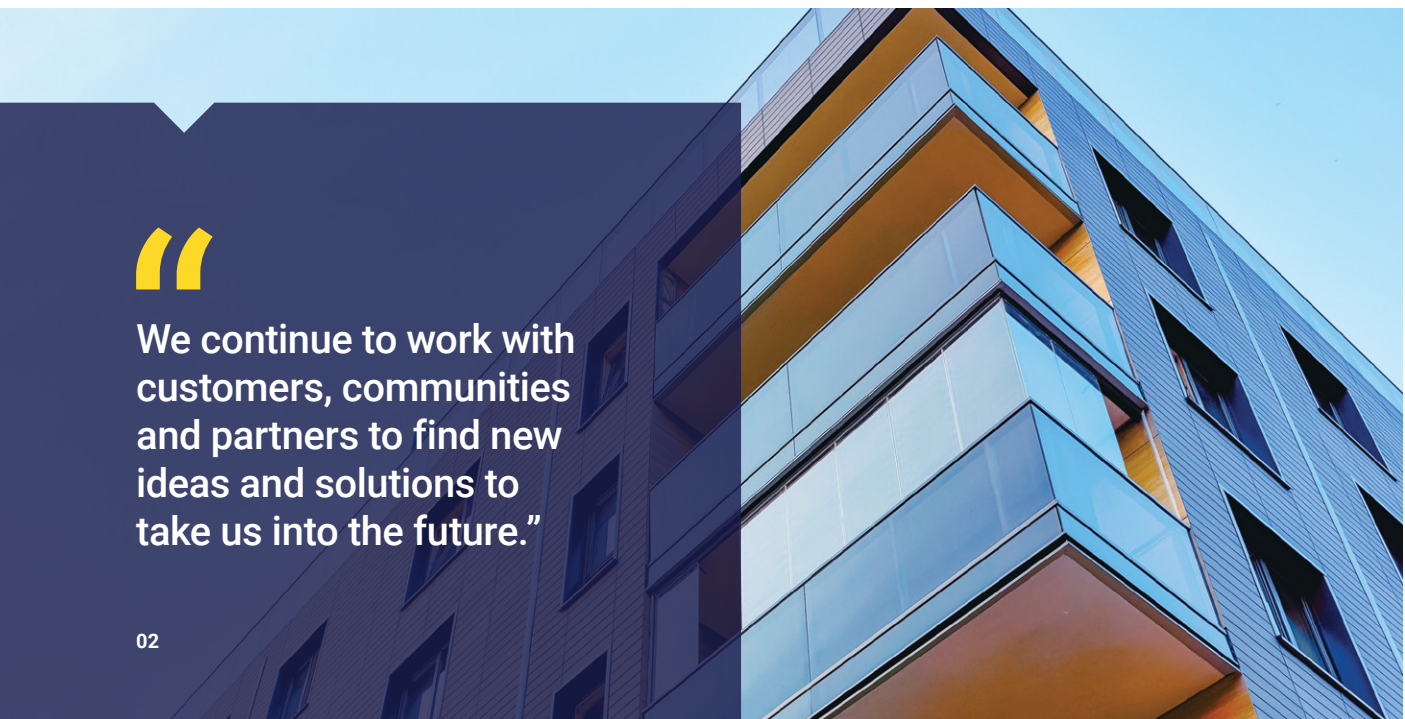
We help reduce the sunk cost of capital for builders and provide an alternative to the market. We also improve the procurement of infrastructure and utility services as we manage the development, design and delivery of the solutions.

Developer

We provide a competitive differentiator for developers including helping to achieve developer obligations such as Green Star and NABERS, as well managing the risks associated with the utility markets.

“

We continue to work with customers, communities and partners to find new ideas and solutions to take us into the future.”



PERFORMANCE HIGHLIGHTS

Revenue

\$42m

up 5.1%

Net Profit After Tax
(NPAT) is up 117% to

\$2m

This reflects a

\$14m

turnaround from
the previous 2023
Financial Year

Reduced debt ratio
from 36% to

17%

First year LPE has not relied upon additional
capital to increase the cash position which
has strengthened from \$1.5m to

\$3.5m

First underlying
Net profit in
LPE’s history
as a listed entity
(2016)



EXECUTIVE CHAIRMAN'S REPORT



David Jarjoura
Executive Chairman



“

We are proud to be working hard to deliver value to our shareholders and customers, following a strategic reset.”

Dear Shareholders,
FY2024 was a pivotal year for our company as we refocused on business fundamentals, revitalised the Board, and appointed a new experienced CEO, Scott Taylor. It has been a significant period of progress particularly the last six months.

Improving performance

I am pleased to report that the Board, together with our team, have worked effectively to deliver the fiscal year to 30 June 2024 (FY2024) results that include simplifying the business and achieving our first underlying profitable year since listing in 2016, without the need to raise further capital or increase our borrowings since 2017. The cash position continues to strengthen.

The new strategic model has successfully delivered a profit of \$2 million. This includes expensing extraordinary items for defending the recent unsolicited takeover bid of \$190k. Revenue was up 5.1% on the previous period to \$42 million.

Net profit after tax was up 117% to \$2 million. Due to previous accumulated losses, no tax has been paid for the same period. It is particularly pleasing to report that gross profit improved from 2.4% to 26%. Despite operating in an inflationary environment, operating costs remained stable coupled with the benefit of the debt reduction resulting in less material finance costs.

A significant improvement of Net Tangible Assets per share of 28% to 5.6c per share from 4.4c per share has been realised. Another positive outcome is that LPE received payment of \$461k from the BioHub loan over the last six months of FY2024. Interest on cash investments earned \$126k during the year.

Debt ratio to total assets has reduced to 17% from 36% over the 12-month period. The balance sheet continues to stabilise and strengthen as we remain focused on reducing legacy debt and reset the business foundations to prepare for further growth.

The company looks forward to delivering ongoing positive momentum and financial discipline.



A clear growth strategy

LPE is ready for growth. The Board worked with management to identify and review new revenue opportunities, as well as pursue productivity cost efficiencies. Our people are engaged and focussed on our future, and we acknowledge their commitment to our customers and the company in particular over the last six months which continues to fortify LPE.

The FY2025 priorities are twofold: focus on the core business of better energy solutions for strata communities and strengthen our service delivery process to improve the customer journey and experience. We are investing in our Value Proposition to move beyond price to meet the future needs of customers and their communities.

Our people continued their focus on:

- Embracing our purpose, vision and values;
- Ensuring efficient operations;
- Growing the number of our strata communities;
- Improving our customer experience; and
- Strengthening our revenue per customer.

Strong leadership and road map for the future

It is very pleasing to work with, and lead, a renewed board and welcome our new CEO, Scott Taylor. His leadership abilities and deep industry experience will serve to optimise and strengthen the business.

Our strategy for the future of LPE was released 27th August and outlined in this report. Our Strategy including Our Purpose, Our Vision, Our Values and Customer Value Proposition will be the roadmap for our future and how we measure our success.

Outlook

We have come a long way over a short period.

Reflecting on the historical performance and the sentiment of investors and customers, it was apparent that LPE was focusing on too many competing priorities and lost focus on the basics. Lessons have been learned.

LPE was exposed to external acquisition due to perceived underperformance reflected in the share price. This has been averted.

We are moving from transactional services to working with customers to develop better solutions to meet the needs of our current and future communities. The next period of renewal will have its challenges however offers new opportunities as we work towards LPE's position as a respected industry leader.

Looking forward to building a positive future – together.

On behalf of the Board, our thanks to the management team for steering LPE through our turnaround. In addition, a huge thank you to our People for their tireless work effort throughout this period of growth and to our shareholders for your patience and ongoing support.

The Board looks forward to delivering continued growth in 2025 and expanding LPE's customer footprint as the preferred provider of electricity and utilities to strata communities.

David Jarjoura

David Jarjoura
Executive Chairman

WELCOME SCOTT TAYLOR

**Scott Taylor joined
LPE as the new
Chief Executive Officer
22 July 2024.**

Scott brings a deep commercial experience from working within the energy, property and technology markets, including several overseas roles in Europe and USA. Scott enjoys working in the development and implementation of innovative businesses that disrupt the traditional approaches, such as the introduction of wind farms into Australia's energy mix.

We sat down for a fireside chat to learn more about our new leader.

Tell us more about your career.

My journey here has not been a typical straight line, rather it is a diverse range of experiences and learnings that mutually complement each other in a way that allows me to think outside the box to find better ways to deliver value.

My first ten years were spent in the Australian Army where I started a lifelong learning about what makes a great leader, and developed an appreciation for strategy, logistics and cultivated a deep sense of service.

I transitioned into the corporate world with roles at Comalco Smelting, Energex and Tarong Energy where I learned about energy markets, the importance of managing risk and that systems drive both behaviour and organisational performance.

Since 2007, my commercial experience and skills have been honed working in ASX listed companies with global operations and projects such as Infigen Energy and Lendlease. This included leading the growth of Lendlease's Living Utilities business, which contributed to Barangaroo South becoming Australia's first carbon neutral and water positive precinct with Australia's first open ended network.



Scott Taylor
Chief Executive Officer



The company has so much potential and opportunities to serve the community with solutions in an industry that I know and understand very well."



LPE has an exciting role to play in helping this industry thrive. That is why we are excited about the future.”

This variety of executive leadership roles, constant theme of leading strategic change and combination of experiences in energy and property markets is an ideal experience to lead LPE through the next chapter.

What attracted you to the leadership role at LPE?

The team and the industry. New business models, ideas and technologies, coupled with consumer empowerment and environmental objectives, are driving an entirely new wave of better local energy services.

This is a perfect opportunity to return to my ‘happy place’ as I am a real energy nerd who likes to find better customer solutions through innovative solutions and scaling up a business based on growing a value proposition that can be shared with all the stakeholders.

It is an innovative industry undergoing unprecedented change. In the words of Abraham Lincoln, “The best way to predict the future is to create it.”

I am drawn to leading change and transformation and the challenges and opportunities offered by leading LPE into the future. The company has so much potential and opportunities to serve the community with solutions in an industry that I know and understand very well.

What do you see as the industry opportunity?

The industry continues to be ripe for innovation. There is a spotlight on how we tackle climate change, with economic and infrastructure pressures and uncertainty around pricing. There is an important role for renewables, the electrification of industry such as electric vehicles and there is a lot of national discussion helping to shape our thinking, investment, innovation and policy.

It is also important to note that we play a role within the built environment, and the role of energy in the cost-of-living crisis faced by many people in the community. We therefore also need to work with the property market to provide an adequate supply of affordable places with access to cheap and reliable sources of energy.

What leadership lessons define your style

I strongly believe in being guided by my values – respect, integrity and acknowledging the needs of all our stakeholders. Many lessons come from my time in the Army. This is a team game and central to this is trust, transparency and being a good neighbour and partner, delivering on our commitments consistently. Corporate social responsibility and governance plays a crucial role, one I take seriously, as we seek to provide stable and predictable returns to our shareholders, and reliable solutions and growth to our stakeholders.

What is your vision for the LPE?

Put simply, our purpose is to work with customers to deliver better local solutions for our communities that are affordable, reliable and sustainable.

Our vision is to be the provider of choice for customers, communities, place owners, managers and developers.

As we live with our customers, relationships that can last decades, this includes understanding emerging issues and problems, and working with customers to come up with better solutions that survive the passage of time.

We want to make a positive difference and continue to make improvements to deliver positive outcomes and build a sustainable platform for growth.

What we know is there is growing demand for better solutions, and we need to adapt to meet our sustainable development objectives. I see collaboration with all the participants in the market to co-develop our regulatory framework as a sensible approach. This approach will serve and benefit everyone.

LPE has an exciting role to play in helping this industry thrive. That is why we are excited about the future.

Tell us something personal about yourself.

After moving to Sydney in 2007, my wife and I were happy to return to Queensland to spend time with our family and friends. We moved to Kawana in late 2021 and we are very pleased to call the Sunshine Coast home.

From here we continue to collect new experiences, travelling throughout Australia and overseas, reminding us of how lucky we are to be in the best place to call home.



OPERATIONAL AND FINANCIAL REVIEW

Our refocused strategy and business plan has successfully delivered a profit of \$2 million with notable improvement over the second half of the year. This includes expensing extraordinary items for defending the recent unsolicited hostile takeover bid. The FY2024 impact has been \$190k with the total to be circa \$270k.

Net profit after tax was up 117% to \$2 million. Due to previous accumulated losses, no tax has been paid for the same period. It is particularly pleasing to report that gross profit improved significantly to be the first underlying net profit in LPE's history as a listed entity (2016).

Despite operating in an inflationary environment, operating costs remained stable coupled with the benefit of the debt reduction resulting in materially less finance costs.

There is a significant improvement of Net Tangible Assets per share of 28% to 5.6c per share from 4.4c per share. Further LPE received interest payment of \$461k from the BioHub loan over the last six months of FY2024 in line with our agreement. Interest on cash investments earned \$126k during the year.

The debt ratio to total assets has reduced to 17% from 36% over the 12-month period. The balance sheet continues to be strengthened as we remain focused on reducing legacy debt and resetting the business foundations to prepare for further growth.

FY2024 is the first year LPE has not relied upon additional capital to increase the cash position which has strengthened from \$1.5 million to \$3.5 million.

The company looks forward to maintaining positive momentum and financial discipline.

Outlook

In FY2025, the Board expects continued growth from our core embedded network business. We will continue to implement a simpler, more efficient LPE that we believe is better positioned to capitalise on growing trends in our market.

The company has moved towards delivering **better energy solutions** with increased emphasis on living our core values of:

- ▶ Integrity
- ▶ Teamwork
- ▶ Service
- ▶ Performance
- ▶ Growth

Our Customer Value Proposition continues to evolve as we work with partners, communities and customers to find new ideas and solutions to take us into the future.



As the population grows and urbanisation increases with our communities pursuing efficient and affordable energy solutions, we continue to position ourselves for success.

It's the right time, right place.

The next renewal period will have challenges to solve, however it also gives us new opportunities to work with our customers to become an industry leader and provider of choice.

Our focus for 2025: strategic priorities

With a focus on improving outcomes for all stakeholders, LPE has adopted a five-year strategy with the following three horizons:

- 1 Focus on the foundations by of improving customer satisfaction and retention, growing the business through acquiring new sites scale LPE to reduce the cost per serve and increase margins.
- 2 Grow revenues and the business through buying energy better, providing better value-added products and looking at the role of batteries, micro-grids and Virtual Power Plants.
- 3 Become an industry Leader by extending beyond energy to look at additional services, working with Customers to solve new and emerging problems such as improving our value proposition for Social and Affordable Housing.

LPE is both excited about the future and with fresh leadership, and is ready for growth.

“

As we continue to live with our Communities, our relationships can last decades, which includes understanding emerging issues and problems, and working with Customers to come up with better solutions that survive the passage of time.”

– Scott Taylor, CEO

LEADERSHIP TEAM



Scott Taylor
Chief Executive Officer

Scott has over 30 years' experience in energy, property, and technology, with a key focus on the development and implementation of innovative businesses that disrupt the traditional approaches to have a positive impact on people, places and profits.

Scott brings commercial experience including several overseas roles in the UK and US, and has a proven track record of leading start-ups through the scale-up phase in new and emerging markets.

Scott's experience in embedded networks and property development bring significant value to LPE. His sector knowledge and strategic leadership can also enable LPE growth ambitions and add value for LPE's customers.



Michelle Alexander
Chief Financial Officer

Michelle has over 20 years' experience in accounting and financial management across the banking, hospitality, and energy sectors.

As an experienced finance professional, Michelle joined LPE in March 2019 and is passionate about lifelong learning and is committed to optimising financial operations and driving sustainable long-term growth.



Charlie Notting
Head of Sales & Solutions

Charlie has over 15 years' experience in multi-residential building hydraulic design with a focus in centralised hot water and embedded energy solutions.

With experience in sales and operations management, Charlie joined LPE in January 2019, and has excelled in identifying market opportunities, developing business strategies and partnerships, managing high-profile customer accounts, and driving revenue growth.

Charlie's commitment and proactive approach to continuous improvement, operational efficiencies, strong leadership and skilled stakeholder relationship building make him a valuable leader at LPE.



Brendan Kay
Chief Operating Officer

Brendan is MBA qualified with over 6 years' experience in the renewable energy industry, paired with over a decade of leadership experience.

Brendan joined LPE in July 2023 and is committed to executing long-term operational excellence and strategic growth in a dynamic and competitive energy market.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity (referred to hereafter as the Group or Consolidated Entity) consisting of Locality planning Energy Holdings Ltd (referred to hereafter as the Company or LPE) and the entities controlled at the end of and during the year to 30 June 2024.

Directors and Company Secretary

The names of directors who held office during the year and up to the date of this report are:



David Jarjoura

Executive Chair

David has over 30 years of executive and non-executive board level experience in unlisted public, commercial and for purpose organisations across the retail, property, manufacturing, financial, legal, education and disability sectors.



Simon Tilley

Non-Executive Director

Simon has been working in the hospitality industry for over 30 years. He started his career in the USA and has been focusing his attention solely on hotels since 1996. Further, Simon is a passionate and focused business owner whose knowledge and experience allows him to continually raise the bar in customer experience.



Stan Kolenc

Non-Executive Director

Stan is a Senior Managing Director of a Canadian pension fund. He has over 17 years of NED experience and is currently the Chairman of Kinetic and Flow Power as well as an NED of Australian renewable companies Ararat Wind Farm and Zenith Energy. He holds a Bachelor of Engineering Science (BESc) with distinction from The University of Western Ontario and is a Chartered Financial Analyst (CFA) Charter holder.



Elissa Hansen

Company Secretary

Elissa has over 20 years' experience advising boards and management on corporate governance, compliance, investor relations and other corporate related issues. She has worked with boards and management of a range of ASX listed companies including assisting companies through the IPO process. Elissa is a Chartered Secretary who brings best practice governance advice, ensuring compliance with the Listing Rules, Corporations Act and other relevant legislation.

DIRECTORS' REPORT (continued)

Director Meetings

Director	Board Meetings		Audit and Risk Committee Meeting	
	Eligible to attend	Attended	Eligible to attend	Attended
David Jarjoura	14	14	1	1
Simon Tilley	14	12	1	1
Stan Kolenc ¹	12	11	1	1
Justin Pettett ²	6	6	1	1
Damien Glanville ²	6	6	–	–
Barnaby Egerton-Warburton ²	6	6	1	1
Kathryn Giudes ²	6	5	1	1

1. Appointed 21 September 2023

2. Resigned 6 February 2024

REMUNERATION REPORT (AUDITED)

The Company is committed to attracting and retaining the best people to work in the organisation, including directors and senior management. A key element in achieving that objective is to ensure that the Company can appropriately remunerate its key people.

Remuneration Practices

The Board fulfills its responsibilities to shareholders with respect to remuneration by:

- (a) establishing the remuneration framework;
- (b) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
- (c) ensuring that the executive remuneration policy demonstrates a clear relationship between senior executive performance and remuneration;
- (d) setting the remuneration of executive Directors;
- (e) fairly and responsibly rewarding executives having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
- (f) approving the Company's recruitment, retention and termination policies and procedures for senior management;
- (g) reviewing and approving the remuneration of the Chief Executive Officer and, as appropriate other senior executives; and
- (h) reviewing and approving any equity based plans and other incentive schemes.

The Board has the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

The Key Management Personnel (KMP) of Locality Planning Energy Holdings Limited and the consolidated entity includes the directors of the Parent Entity.

Remuneration Policy

The Board's policy for determining the nature and amount of remuneration for KMP of the Consolidated Group is based on the following:

- The remuneration policy is to be developed and set by the Board after professional advice is sought from independent external consultants, where necessary.
- All KMP receive a base salary (which is based on factors such as length of service and experience), and superannuation.
- The Board reviews KMP packages annually by reference to the Consolidated Group's performance, executive performance, and information from comparable industry sectors.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment, and responsibilities. During FY2024, non-executive directors, Messrs. Tilley and Kolenc, elected to defer their remuneration for non-executive directors' fees.

The Board determines remuneration for non-executive directors and reviews their remuneration annually, based on market practice, duties, and accountability. Independent external advice is sought when required.

At the 2023 Annual General Meeting (**AGM**), 96.80% of votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

REMUNERATION REPORT (AUDITED) (continued)

Details of the remuneration of key management personnel of LPE are set out in the following tables.

2024 Remuneration

	Short Term Employee Benefits	Post Employment Benefits	Long Term Employment Benefits	Equity based Payments	Termination Benefits	Total
	Salary & Fees	Superannuation				
Directors						
David Jarjoura	\$125,378	\$13,792	–	–	–	\$139,169
Justin Pettett ¹	\$132,126	\$14,534	–	\$13,441	–	\$160,101
Damien Glanville ²	\$315,411	\$15,807	–	–	–	\$331,218
Barnaby Egerton-Warburton ¹	\$36,034	\$3,964	–	–	–	\$39,998
Kathryn Giudes ¹	\$36,034	\$2,864	–	–	–	\$38,898
Simon Tilley	–	–	–	–	–	–
Stanislav Kolenc ³	–	–	–	–	–	–
Executives						
Damien Glanville ²	\$248,950	\$10,594	–	(\$20,518)	\$31,154	\$270,180
Michelle Alexander ⁴	\$218,000	\$23,980	\$4,837	\$9,548	–	\$256,364
Brendan Kay ⁴	\$188,231	\$20,705	\$625	\$4,411	–	\$213,972
Mark (Charlie) Notting ⁵	\$156,977	\$13,718	\$4,772	\$6,228	–	\$181,695
Total	\$1,457,142	\$119,957	\$10,234	\$13,109	\$31,154	\$1,631,595

2023 Remuneration

	Short Term Employee Benefits	Post Employment Benefits	Long Term Employment Benefits	Equity based Payments	Total
	Salary & Fees	Superannuation			
Directors					
Justin Pettett	\$220,000	–	–	\$20,518	\$240,518
Damien Glanville	\$442,242	\$25,292	\$44,973	\$20,517	\$533,024
Barnaby Egerton-Warburton	\$60,000	\$6,300	–	–	\$66,300
Kathryn Giudes	\$60,000	–	–	–	\$60,000
Simon Tilley ⁶	–	–	–	–	–
David Jarjoura ⁶	\$20,000	\$525	–	–	\$20,525
Executives					
Melissa Farrell ⁷	\$98,565	\$9,119	–	–	\$107,684
Total	\$900,807	\$41,236	\$44,973	\$41,035	\$1,028,051

1. Resigned 6 February 2024.

2. Resigned as Director 6 February 2024; Terminated as CEO 15 April 2024. 2024 Equity based payments include reversal of performance rights no longer eligible.

3. Appointed 21 September 2023.

4. Promoted 24 January 2024.

5. Promoted 2 May 2024.

6. Appointed 17 May 2023.

7. Resigned 30 September 2022.

REMUNERATION REPORT (AUDITED) (continued)

Equity Based Compensation

There were no shares or options issued to directors or other key management personnel as part of compensation during the year ended 30 June 2024.

2024 Equity Based Compensation:

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year are as follows:

Name	Number of Rights granted	Grant date	Vesting Date	Fair market value per rights at grant date
Michelle Alexander	172,734	16 October 2023	1 December 2024	\$0.0631
	172,733	16 October 2023	1 December 2025	\$0.0631
	114,679	15 May 2024	1 December 2024	\$0.0436
Brendan Kay	150,547	16 October 2023	1 December 2024	\$0.0631
	150,548	16 October 2023	1 December 2025	\$0.0631
Charlie Notting	92,171	16 October 2023	1 December 2024	\$0.0631
	92,171	16 October 2023	1 December 2025	\$0.0631
	114,679	15 May 2024	1 December 2024	\$0.0436

Performance Rights granted carry no dividend or voting rights.

Performance Rights are automatically converted into fully paid ordinary shares on their Vesting Date.

2023 Equity Based Compensation:

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of Rights granted	Grant date	Vesting date and exercisable date	Expiry Date	Share price hurdle for vesting	Fair value per right at grant date
Justin Pettett	3,500,000	19 December 2022	On achievement of milestones	19 December 2025	\$0.15	\$0.0367
Damien Glanville	3,500,000	19 December 2022	On achievement of milestones	19 December 2025	\$0.15	\$0.0367

Performance rights granted carry no dividend or voting rights.

Vesting of Performance Rights is subject to the Director's continued role with the Company and upon achievement of either of the following Performance Milestones within the 24-month period from issue:

- the volume-weighted average share price (VWAP) over any 10 consecutive day period (in aggregate) exceeding 15 cents per share, representing a 150% increase in share price from the 22nd November 2022; or
- net profit after tax being achieved from operations in any two consecutive 6-month reporting periods of more than \$1 million combined from and including 1 January 2023 (together the Milestones).

And subject to the Board's discretion under the terms of the LPE Employee Incentive Plan.

There were no performance rights over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024.

REMUNERATION REPORT (AUDITED) (continued)

Security Holdings

The number of securities in the Company held during the year ended 30 June 2024 by each director and other key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

2024 Security Holdings

	Balance at 1 July 2023 or date of commencement	FY24 Acquired	FY24 (Disposed)	Holding on Resignation	Balance at 30 June 2024
Directors					
David Jarjoura					
Fully Paid Ordinary Shares	200,000	–	–	–	200,000
Simon Tilley¹					
Fully Paid Ordinary Shares	21,300,000	3,000,000	–	–	24,300,000
Options	2,045,000	–	(2,045,000)	–	–
Stan Kolenc²					
Fully Paid Ordinary Shares	12,762,587	5,775,357	–	–	18,537,944
Justin Pettett³					
Fully Paid Ordinary Shares	9,409,102	–	–	9,409,102	–
Options	1,400,000	–	(1,400,000)	–	–
Performance Rights	3,500,000	–	(1,500,000)	2,000,000	–
Damien Glanville⁴					
Fully Paid Ordinary Shares	8,400,995	–	(8,288,995)	112,000	–
Performance Rights	3,500,000	–	(3,500,000)	–	–
Barnaby Egerton-Warburton⁵					
Fully Paid Ordinary Shares	60,000	–	–	60,000	–
Options	1,000,000	–	–	1,000,000	–
Kathryn Giudes	–	–	–	–	–
Executives					
Michelle Alexander					
Fully Paid Ordinary Shares	145,833	145,833	–	–	291,667
Performance Rights	145,833	460,146	(145,833)	–	460,146
Brendan Kay					
Fully Paid Ordinary Shares	–	67,954	–	–	67,954
Performance Rights	67,954	301,095	(67,954)	–	301,095
Charlie Notting					
Fully Paid Ordinary Shares	91,666	91,666	–	–	183,333
Performance Rights	91,666	299,021	(91,666)	–	299,021

- 22,500,000 Shares held by Fernsha Pty Limited as trustee for Simon's Brooklyn Trust, 1,000,000 Shares held by Sore Tooth Pty Ltd as trustee for Simon Tilley Super Fund, and 800,000 Shares held by TW Criterion Pty Ltd.
- 2,248,314 Shares held by KIC Advisor Pty Ltd as trustee for the KIC Superannuation Fund.
- 8,945,000 Shares held by Pettett Pty Ltd.
- 112,000 Shares held by BNP Baribas Nominees Pty Ltd.
- Shares held by Whistler Street Pty Ltd and Options held by BXW Ventures Pty Ltd.

REMUNERATION REPORT (AUDITED) (continued)

2023 Security Holdings

	Balance at 1 July 2022 or date of commencement	FY23 Acquired	FY3 (Disposed)	Balance at 30 June 2023
Directors				
David Jarjoura				
Fully Paid Ordinary Shares	200,000	–	–	200,000
Simon Tilley¹				
Fully Paid Ordinary Shares	21,300,000	–	–	21,300,000
Options	2,045,000	–	–	2,045,000
Justin Pettett²				
Fully Paid Ordinary Shares	9,409,102	–	–	9,409,102
Options	1,400,000	–	–	1,400,000
Performance Rights	–	3,500,000	–	3,500,000
Damien Glanville				
Fully Paid Ordinary Shares	8,400,995	–	–	8,400,995
Performance Rights	–	3,500,000	–	3,500,000
Barnaby Egerton-Warburton³				
Fully Paid Ordinary Shares	60,000	–	–	60,000
Options	1,000,000	–	–	1,000,000
Kathryn Giudes	–	–	–	–

- 20,000,000 Shares and 2,045,000 Options held by Fernsha Pty Limited as trustee for Simon's Brooklyn Trust; 500,000 Shares held by Sore Tooth Pty Limited as trustee for Simon Tilley Super Fund; 800,000 Shares and 800,000 Options held by TW Criterion Pty Ltd.
- 8,945,000 Shares and 1,275,000 Options held by Pettett Pty Ltd.
- 60,000 Shares held by Whistler Street Pty Ltd as trustee for E-W Superannuation Fund; 1,000,000 Options held by BXW Ventures Pty Ltd.

This concludes the remuneration report which has been audited.

Principal Activities of the Consolidated Entity

The principal activity of the consolidated entity is the sale of electricity and utility services to residential and commercial customers throughout the Australian National Electricity Market (NEM).

Dividends

The directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend since 30 June 2024 and to the date of this report.

DIRECTORS' REPORT (continued)

Shares under Option/Performance rights

Unissued ordinary shares under option at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number under option
30 March 2022	30 March 2026	\$0.20	1,000,000
			1,000,000

No ordinary shares were issued on exercise of options during the year ended 30 June 2024 and up to the date of this report.

Shares under Performance Rights

Unissued ordinary shares under performance rights at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number under option
19 December 2022	19 December 2025	\$0.00	2,000,000
01 December 2023	01 December 2025	\$0.00	4,180,834
			6,180,834

2,048,135 ordinary shares were issued on exercise of performance rights during the year ended 30 June 2024.

Review of Activities and Business Strategies

An operating and financial review of the company during the financial year is contained on pages 8 and 9 of this report and forms part of the Director's Report. It includes a review of operations during the year, as well as the financial results and business strategies of the Company.

Changes in State of Affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year.

Proceedings on Behalf of the Company

No person has applied under Section 237 of the Corporations Act for leave of the Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any other such proceedings during the year.

Non-Audit Services

Non-audit services have been provided during the year by the external auditor, Bentleys. Disclosure of the details of these services can be found in Note 24 of the Financial Statements.

Auditor's Independence Declaration

A copy of the external auditor's declaration under Section 370C of the Corporations Act in relation to the audit for the financial year is attached to the Company's Financial Statements.

DIRECTORS' REPORT (continued)

Indemnification and Insurance of Officers or Auditor

Each of the directors and the secretary of the Company have entered into a deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those directors and the secretary. The Company has insured all of the Directors and Officers of Locality Planning Energy Holdings Limited. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The *Corporations Act 2001* does not require disclosure of the information in these circumstances. The Company has not indemnified or insured its auditor.

Events Subsequent to Balance Date

On 16 July 2024, LPE lodged a Statement of Claim with the Supreme Court of NSW against the Body Corporate for Harbour Towers Strata Plan 77177 for \$768,402.16 plus interest and costs for unpaid invoices in relation to supplied electricity.

There are no other matters or circumstances that have arisen since the end of the year which significantly affected or could significantly affect the operations of the Consolidated Entity, the result of those operations or the state of affairs of the Consolidated Entity in future financial years.

Corporate Governance

A copy of Locality Planning Energy Holdings Limited's Corporate Governance Statement can be found on the Company's website at <https://investorhub.localityenergy.com.au/governance>.

Business Risks

The Company has identified the following risks as having the potential to materially affect LPE's ability to meet its business objectives:

Regulatory policy

LPE is exposed to regulatory policy change and government interventions. Changes in energy market design and climate change policies for example, have the potential to impact the financial outcomes of the Company. LPE contributes to policy process by actively participating in public policy debate, proactively engaging with policy makers and participating in public forums, industry associations and research.

Competition

LPE operates in a highly competitive industry which can put pressure on margins. Our strategy to mitigate this risk is to effectively build customer loyalty and trust by delivering an exceptional customer service experience based on openness and transparency, and by offering innovative energy solutions that come with longer length supply terms.

Changes in demand for energy

A decrease in demand for energy could possibly reduce LPE's revenues and adversely affect the Company's future financial performance. LPE cannot control the habits or consumption patterns of our customers, however LPE works to mitigate the impact of this risk by utilising data analytics to better predict customer demand.

LPE is looking to a new business model that rewards the participants for energy productivity using technologies such as batteries, changing consumption patterns.

Supply Chain

LPE is reliant on key suppliers and partners to provide services. With increased costs and volatility with supply chains and labour within Australia, the core costs of doing business are at risk of continuing to rise and put pressure on margins.

In terms of growth, LPE is reliant on a growing residential sector currently under stress from changes in risk appetite of builders and subcontractors required to deliver the forecast needs of new residential and apartment housing stock. The risk is that the property market does not continue to deliver the growth in housing stock and growth opportunities for LPE.

DIRECTORS' REPORT (continued)

Technological developments/disruption

Technology is allowing consumers to understand and manage their electricity usage through smart appliances, having the potential to disrupt the Company's existing relationship with consumers. Advances in technology have the potential to create new business models and introduce new competitors. LPE actively monitors and participates in technological developments and is exploring investments in new innovative products to enhance customer experience and reduce cost to serve.

Cyber security

A cyber security incident could lead to disruption of critical business operations. It could also lead to a breach of privacy, and loss of and/or corruption of commercially sensitive data which could adversely affect customers. LPE regularly assesses its cyber security profile. All Employees undertake cyber awareness training, including how to identify scam emails and how to keep data safe.

Climate change

The ongoing decarbonisation of energy markets and the decreasing demand for fossil fuels provides both risks and opportunities for LPE. The Company is focused and committed to growth and innovation of its Solar products on site as well as providing customers with the choice to procure renewable energy from the market.

Company Health and Safety Policy

It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable to their respective organisations and to use security and safety equipment provided.

Specifically, all employees are responsible for safety in their work area by:

- following the safety and security directives of management;
- advising management of areas where there is a potential problem in safety and reporting suspicious occurrences; and
- minimising risks in the workplace.

Environmental

Whilst not an environmental issue for the Company, under the renewable energy target, the Company is obliged to purchase and surrender an amount of large-scale generation certificates, and small-scale technology certificates, based on the volume of electricity the Company acquires each year.

Approval of Directors' Report

This Director's Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board this 26th day of August 2024.



David Jarjoura
Chair

AUDITOR'S INDEPENDENCE DECLARATION



LOCALITY PLANNING ENERGY HOLDINGS LIMITED

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001*
TO THE DIRECTORS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.


Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants


Stewart Douglas
Director
Brisbane
26 August 2024



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- Advisors
- Accountants
- Auditors

FINANCIAL STATEMENTS

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Electricity revenue	5a	40,545,818	38,582,426
Electricity cost of goods sold	5b	(30,019,586)	(37,662,193)
Gain from trading		10,526,232	920,233
Other income	5c	1,477,800	1,398,439
Total operating income		12,004,032	2,318,672
Impairment losses	5d	(698,801)	(1,033,272)
Financing expenses	5e	(1,135,458)	(4,874,815)
Other expenses	5f	(8,163,349)	(8,435,385)
Profit/(Loss) before income taxes		2,006,424	(12,024,800)
Income tax benefit/(expense)	6	–	–
Net profit/(loss) for the period		2,006,424	(12,024,800)
Other comprehensive income		–	–
Other comprehensive income net of tax		–	–
Total comprehensive income for the year		2,006,424	(12,024,800)
Basic earnings per share (dollars per share)	17	0.0112	(0.0683)
Diluted earnings per share (dollars per share)	17	0.0086	(0.0683)

The Consolidated Statement of Profit or Loss and Other Comprehensive income should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Note	June 2024 \$	June 2023 \$
Current assets			
Cash and cash equivalents	22	3,478,354	1,545,946
Trade and other receivables	7	6,248,336	10,257,162
Site conversion receivables	7	1,162,224	1,086,431
GST receivable		–	94,744
Financial assets	8	6,230,131	5,110,000
Other current assets	9	629,542	268,035
Total current assets		17,748,587	18,362,318
Non-current assets			
Trade and other receivables	7	–	749,208
Site conversion receivables	7	3,185,358	3,136,193
Financial assets	10	232,312	212,312
Plant and equipment	11	206,775	230,177
Leasehold improvements	12	139,105	235,259
Intangibles	13	731,299	913,827
Right of use assets	14	280,567	472,515
Total non-current assets		4,775,416	5,949,491
TOTAL ASSETS		22,524,003	24,311,809
Current liabilities			
Trade and other payables		6,879,402	5,497,474
GST payable		20,314	–
Employee entitlements – leave provisions		152,629	418,938
Lease liabilities		332,545	292,024
Provisions		43,674	39,694
Borrowings	15	712,001	4,981,390
Total current liabilities		8,140,565	11,229,520
Non-current liabilities			
Employee entitlements – leave provisions		97,239	87,871
Lease liabilities		160,565	493,110
Borrowings	15	3,227,046	3,723,670
Total non-current liabilities		3,484,850	4,304,651
TOTAL LIABILITIES		11,625,415	15,534,171
NET ASSETS		10,898,588	8,777,638
Equity			
Issued capital	16	54,815,666	54,705,664
Share option reserve		136,331	640,140
Accumulated losses		(44,053,409)	(46,568,166)
TOTAL EQUITY		10,898,588	8,777,638

The Consolidated Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers		32,128,646	57,886,327
Receipts from government grants/rebates		13,256,288	5,000
Payments to suppliers and employees		(38,364,330)	(45,986,599)
Interest received		1,025,695	856,234
Interest paid		(740,064)	(2,139,880)
Net cash provided by/(used in) operating activities	22	7,306,235	10,621,082
Cash flows from investing activities			
Receipt/ (Payment) for financial assets		90,000	2,890,000
Payment to acquire investments		–	–
Payment for plant and equipment		(111,683)	(23,834)
Proceeds from plant and equipment		62,645	32,282
Payment for leasehold improvements		–	–
Payment for intangibles		–	(900,000)
Net cash provided by/(used in) investing activities		40,962	1,998,448
Cash flows from financing activities			
Proceeds from issues of shares		–	–
Share issue costs		–	–
Financing costs paid	22	(16,651)	(2,448,595)
Proceeds from loans	22	53,842	20,898,941
Repayment of leases	22	(288,043)	(252,559)
Repayment of loans	22	(5,163,937)	(32,409,284)
Net cash provided by/(used in) financing activities		(5,414,789)	(14,211,497)
Net increase/(decrease) in cash and cash equivalents		1,932,408	(1,591,967)
Cash and cash equivalents opening balance		1,545,946	3,137,913
Cash and cash equivalents closing balance	22	3,478,354	1,545,946

The Consolidated Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2024

	Issued capital \$	Options reserve \$	Accumulated losses \$	Totals \$
Balance at 1 July 2022	54,298,849	811,440	(34,816,473)	20,293,816
Issue of Share Capital	406,815	–	–	406,815
Capital Raising Costs	–	–	–	–
Expired Share Capital (Options)	–	(273,107)	273,107	–
Issue of Share Capital (Options)	–	101,807	–	101,807
Profit/(Loss) after income tax	–	–	(12,024,800)	(12,024,800)
Balance at 30 June 2023	54,705,664	640,140	(46,568,166)	8,777,638
Balance at 30 June 2023	54,705,664	640,140	(46,568,166)	8,777,638
Issue of Share Capital	110,002	–	–	110,002
Capital Raising Costs	–	–	–	–
Expired Share Capital (Options)	–	(508,333)	508,333	–
Issue of Share Capital (Options)	–	4,524	–	4,524
Profit/(Loss) after income tax	–	–	2,006,424	2,006,424
Balance at 30 June 2024	54,815,666	136,331	(44,053,409)	10,898,588

The Consolidated Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2024

1 REPORTING ENTITY

The financial statements of Locality Planning Energy Holdings Limited ("the Company") for the year ended 30 June 2024 covers the Consolidated Entity consisting of Locality Planning Energy Holdings Limited and the entities it controlled from time to time throughout the year ("the Group" or "Consolidated Entity") as required by the *Corporations Act 2001*. Locality Planning Energy Holdings Limited is a for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars, which is the functional currency.

The address of the Group's registered office and principal place of business is Level 8, 8 Market Lane, Maroochydore, QLD, 4558.

2 BASIS OF PREPARATION

(a) Statement of compliance

The Financial Report has been prepared in accordance with requirements of Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

This report is to be read in conjunction with any other public announcements made by the Group during the year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The accounting policies adopted are consistent with those of the previous financial year, unless stated otherwise.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, modified, where applicable by the measurement at fair value of selected financial assets and liabilities.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with AASB's requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Information about critical estimates and judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are outlined below:

Impairment

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Impairment of financial assets (trade receivables and financial assets) are assessed for impairment as described in Note 3G. Note 3H describes the process for assessing impairment for non-financial assets (property, plant and equipment, intangible assets and other assets).

Site Conversion Revenue

Site conversion revenue is recognised upon installation, however customers are able to make payment over a 5 to 15 year period. The Group has assessed that where this payment is deferred, the transaction contains a significant financing component and therefore the revenue must be adjusted for the effects of the time value of money. Judgement is therefore required to determine the amount of the consideration that relates to the site conversion revenue, and the amount relating to the financing of the purchase. See Note 3K for further details.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(d) Going Concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the ordinary course of business.

The Group made a net profit after income tax for the year ended 30 June 2024 of \$2,006,424 (2023 net loss: \$12,024,800) and had net assets of \$10,898,588 (2023: \$8,777,638). Furthermore, net cash inflow from operations for the year was \$7,306,235 (2023 net inflow: \$10,621,082), of which \$5,547,828 was the cash inflow from the closing of the derivative position in FY22. Without the derivative receivable inflow, the normalised operating inflow was \$1,758,405 (2023 normalised outflow \$5,294,568).

The Group has \$3.5 million in unrestricted cash at 30 June 2024 (2023: \$1.5 million), and \$6.7 million available in an undrawn funding facility (\$10 million total facility less \$3.3 million drawdown). On this basis, the Group has prepared budgets and has determined it has sufficient net working capital to maintain continuity of normal business activity and pay its debts as and when they fall due, and therefore that it is appropriate to prepare the financial report on a going concern basis.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied by all entities in the Group.

(a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of Locality Planning Energy Holdings Limited and its subsidiaries for the year ended 30 June 2024 ("the Group"). Subsidiaries are entities (including structured entities) over which the Group has control. The Group has control over an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. Subsidiaries are consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

All intercompany balances and transactions, including unrealised profits arising from intragroup transactions have been eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

(b) Income Tax

The charge for current income tax expense is based on the profit/(loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Current and deferred tax is recognised in the profit or loss, except where it relates to items recognised in the other comprehensive income or directly in equity. In this case the tax is recognised in the other comprehensive income or directly in equity respectively.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences or tax losses can be utilised. To the extent that any rebates are received from Government taxation authorities, they are recognised in profit or loss as an income tax benefit.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

All assets are depreciated on either a straight line basis or diminishing value basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate & Method
Plant and equipment	10-50% per annum straight line or diminishing value
Motor Vehicles	25% per annum, diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss.

(d) Intangible Assets

Intangible assets include the cost of software development and the AP2U contracts. Software has an estimated useful life of between three and ten years. It is assessed annually for impairment. The end date of the AP2U Contract assets has been used to determine the useful life of the asset. The contracts are reviewed annually for impairment.

(e) Leasehold Improvements

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

(f) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(g) Impairment of Financial Assets

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which prescribes the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, and a provision matrix is used.

The "amounts written off" are all due to customers declaring bankruptcy, or term receivables that have now become unrecoverable.

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the Statement of Profit or Loss and Other Comprehensive Income.

(h) Impairment of Non-Financial Assets

At each reporting date, the Consolidated Entity reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(i) Share-based Payments

The Consolidated Entity may make share-based payments to directors, employees and suppliers. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a valuation which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

(j) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(k) Revenue

Revenue for the Group can be categorised as follows:

- Supply of electricity; and
- Supply of embedded network or solar infrastructure (including installation).

Supply of electricity

Revenue from the supply of electricity is recognised as the customer obtains a benefit from the supply, which occurs over time as the customer consumes the electricity. Consumption is determined by meter readings. Between meter readings, consumption is estimated using industry and historical customer consumption patterns, along with consumption reports from the Group's suppliers.

Costs associated with the supply of the electricity are expensed over time in line with customers' consumption.

Supply of embedded network or solar infrastructure

The Group arranges to supply and install embedded network infrastructure on customers' premises. The performance obligation is the installation of the infrastructure, and therefore revenue is recognised at a point in time upon installation. Likewise, the Group arranges to supply and install solar infrastructure on customers' premises. The performance obligation is the installation of the infrastructure, and therefore revenue is recognised at a point in time upon installation.

Customers have the option to pay for the site conversion infrastructure over the life of a related supply contract, ranging from 5 to 15 years. Therefore a significant financing component has been identified within these contracts. The revenue is therefore discounted to remove the financing component. Consideration receivable in respect of this revenue is recognised as 'Site conversion receivables' in the Statement of Financial Position. The financing component has been assessed by the Group at a rate between 10%-12% per annum, and this is recognised as interest revenue over time until the customer has paid all consideration.

Costs incurred to supply and install the site conversion infrastructure are expensed when the revenue is recognised, upon installation. For costs incurred on site conversions where the infrastructure has not yet been installed, and therefore no revenue yet recognised, the costs are capitalised within the inventory balance contained within 'Other Current Assets' in the Statement of Financial Position.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Consolidated Statement of Financial Position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Issued Capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of new shares or options are shown as a deduction from equity.

(n) Earnings per Share

The Consolidated Entity presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effects of all dilutive potential ordinary shares.

(o) Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(p) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Classification and subsequent measurement

Financial Liabilities

- Financial liabilities are subsequently measured at:
- Amortised cost; or
- Fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- A contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- Held for trading; or
- Initially designated at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- It is incurred for the purpose of repurchasing or repaying in the near term;
- Part of a portfolio where there is an actual pattern of short-term profit taking; or
- A derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

The Group recognises the financial derivative instruments at fair value through profit or loss.

Financial Assets

Financial assets are subsequently measured at:

- Amortised cost;
- Fair value through other comprehensive income; or
- Fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- The contractual cash flow characteristics of the financial asset; and
- The business model for managing financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- The financial asset is managed solely to collect contractual cashflows; and
- The contractual terms within the financial asset give rise to cashflows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- The contractual terms within the financial asset give rise to cashflows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- The business model for managing the financial assets comprises both contractual cashflows and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expire, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for 'Derecognition of financial assets':

- The right to receive cash flows from the asset has been expired or been transferred;
- All risk and rewards of ownership of the asset have been substantially transferred; and
- The Group no longer controls the asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(q) Employee Entitlements

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date.

Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Long-term employee benefits are only recognised to the extent that it is considered probable that employees will reach the eligible service period.

(r) New Accounting Standards Issued but not yet Applicable

A number of new standards and interpretations are effective for annual reporting periods beginning after 1 July 2024 and earlier application is permitted; however the Company has not early adopted the new or amended standards in preparing these financial statements. The new standards relate to very specific circumstances that are not applicable to the Group.

4 SEGMENT REPORTING

The Group has identified its operating segments as being the energy retail sector in Australia. Management currently identifies the energy retail sector as being the Group's sole operating segment.

There have been no changes in the operating segments during the year. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from the segment are equivalent to the financial statements of the Group as a whole.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
(a) Electricity Revenue		
Electricity sales	39,499,399	37,360,472
Site conversion sales	1,046,419	1,221,954
Total Electricity Revenue	40,545,818	38,582,426
(b) Electricity Cost of Goods Sold		
Energy usage charges	18,167,986	24,653,382
Network charges	7,442,794	7,757,742
Other COGS	3,507,401	4,114,619
Site conversion COGS	901,405	1,136,450
Total Electricity Cost of Goods Sold	30,019,586	37,662,193
(c) Other Revenue		
Interest revenue	1,477,800	1,393,439
Government grants	–	5,000
Total Other Revenue	1,477,800	1,398,439
(d) Impairment Losses		
Bad debts written off	845,082	1,205,588
Addition/(Decrease) to provision for doubtful debt	(146,281)	(172,316)
Total Impairment Losses	698,801	1,033,272
(e) Financing Expenses		
Borrowing expenses	189,787	2,774,143
Interest on leases	65,028	91,182
Interest expense	880,643	2,009,490
Total Financing Expenses	1,135,458	4,874,815
(f) Other Expenses		
Bank Fees	74,597	104,571
Depreciation and amortisation	539,091	407,864
Employee costs	4,639,771	5,175,671
Loss on disposal of assets	3,978	48,637
Information technology	1,306,881	872,922
Insurance	97,420	88,440
Marketing & advertising	100,940	369,686
Occupancy expenses	112,080	94,830
Other expenses	627,029	796,972
Professional costs	661,562	475,792
Total Other Expenses	8,163,349	8,435,385

NOTES TO THE FINANCIAL STATEMENTS (continued)

6 INCOME TAX

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Components of tax expense/(benefit) comprise:		
Current tax	–	–
Prior year tax	–	–
Deferred tax	–	–
Income Tax Expense/(Benefit)	–	–
<i>Numerical reconciliation of income tax benefit to prima facie tax payable</i>		
Profit/(Loss) from operations before tax for the year	2,006,424	(12,024,800)
The prima facie income tax benefit on loss before income tax at a tax rate of 25% (2023: 30%)	501,606	(3,607,440)
Tax effect amounts which are not (deductible)/taxable in calculating taxable income:	30,971	65,621
Deferred tax asset not brought to account	(532,577)	3,541,819
Total income tax benefit	–	–
<i>Net unrecognised deferred tax assets</i>		
Net Deductible/(Assessable) temporary differences	(346,171)	100,683
Unused tax losses	5,410,167	6,615,205
Net unrecognised deferred tax asset	5,063,996	6,715,888

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

The consolidated entity has no franking credits.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 TRADE & OTHER RECEIVABLES

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Current Trade & Other Receivables		
Trade receivables	6,581,739	5,160,741
Trade receivables expected credit losses	(1,089,359)	(1,206,179)
Hedging Counterparty Receivables	749,208	5,547,828
Interest receivables	6,748	754,772
	6,248,336	10,257,162
Non Current Trade & Other Receivables		
Hedging Counterparty Receivables	–	749,208
	–	749,208
Current Site Conversion Receivables		
Site conversion receivables	1,200,059	1,125,367
Site conversion receivables expected credit losses	(37,835)	(38,936)
	1,162,224	1,086,431
Non Current Site Conversion Receivables		
Site conversion receivables	3,356,916	3,336,110
Site conversion receivables expected credit losses	(171,558)	(199,917)
	3,185,358	3,136,193

Current trade receivables are not interest bearing and are generally receivable within 14 days.

The Group closed all financial derivative positions during the 2022 financial year, therefore the Hedging Counterparty Receivables reflects the cash receivable from these closed positions.

	Opening Balance 1 July 2022	Net Measurement of loss allowance	Closing Balance 30 June 2023	Amounts written off
Lifetime Expected Credit Loss: Credit Impaired				
Current trade receivables	1,249,969	(43,790)	1,206,179	1,205,588
Current interest receivables	–	–	–	–
Current site conversion receivables	177,379	(138,443)	38,936	–
Non-current site conversion receivables	1,225,722	(1,025,805)	199,917	–
	2,653,070	(1,208,038)	1,445,032	1,205,588

	Opening Balance 1 July 2023	Net Measurement of loss allowance	Closing Balance 30 June 2024	Amounts written off
Lifetime Expected Credit Loss: Credit Impaired				
Current trade receivables	1,206,179	(116,820)	1,089,359	845,082
Current interest receivables	–	–	–	–
Current site conversion receivables	38,936	856	39,792	–
Non-current site conversion receivables	199,917	(13,985)	185,932	–
	1,445,032	(129,949)	1,315,083	845,082

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 TRADE & OTHER RECEIVABLES (continued)

The entity does not hold any trade & other receivables whose terms have been renegotiated, but which would otherwise be past due or impaired.

Collateral held as security

No collateral is held as security for any of the trade and other receivable balances.

Collateral pledged

No collateral has been pledged for any of the trade and other receivable balances.

8 FINANCIAL ASSETS

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
At Amortised Cost		
Term Deposits	–	110,000
Investments	6,230,131	5,000,000
	6,230,131	5,110,000

LPE entered into an agreement in February 2022 with Bundaberg BioHub Pty Ltd (BBH) and Stak Mining Pty Ltd (STAK) whereby LPE funded \$5 million in capital works (Capital Works Funds) to facilitate the construction of the Bundaberg BioHub. The Capital Works Funds were due for repayment in October 2023 which was not met. In January 2024, LPE varied its agreement with BBH and further extended the settlement date for the full repayment of the capital works funds (including all outstanding interest and legal fees) until 28 June 2024 (Revised Arrangement). This agreement has since been extended to 30 September 2024. BBH has paid all interest payments in accordance with the Revised Arrangement. Interest continues to be accrued on the Total Debt at 15% per annum (accruing daily). BBH will continue making monthly interest payments until the facility is repaid in full on 30 September 2024.

9 OTHER CURRENT ASSETS

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Prepayments	161,838	96,756
Environmental Certificates	5,142	2,434
Inventory	462,562	168,845
	629,542	268,035

Environmental Certificates

Environmental certificates are classified into two certificate types, Large-scale Generation Certificates (LGCs) and Small-scale Technology Certificates (STCs).

LGCs and STCs are measured at fair value at the end of the financial year, with changes in fair value recognised in the statement of profit or loss and other comprehensive income. LGCs and STCs held at the end of financial year are valued at the market price on the measurement date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 NON-CURRENT FINANCIAL ASSETS

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
At Amortised Cost		
Term Deposits	232,312	212,312
	232,312	212,312

Term Deposits

Non-current financial assets in the form of term deposits are held as security for bank guarantees for various suppliers and hedging counterparties. The bank guarantees are not due to expire within the next 12 months, and as such have been classified as non-current.

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Office Lease	212,312	212,312
Prudential Obligations	20,000	–
	232,312	212,312

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 PLANT & EQUIPMENT

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Plant & equipment at cost	369,199	396,112
Accumulated depreciation	(251,324)	(240,425)
	117,875	155,687
Motor vehicles at cost	98,180	189,979
Accumulated depreciation	(9,280)	(115,489)
	88,900	74,490
	206,775	230,177

Reconciliation

Reconciliations of the carrying amount of each class of plant and equipment between the beginning and the end of the financial year.

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Plant and equipment		
Balance at the beginning of the year	155,687	206,781
Additions	13,503	17,226
Depreciation	(46,023)	(60,007)
Disposals	(5,292)	(8,313)
Balance at the end of the year	117,875	155,687
Motor Vehicles		
Balance at the beginning of the year	74,490	109,460
Additions	98,180	6,608
Depreciation	(22,439)	(23,945)
Disposals	(61,331)	(17,633)
Balance at the end of the year	88,900	74,490

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 LEASEHOLD IMPROVEMENTS

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Leasehold improvements at cost	484,273	484,273
Accumulated depreciation	(345,168)	(249,014)
	139,105	235,259

Reconciliation

Reconciliations of the carrying amount of leasehold improvements between the beginning and the end of the financial year.

Leasehold improvements

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Balance at the beginning of the year	235,259	331,965
Additions	–	–
Depreciation	(96,154)	(96,706)
Disposals	–	–
Balance at the end of the year	139,105	235,259

13 INTANGIBLES

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Intangibles at cost	1,061,819	1,108,419
Intangibles work in progress	–	28,850
Accumulated amortisation	(330,520)	(223,442)
	731,299	913,827

Reconciliation

Reconciliations of the carrying amount of Intangibles between the beginning and the end of the financial year.

Intangibles

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Balance at the beginning of the year	913,827	81,325
Additions	–	922,725
Amortisation	(182,528)	35,249
Disposals	–	(125,472)
Balance at the end of the year	731,299	913,827

NOTES TO THE FINANCIAL STATEMENTS (continued)

14 RIGHT OF USE ASSET

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Right of use asset at cost	959,452	959,452
Accumulated amortisation	(678,885)	(486,937)
	280,567	472,515

Reconciliation

Reconciliations of the carrying amount of Right of Use Assets between the beginning and the end of the financial year.

Right of use assets

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Balance at the beginning of the year	472,515	664,472
Additions	–	–
Depreciation	(191,948)	(191,957)
Balance at the end of the year	280,567	472,515

15 BORROWINGS

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Current		
Motor vehicle financing	–	20,201
Roadnight hedge facility	712,001	4,961,189
	712,001	4,981,390
Non-current		
Roadnight hedge facility	–	712,001
Roadnight growth facility	3,227,046	3,011,669
	3,227,046	3,723,670

The Group has two funding facilities from Roadnight Capital. The first is the hedge facility of \$0.7 million whereby the future cashflows from the closing of the hedge facility in June 2022 was received upfront and utilised to payout the Blackrock facility. The future hedging counterparty receivables will be used to pay down this debt. The second is a growth facility of \$10 million (\$3.3 million utilised) to fund site conversions and acquisitions. Both of these facilities are presented above net of borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS (continued)

16 ISSUED CAPITAL

(A) Issued and paid up capital

	2024 Number	2023 Number
Ordinary shares fully paid no par value	180,204,412	178,156,277

(B) Movement in ordinary shares on issue

	Number	\$
Balance at 30 June 2023	178,156,277	54,705,664
Issued (01-Dec-23)	2,048,135	110,002
Balance at 30 June 2024	180,204,412	54,815,666

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Share buy-back

The Company announced an on-market share buy-back on 24 April 2024.

The Company has not bought back any shares to date.

(C) Share options/Performance Rights

	Expiry	Opening Number	Issued	Vested/ Lapsed	Closing Number	\$
Unlisted Options/Performance Rights						
LPEAM (Issued 06-Apr-2022 EX \$0.20)	30/3/2026	1,000,000	–	–	1,000,000	30,000
LPEAN (Issued 17-Nov-2022)	1/12/2023	2,163,885	437,488	(2,601,373)	–	–
LPEAZ (Issued 19-Dec-2022)	19/12/2024	7,000,000	–	(5,000,000)	2,000,000	33,958
LPEAO (Issued 01-Dec-2023)	1/12/2025		5,119,585	(938,751)	4,180,834	72,373
		10,163,885	5,557,073	(8,540,124)	7,180,834	136,331
Listed Options:						
LPEO (Issued 26-Oct-2021 EX \$0.30)	26/10/2023	15,000,000	–	(15,000,000)	–	–
LPEO (Issued 26-Oct-2021 EX \$0.30)	26/10/2023	3,333,334	–	(3,333,334)	–	–
LPEO (Issued 06-Apr-2022 EX \$0.30)	26/10/2023	75,000,000	–	(75,000,000)	–	–
LPEO (Issued 06-Apr-2022 EX \$0.30)	26/10/2023	37,500,000	–	(37,500,000)	–	–
Balance at 30 June 2024		130,833,334	–	(130,833,334)	–	–

NOTES TO THE FINANCIAL STATEMENTS (continued)

16 ISSUED CAPITAL (continued)

The fair value of options is determined in accordance with the fair market value of the shares available at the issue date. The Black-Scholes option valuation method has been utilised for all tranches except the 19/12/2022 tranche whereby the Monte-Carlo simulation was deemed more appropriate due to the conditions imposed on these performance rights. Some inputs require the application of judgement. The assumptions are set out below:

Unlisted Options/Performance Rights:

	6/4/2022	17/11/2022	19/12/2022*	1/12/2023
Volatility	82.0%	87.0%	66.0%	116.6%
Risk-free interest rate	2.1%	3.2%	3.2%	4.2%
Expected life of share options (years)	4.00	1.00	2.00	2.00
Dividend Yield	0.0%	0.0%	0.0%	0.0%

Listed Options: Nil

The expected volatility and life of share options are based on historical data and current expectations and are not necessarily indicative of actual outcomes.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In common with many other listed companies, the parent raises finance for the consolidated entity's working capital and asset development activities.

The consolidated entity is not subject to externally imposed capital requirements.

17 EARNINGS PER SHARE

Weighted average number of shares used as the denominator in calculating basic and diluted earnings per share

	2024 Number	2023 Number
Basic	179,342,628	175,956,259
Diluted	233,434,741	175,956,259

	\$	\$
Net profit/(loss) after tax used in calculating basic earnings per share	2,006,424	(12,024,800)
Basic earnings per share (dollars per share)	0.0112	(0.0683)
Net profit/(loss) after tax used in calculating diluted earnings per share	2,006,424	(12,024,800)
Diluted earnings per share (dollars per share)	0.0086	(0.0683)

NOTES TO THE FINANCIAL STATEMENTS (continued)

18 CONTROLLED ENTITIES

Investment in controlled entities	Country of incorporation	Class of shares	% of ownership 2024	% of ownership 2023
Locality Planning Energy Pty Ltd	Australia	Ord	100%	100%
All Power to You Pty Ltd	Australia	Ord	100%	100%
Locality Embedded Networks Pty Ltd	Australia	Ord	100%	100%
LPE Generate Pty Ltd	Australia	Ord	100%	100%

19 COMMITMENTS

The Group has no material commitments that require reporting.

20 CONTINGENT LIABILITIES AND ASSETS

The Directors are not aware of any contingent liabilities or contingent assets that are likely to have a material effect on the results of the Group as disclosed in these financial statements (2023: nil).

21 RELATED PARTIES

Key management personnel compensation	2024 \$	2023 \$
Short-term employee benefits	1,457,142	900,807
Post-employment benefits	119,957	41,236
Long-term benefits	7,504	44,973
Share based payments	13,109	41,035
	1,597,712	1,028,051

Other related party transactions

Director Kathryn Giudes (resigned 6 February 2024) is a director of STAK Mining Pty Ltd (refer to note 8).

There were no other related party transactions.

NOTES TO THE FINANCIAL STATEMENTS (continued)

22 CASH FLOW INFORMATION

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Reconciliation of cash flow from operations with profit /(loss) after tax		
Profit/(loss) after tax	2,006,424	(12,024,800)
Non-cash flows:		
Depreciation and amortisation	539,091	407,864
Non-cash share based payments	114,526	238,622
Loss on disposal of assets	3,978	48,637
Intangible asset write-off	–	54,974
Expenditure classified as financing activities	288,043	161,377
	2,952,062	(11,113,326)
Changes in operating assets and liabilities		
Decrease/ (increase) in receivables	4,705,762	26,162,865
Decrease/(increase) in other assets	(1,591,637)	177,475
(Decrease)/increase in creditors and payables	1,496,989	(4,622,631)
Increase in employee entitlements	(256,941)	16,699
Net cash used in operating activities	7,306,235	10,621,082
Reconciliation of liabilities arising from financing activities		
Borrowings		
Opening balance	8,705,060	20,045,226
Non-cash changes	360,733	2,618,772
Cashflow	(5,126,746)	(13,958,938)
Closing balance	3,939,047	8,705,060
Lease Liabilities		
Opening balance	785,134	1,041,302
Non-cash changes	(3,981)	(3,609)
Cashflow	(288,043)	(252,559)
Closing balance	493,110	785,134
Cash and cash equivalents in the Consolidated Statement of Cash Flows include:		
Cash at bank	3,478,354	1,542,196
Cash on deposit	–	–
Restricted cash*	–	3,750
	3,478,354	1,545,946

* Restricted cash represents \$3,750 that the Company is holding was a deposit from CPS Capital for Broker Options.

NOTES TO THE FINANCIAL STATEMENTS (continued)

23 FINANCIAL INSTRUMENTS

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expense are recognised, in respect of each class of financial asset, financial liability, and equity instrument are disclosed in Note 3 to the financial statements.

Financial risk management objectives

The financial risks of the Consolidated Entity include price risk, interest rate risk, liquidity risk and credit risk. The Consolidated Entity does not enter into or trade financial instruments, for speculative purposes.

Price risk

Price risk is the risk of changes to market prices in the supply of electricity. This risk applies to both the price at which the Company sells electricity to its customers and the price it pays for that electricity. The Company minimises wholesale price risk by using fixed price contracts where possible.

Interest rate risk

Interest rate risks are caused by fluctuations in interest rates which, in turn, are due to market forces.

The Consolidated Entity's main interest rate risk arises from cash and cash equivalents, and borrowings. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Consolidated Entity's profit or loss before taxes through the impact on cash and cash equivalents, and borrowings with a decrease or an increase of 1% in interest rates.

It is the policy of the Consolidated Entity to manage their risks by continuously monitoring interest rates.

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Cash and cash equivalents	3,478,354	1,545,946
Borrowings	(3,939,047)	(8,705,060)
	(460,693)	(7,159,114)
Sensitivity		
Effect on profit or loss before taxes		
Increase 1%	(4,607)	(71,591)
Decrease 1%	4,607	71,591

Liquidity risk management

Liquidity risks are caused by the inability to raise the money needed to meet payment of liabilities as and when they fall due. The Consolidated Entity manages liquidity risk by maintaining of reserves and by continually monitoring forecast and actual cash flows and cash balances.

At 30 June 2024 current assets exceed current liabilities by \$9,608,022 (2023: current assets exceeded current liabilities by \$7,132,798). Financial liabilities comprised trade payables, accruals and other payables. All trade payables and accruals have a contractual maturity of 6 months or less.

NOTES TO THE FINANCIAL STATEMENTS (continued)

23 FINANCIAL INSTRUMENTS (continued)

Credit risk management

In relation to financial assets, credit risk arises from the potential failure of counterparties to meet their obligations under a contract or arrangements. Credit risk for the Consolidated Entity arises from cash and cash equivalents, term deposits, outstanding receivables and financial assets. The Consolidated Entity partially reduces credit risk by the use of direct debit facilities with its customers. In addition, the Company has the right to withhold the supply of electricity to secure payment. All cash & cash equivalents and term deposits are held with Australian regulated banks. The maximum exposure to credit risk is the carrying amount of the financial assets recognised in the Consolidated Statement of Financial Position.

Fair values

The carrying amounts of all financial assets and liabilities primarily comprising cash and cash equivalents, trade and other receivables, trade and other payables, employee entitlements, and loans approximate their fair value.

24 AUDITORS REMUNERATION

	Consolidated Entity 2024 \$	Consolidated Entity 2023 \$
Amounts paid/payable for audit or review of the financial statements	81,646	75,311
Amounts paid/payable for tax and other services	5,500	3,600
	87,146	78,911

25 SUBSEQUENT EVENTS

On 16 July 2024, LPE lodged a Statement of Claim with the Supreme Court of NSW against the Body Corporate for Harbour Towers Strata Plan 77177 for \$768,402.16 plus interest and costs for unpaid invoices in relation to supplied electricity.

There are no other matters or circumstances that have arisen since the end of the year which significantly affected or could significantly affect the operations of the Consolidated Entity, the result of those operations or the state of affairs of the Consolidated Entity in future financial years.

NOTES TO THE FINANCIAL STATEMENTS (continued)

26 PARENT ENTITY DISCLOSURES

The following information has been extracted from the books and records of the legal parent entity Locality Planning Energy Holdings Limited.

	2024 \$	2023 \$
Results of parent entity		
Profit/(loss) for the year	(1,414,395)	(5,070,592)
Other comprehensive income/(loss) for the year	–	–
Total comprehensive income/(loss) before tax	(1,414,395)	(5,070,592)
Income tax benefit	–	–
Total Comprehensive Income before Tax	(1,414,395)	(5,070,592)
Financial position of parent entity at year end		
Current Assets	15,055,633	20,785,112
Non Current Assets	–	–
Total Assets	15,055,633	20,785,112
Current Liabilities	824,961	5,130,459
Non Current Liabilities	3,227,046	3,723,670
Total Liabilities	4,052,007	8,854,129
Net Assets	11,003,626	11,930,983
Total equity of the parent entity comprising:		
Issued capital	54,815,666	54,705,664
Reserves	120,519	640,140
Accumulated losses	(43,932,559)	(43,414,821)
Total equity	11,003,626	11,930,983

Contingent liabilities

As at 30 June 2024, Locality Planning Energy Holdings Ltd is not aware of any contingent liabilities (2023: \$Nil).

Contractual commitments

At 30 June 2024, contractual commitments entered into by Locality Planning Energy Holdings Ltd is \$Nil (2023: \$Nil).

Guarantees

Locality Planning Energy Holdings Ltd has not entered into any guarantees, in the current or previous financial years, in relation to debts of its subsidiaries.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

For the year ended 30 June 2024

Entity Name	Body corporate, partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the Company in the body corporate	Australian or Foreign tax resident	Jurisdiction for Foreign tax residents
Locality Planning Energy Holdings Limited (the Company)	Body corporate	Australia		Australian	N/A
Locality Planning Energy Pty Ltd	Body corporate	Australia	100%	Australian	N/A
All Power to You Pty Ltd	Body corporate	Australia	100%	Australian	N/A
Locality Embedded Networks Pty Ltd	Body corporate	Australia	100%	Australian	N/A
LPE Generate Pty Ltd	Body corporate	Australia	100%	Australian	N/A

Locality Planning Energy Holdings Limited (the 'parent entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidation group under the tax consolidation regime.

DIRECTORS DECLARATION

The Directors of the Company declare that:

- 1 The attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the financial position as at 30 June 2024 and performance for the year ended on that date of the consolidated entity,
- 2 The financial statements also comply with International Financial Reporting Standards as disclosed in Note 2.
- 3 The Remuneration Report as set out in the Directors' Report complies with Section 300A of the *Corporations Act 2001*.
- 4 The Executive Chair and Chief Financial Officer have declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with Section 286 of the *Corporations Act 2001*;
 - (b) the financial statements and notes for the financial year comply with the Australian Accounting Standards (including Australian Accounting Interpretations);
 - (c) the financial statements and notes for the financial year give a true and fair view; and
 - (d) the information disclosed in the attached consolidated entity disclosure statement is true and correct.
- 5 In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



David Jarjoura
Chairperson

Dated: 26 August 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of the Locality Planning Energy Holdings Limited



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Locality Planning Energy Holdings Limited (the Company) and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2024 and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements comprising a summary of significant accounting policies and other explanatory information, the consolidated entity disclosure statement and the director's declaration.

In our opinion the accompanying consolidated financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Australian Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED
(CONTINUED)**

Key Audit Matter	How our audit addressed the key audit matter
1. Going Concern We focused on this area as a key audit matter due to: <ul style="list-style-type: none"> History of losses after income tax, with the current year being the first year of making a profit. History of cashflow deficits from operating activities where derivative positions are not considered. 	Our procedures included, amongst others: <ul style="list-style-type: none"> Obtaining cashflow forecasts for the Group. Reviewing the assumptions in the forecasts for reasonableness and consistency with our knowledge of the business.
2. Recoverability of Bundaberg Biohub Pty Ltd ("BBH") Investment We focused on this area as a key audit matter due to: <ul style="list-style-type: none"> The investment contributes to a significant portion of total current assets and total assets at 30 June 2024. The agreement was renegotiated during the period. 	Our procedures included, amongst others: <ul style="list-style-type: none"> Reviewed the renegotiated terms, and the mortgage and general security deed entered into during the year. Performed title searches to confirm the existence of the mortgaged properties and the registration of the mortgage in the prior year. Obtained information on the value of the mortgaged properties and secured assets in the prior year, and current year. Reviewed correspondence between the Group the BBH management on the latest developments at BBH Reviewed interest payment receipts to evidence willingness of BBH to adhere to terms of the second letter of forbearance.

Independent Auditor's Report continued



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED (CONTINUED)

Key Audit Matter	How our audit addressed the key audit matter (Continued)
3. Recognition and Recording Revenue	
<p>We focused on this area as a key audit matter due to:</p> <ul style="list-style-type: none"> Large volume of customers. The estimation and complexity required in determining the amount and timing of accrued but unbilled revenue. The estimation involved in determining the financing component of the embedded network revenue. The complexity of the billing system used by the organisation. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Testing key controls within the sales and accounts receivable process to ensure completeness and accuracy of sales invoices recorded in the ledger. Analytical procedures to identify unusual transactions or trends in sales data that may be indicative of material misstatement. Cut-off procedures to ensure that only sales related to the 2023-2024 financial year are recorded in these financial statements. Detailed recalculation of accrued and unbilled revenue. Reviewing the reasonableness of the financing component allocated by management to the embedded network revenue. Challenging managements' assumptions and estimates in relation to key inputs used in the calculation of unbilled revenue accruals and collectability of sales. These estimates are summarised in Note 2(C) to the financial statements.
4. Valuation and Existence of Hedging Counterparty Receivables	
<p>We focused on this area as a key audit matter due to:</p> <ul style="list-style-type: none"> The hedging counterparty receivables balance contributing towards a significant portion of total assets as at 30 June 2023, with the balance now reducing as at 30 June 2024. The receipt of the final payments for FY25 being a significant assumption in the cashflow forecasts of the company and its going concern assessment. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Recalculating the receivable by reference to the initial trade confirmations. Sighted recalculation performed by an independent third party Agreeing receipts expected during the year and post year-end to actual receipts.



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED
(CONTINUED)**

Key Audit Matter (Continued)	How our audit addressed the key audit matter (Continued)
5. Existence and Valuation of Site Conversion Receivables	
<p>We focused on this area as a key audit matter due to:</p> <ul style="list-style-type: none"> The site conversion receivables balance contributing towards a significant portion of total assets as at 30 June 2024. Given the long-term nature of these receivables, subject to a higher risk of impairment. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Testing contracts of new embedded network customers during the 2023-2024 financial year to ensure the site conversion receivable balance recognised is appropriately valued and free from material misstatement. Testing costs incurred to complete site conversion works on new embedded network customer premises, to ensure contracted receivables are not overstated or deemed uncollectable from date of recognition. Confirming new embedded network customer accounts during 2023-2024 are live and receiving energy during the period, to ensure existence of the new customers, existence of the site conversion works completed, and consequently existence of the site conversion receivables recognised in 2023-2024. Reviewing pre-existing embedded network customer accounts to ensure the customers continue to remain live, and that the corresponding site conversion receivable continues to be collectable.
6. Valuation and Recognition of Share Options	
<p>We focused on this area as a key audit matter due to:</p> <ul style="list-style-type: none"> The estimation and complexity required to determine the fair value of the share options. 	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> Reviewing the models used to calculate the fair value and assessing the inputs as being reasonable. Reviewing the journal posted to recognise the share options to ensure the treatment is appropriate. Reviewing share options issued in prior year to ensure movements in staff members were considered for updating the valuation of those options.

Independent Auditor's Report continued



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED (CONTINUED)

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED
(CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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Independent Auditor's Report continued



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOCALITY PLANNING ENERGY HOLDINGS LIMITED (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Locality Planning Energy Holdings Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director
Brisbane
26 August 2024



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- Advisors
- Accountants
- Auditors

SHAREHOLDER INFORMATION

Additional information required by Australian Securities Exchange (ASX) and not shown elsewhere in the Annual Report, current as at 7 August 2024, is advised hereunder.

Stock Exchange Quotation

The Company's shares are quoted on the ASX under the code "LPE".

Classes of Securities

The Company has the following equity securities on issue:

- ASX quoted: 180,204,412 ordinary shares (**LPE**), each fully paid, held by 764 shareholders;
- Unlisted: 1,000,000 options exercisable at \$0.20 and expiring 30th March 2026, held by 1 holder; and
- Unlisted: 4,180,834 Employee Performance Rights held by 37 employees.

Voting Rights

The voting rights attaching to ordinary shares are set out in Clause 13.13 of the Company's Constitution and are summarised as follows:

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote (even though he or she may represent more than one shareholder); and
- on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed proxy, attorney or representative, have one vote for the share.

Holders of options have no voting rights until such options are exercised.

Restricted Securities

There are no current restricted securities.

Unmarketable Holders

There are 338 shareholders holding less than a marketable parcel of shares based on the closing price of \$0.11 on 7 August 2024 representing a total of 426,658 shares.

On-market Buy-backs

The Company has announced an on-market buy-back of ordinary shares. No shares have been purchased back to date.

Corporate Governance Statement

The Corporate Governance Statement is available on the Company's website at:
<https://investorhub.localityenergy.com.au/governance>

SHAREHOLDER INFORMATION (continued)

Distribution of Security Holders

Distribution of shares and the number of holders by size of holding are:

Range	Securities	%	No. of holders	%
100,001 and Over	170,268,208	94.49	115	15.05
10,001 to 100,000	8,891,838	4.93	222	29.06
5,001 to 10,000	514,099	0.29	68	8.90
1,001 to 5,000	450,794	0.25	152	19.90
1 to 1,000	79,473	0.04	207	27.09
Total	180,204,412	100.00	764	100.00

Twenty Largest Shareholders (LPE)

Rank	Name	02 Aug 2022	%IC
1	RIVER CAPITAL NOMINEES PTY LTD	35,598,545	19.75
2	BNP PARIBAS NOMINEES PTY LTD	23,243,285	12.90
3	FERNISHA PTY LIMITED	22,500,000	12.49
4	MR STANISLAV MICHAEL KOLENC	12,762,587	7.08
5	NATIONAL NOMINEES LIMITED	7,600,000	4.22
6	KIC ADVISOR PTY LTD	5,775,357	3.20
7	SNOWBALL ASSET MANAGEMENT PTY LTD	5,613,972	3.12
8	MR LESLIE PETER WOZNICZKA	4,518,502	2.51
9	BRIO CAPITAL MASTER FUND LTD	3,350,000	1.86
10	THOMPSON HOSPITALITY PTY LTD	3,063,853	1.70
11	SAHO NOMINEES PTY LTD	2,848,666	1.58
12	MR BRIAN THOMAS CLAYTON & MRS JANET CLAYTON	2,739,263	1.52
13	CITICORP NOMINEES PTY LIMITED	2,168,634	1.20
14	PACIFIC CUSTODIANS PTY LIMITED	1,723,438	0.96
15	TML SF MANAGEMENT SERVICES PTY LTD	1,435,000	0.80
16	DEFENDER EQUITIES PTY LTD	1,400,000	0.78
17	MISS HOLLY JANE APPLETON	1,368,714	0.76
18	FOTI POURGOUTZIDIS PTY LTD	1,305,000	0.72
19	MS ANA MARIA CHAVES	1,280,878	0.71
20	CRYING ROCK PTY LTD	1,237,500	0.69
		141,533,194	78.54
		38,671,218	21.46
		180,204,412	100.00

SHAREHOLDER INFORMATION (continued)

Substantial Shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act are:

Name	Number of Shares	Voting Power
River Capital Pty Ltd ATF River Capital Embedded Network Trust	35,598,545	19.75%
Boutique Capital Pty Ltd ATF Tectonic Opportunities Fund	23,711,070	13.16%
Mr. Simon Tilley	23,700,000	13.15%
Fernsha Pty Limited	22,400,000	12.34%
Mr. Stanislav (Stan) Kolenc	18,537,944	10.29%

CORPORATE DIRECTORY

Executive Chair

Mr David Jarjoura

Non-Executive Directors

Mr Simon Tilley

Mr Stan Kolenc

Chief Executive Officer

Mr Scott Taylor

Company Secretary

Ms Elissa Hansen

Principal & Registered Office

Level 8, 8 Market Lane
Maroochydore QLD 4558

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Auditors

Bentleys

Level 9, 123 Albert Street
Brisbane QLD 4000

Phone: +61 7 3222 9777

Lawyers

Gadens

Level 11, 111 Eagle Street
Brisbane QLD 4000

Phone: +61 7 3231 1666

Share Registrar

Link Market Services Limited

10 Eagle Street
Brisbane QLD 4000

Phone: + 61 1300 554 474

Stock Exchange Listing

Australian Securities Exchange

Code: LPE

