



2025

Annual Report

Locality Planning Energy Holdings Limited

ABN 90 147 867 301



Bringing energy into the future

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Who we are

LPE (Locality Planning Energy Holdings Limited) is a leading energy provider, which supports local places and communities to implement tailored solutions that provide better outcomes, and the opportunity to participate within the energy market.

Specialising in Embedded Network Management, LPE services customers and communities, both in the residential and commercial sectors with integrated electricity, hot water, solar and battery systems throughout Queensland and Northern New South Wales.

Leveraging over 10 years' experience, LPE is focussed on being a provider of choice, working with our customers to continuously deliver better local solutions now, and into the future. From concept through to delivery, LPE can manage every step from development, delivery and operations including the maintenance and capital responsibility, making it an attractive option for Communities, Owners, Body Corporates as well as Builders & Developers.

Established in 2012 and listed on the ASX in 2016, LPE is well placed to deliver shareholder value through long term supply agreements that provide strong recurring revenue with plans to expand its solutions profile as well as its operational footprint into the future.



OUR PURPOSE:

Work with customers to deliver better local solutions



OUR VISION:

Be the provider of choice to deliver better local solutions



OUR VALUES:

Integrity

- Do the right thing
- Deliver on our commitments
- Build trust
- Demonstrate mutual respect

Teamwork

- We are one-team
- Maintain open communication
- Have an open mindset
- Seek opportunities to collaborate

Service

- Provide the best customer experience
- Have empathy
- Ask 'what else can I do'
- Are outcomes-focused

Performance

- Strive for better practice
- Hold ourselves and each other accountable
- Deliver results with positive outcomes
- Embrace change

Growth

- Challenge constructively
- Encourage
- Are curious
- Are always learning

What we do

LPE is based on the Sunshine Coast in Queensland and services the Queensland and Northern New South Wales markets, focussing on the core Embedded Network business. LPE's aim is to deliver the best local and sustainable energy solutions tailored to the specific needs of communities, townhouses, apartment complexes, and new developments.

What is the benefit of an Embedded Network?

Embedded Networks (EN) are private electricity networks that serve multiple premises, such as in apartment blocks, caravan parks and shopping precincts.

In an EN, the electrical wiring is configured in such a way to allow the owner of the site to appoint an EN Manager such as LPE to on-sell energy to all the residents through their individual metering (often referred to as child meters).

LPE then seeks to bulk buy energy from an energy retailer and 'on-sells' the energy to the different consumers at a discount in comparison to individual customers buying direct from a retailer.

The typical benefits of an Embedded Network include:

- Reduced electricity prices for owners and tenants
- Fully funded metering solutions
- Greater control of site electrical infrastructure including tenant metering
- Better energy monitoring and management
- Billing utility services and debt control
- Building owners can manage electricity supply across the property more efficiently
- Owners and Managers can access aggregated data to improve sustainability reporting and reduce costs

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

- Buying better: Seeking volume discounts through a progressive energy procurement plan.
- Embedded Networks: Managing everything from meter reading to bill issuance.
- Centralised Hot Water: Designing and installing hot water systems for Strata complexes.
- Solar and Storage: Implementing behind-the-meter solar and battery solutions.
- Electric vehicle (EV) Charging: Providing electric vehicle charging stations for apartments and new developments.

Embedded Networks have a role in providing customers with an option for energy affordability as well as enabling consumers to participate in Energy Markets.



Performance Highlights



We are a Market Leader
in Embedded Network
Management in SEQ



25,410

Customers



368

Communities (sites)



30,933

Service Points

Revenue of \$42m is up 2.7%

Core earnings
increased by 32%
from \$1.02m to
\$1.35m

Second consecutive year
of core earnings

Group profit of
\$3.58m
excluding non cash impairments

(\$3.49m)
statutory loss after income tax
following a non-cash accounting
impairment of \$7.08m

Cash (including term deposits,
excluding Government Cost of
Living Rebates) of \$4.45m up by
28%

Capacity to pay existing debt facility
from ordinary cashflow



Chair's Report

Craig Chambers

Dear Shareholders,

As incoming Chair, I am committed to unlocking LPE's full potential and positioning the business at the forefront of Australia's energy and property transformation. This was a pivotal year, marked by leadership renewal, operational uplift, and a deliberate shift toward long-term growth enablement. It was a year in which we strengthened our foundations, clarified our purpose, and reset expectations around performance and accountability.

Governance Alignment

During the year, the Board reaffirmed its strategic commitment to building a disciplined, values-led organisation by adopting a new Purpose, Vision and Values. These foundations now guide how we govern the business, set strategic priorities, and engage with our people, customers and partners. Our ambition is to establish LPE as a credible, performance-driven multi-utility platform delivering integrated energy, property and community outcomes for customers.

We consolidated LPE's core operations by focusing on lifting customer retention, pursuing disciplined investment and prioritising sustainable growth. These efforts were carried out in parallel with the complex task of addressing a series of historical challenges that had constrained momentum.



The Board has embraced the values and our governance and investment discipline framework, ensuring strategic consistency, regulatory compliance assurance, capital accountability, and transparency across the business. With much of that remediation behind us, the business is now well positioned to focus on executing its growth priorities.

Growth Outlook

We also began cautiously exploring adjacent service areas, including diversifying into Wi-Fi services and preparing to deploy community energy technology solutions. Progress in these areas has been measured and deliberate, ensuring that operational consistency remains the priority while responsibly laying the groundwork for longer-term diversification.

Our strategic focus remains grounded in long-term value creation, while recognising the pace of change and maintaining focus on compliance in the energy sector. As the sector becomes more distributed, intelligent and customer-driven, LPE is steadily positioning itself as a reliable and responsive solutions provider in the evolving energy ecosystem. We have focused on building the foundations to grow with integrity and confidence.

Leadership Renewal

Following the appointment of a new Chief Executive Officer, Scott Taylor, in July 2024, David Jarjoura transitioned from Executive Chair to a Non-Executive Director role, enabling a clearer delineation between executive and governance functions. In March 2025, the Board welcomed three new independent directors, strengthening LPE's governance and skills diversity. These changes completed a broader renewal process and signalled a transition to delivering on operational and strategic performance.

On 16 June, Sandra Pienaar joined as Chief Financial Officer, further strengthening our executive team. On 27 June 2025, David Jarjoura stepped down as Chair, continuing as a Non-Executive Director, and I was honoured to be appointed Chair of the Board.

I would like to express my thanks to Simon Tilley and Stan Kolenc, who concluded their service on the Board during the year. Their contributions have been deeply valued as part of LPE's journey through a challenging yet transformative period.



“With solid fundamentals and disciplined execution, LPE is well-positioned to serve as a trusted partner in the evolving energy and property landscape.”

Operating Performance

LPE's operational performance reflects a year of disciplined resetting of LPE's core fundamentals, with improvements in cost management, service consistency and cultural engagement. While the statutory results were impacted by the final resolution of several long-standing matters, the year demonstrated encouraging progress in core business performance and financial management.

During the year, several significant matters were resolved. Notably, the Powershift litigation reached a satisfactory settlement. We also recognised accounting provisions for both the Bundaberg BioHub investment and other legacy legal matters.

The statutory net loss of \$3.49m was driven primarily by the non-cash impairment of the Bundaberg BioHub financial asset. While these provisions reflect our accounting approach and have materially affected the statutory result, they do not alter LPE's underlying performance or our intention to continue to pursue a favourable outcome for the organisation on these matters. The accounting adjustment also assists to clarify the business's true underlying performance and support a sharper focus on strategic delivery.

Underlying operations also improved across several dimensions:

- The company met its financial guidance targets, demonstrating improved planning accuracy, and a greater alignment between internal performance settings and external expectations.
- A substantial portion of high-cost debt was repaid through operating cash flow, highlighting improved financial discipline and enhanced balance sheet resilience.
- Margin management and customer retention efforts began to show early signs of traction, with more consistent cost controls contributing to stronger month-on-month performance by year end.

Operational improvements were supported by a new Operating Strategy & Plan, focused on energy procurement, service delivery, and business unit performance. These initiatives were critical in shifting LPE from a reactive posture to a more proactively accountable and credible platform.

This financial year marked the second year in which LPE operated with financial independence, managing

and reinvesting from its own earnings without relying on external capital. This milestone reflects the continued improvement in operational performance and the disciplined financial management instilled across the business. It also signals increased cultural and commercial maturity, positioning LPE to self-fund its growth agenda with confidence and discipline. With a strengthened balance sheet, the Board is now actively shaping a capital management strategy that will support strategic investment, balance risk, and align with shareholder expectations. As part of this approach, the Board undertook an on-market share buy-back in FY2025, returning surplus capital to shareholders in line with our disciplined capital framework.

Looking Ahead

With solid fundamentals and disciplined execution, LPE is well-positioned to serve as a trusted partner in the evolving energy and property landscape.

The Board played an active role in guiding the development and endorsement of LPE's strategic plan, ensuring alignment between ambition, execution capacity, and risk management.

We are confident in LPE's outlook, with firm foundations now established and a leadership team aligned to both drive performance and purpose. From my perspective within the energy sector, I see a unique opportunity for LPE to lead the energy transition by enabling smarter infrastructure, leveraging technology to reduce costs and emissions whilst unlocking consumer value through community-oriented solutions.

On behalf of the Board, I thank our shareholders for your continued confidence, and our employees and partners for your commitment. I would particularly like to acknowledge David Jarjoura and the former Board members for navigating the business through a period of turnaround. Their stewardship has restored the foundation upon which LPE can now build.



Craig Chambers





Chief Executive Officer's Report

Scott Taylor

Operationally we successfully met our FY2025 guidance, delivering a group profit of \$3.58m (excluding non-cash impairment), and increasing our core earnings by 32% from \$1.02m to \$1.35m.

FY2025 was a cornerstone year for LPE. While the statutory result reflected a net loss of \$3.49m, driven primarily by the \$7.08m impairment of the 2022 Bundaberg BioHub loan, our underlying business delivered its second consecutive year of core profitability. This outcome demonstrates the progress of our strategic reset which has strengthened our operating discipline, is improving customer outcomes, and will enable LPE to grow as a values-aligned, commercially disciplined multi-utility business.

Internally, we describe this evolution as the shift from LPE Version 1.0 to LPE Version 2.0, which is a deliberate step change in governance, commercial discipline and cultural alignment that commenced with the implementation of our revised Strategy and Business Plan in August 2024.

These outcomes were underpinned by the adoption of the LPE Way, an enterprise approach to managing value creation and delivering better outcomes to all our stakeholders.

Improving Business Productivity

These results were achieved despite the enduring impact of historical practices that stem from LPE's origins. Originally conceived as a disruptive retail business delivering novel energy solutions, LPE's early strategies, motivations, and risk tolerances have evolved into industry norms that define today's embedded network landscape and from what is now embedded in the LPE Way.

While these traits catalysed initial growth, LPE's practices were more akin to being an entrepreneurial start-up. We have now commenced the scale-up journey by adopting the preconditions for enduring operational stability, cultural alignment and improved stakeholder trust, all enabling better business performance and outcomes.

The LPE Team has worked tirelessly to resolve a range of challenges including:

- **Leadership renewal:** Executive turnover and an unsolicited off-market takeover bid (Feb–Jul 2024) disrupted continuity and eroded organisational capability and capacity.
- **A renewed Executive Leadership Team:** complementing a refreshed Board has since stabilised governance, built internal cohesion, and an alignment for the continuous improvement of business performance.
- **Service fragmentation:** A history of inconsistent service delivery and performance disparities across sites necessitated a structured triage process. Remediation pathways were implemented, standardising service protocols and restoring customer trust.
- **Litigation:** Legal proceedings with Powershift Technologies Pty Ltd were resolved.

Management continues to lead a turnaround of the business, centred on reaffirming purpose, embedding values, and strengthening people, processes, and systems. This renewal occurred in parallel with the continued delivery of our essential services, requiring the team to balance transformation with customer satisfaction and operational priorities.

The resolution of these matters has gone a long way to embed a performance culture anchored in operational excellence, strategic discipline and prudent capital stewardship.

These principles are now consistently applied across LPE's leadership, governance practices and operations into a single process for creating and managing value known as the LPE Way.

“Management continues to lead a turnaround of the business, centred on reaffirming purpose, embedding values, and strengthening people, processes, and systems.”

Operational Performance

LPE delivered 5,711 new service points, representing 84% of the FY2025 target of 6,798 as follows:

- **Greenfield developments:** 1,457 new service points
- **Brownfield acquisitions:** 1,611 service points
- **Contract renewals:** 2,643 service points

Regrettably, LPE lost 15 sites and 1,430 service points due to historical service delivery issues.

At the same time, it is with pride that I can confirm the following list of positive outcomes and highlights during the financial year:

- **Customer advocacy:** The Net Promoter Score rose to 11.2, and targeted initiatives are under way to drive further improvement in FY2026.
- **Cultural alignment:** Staff wholeheartedly adopted the LPE values and the LPE Way, fostering continuous improvement and strengthening service delivery.
- **Renewal and realignment of the LPE team and business towards profitable growth.**
- **Buying better:** The first tranche of our progressive energy procurement strategy went live, laying the groundwork for more competitive pricing and margin certainty in FY2026.
- **Profitability:** Core earnings increased 32% from \$1.02m in FY2024 to \$1.35m in FY2025.
- **Operational resilience:** Coordinated engagement with stakeholders ensured minimal disruption during Tropical Cyclone Alfred.
- **Financial independence:** Disciplined cash management restored balance sheet flexibility.
- **Repayment of the debt facility, providing two years of positive trading as the basis for a fresh capital strategy and banking facility to enable growth.**
- **Safe pair of hands:** Managing all the competing priorities, and unforeseen disruptions like Cyclone Alfred, to deliver our guidance.



Summary

LPE continues to operate where the energy market meets the property market, for the benefit of communities and customers. LPE is proud to be a leader within the Australian Embedded Network Market.

We are alert to the challenges of a competitive and consolidating market, constantly seeking and testing opportunities to ensure LPE sustainably delivers continuous growth and prosperity for all our stakeholders.

Our ambition is to rise above the pack, continuously improving our solution development and service delivery capability to build a competitive advantage and reputation for excellent community outcomes and customer service.

At its core, LPE is a business built around people and placemaking, serving communities by delivering dependable, future-looking energy solutions that improve everyday lives.

This year has tested all our people, and I want to take this opportunity to recognise everyone for their perseverance, focus and belief in our shared purpose and vision.

I would especially like to say "Thank You" for the support and trust to date for the above results which reflect positively on the whole LPE team. These results and our potential for growth would not be possible without the support of our people, Board, clients and customers.

FY2025 marked a true turnaround year however the transformation journey continues into FY2026, where we will build on this progress and continue to shape the future of embedded energy.

I am proud of our achievements this year and look forward with optimism to an even brighter future ahead. With a refreshed leadership team, and a future-focused strategy in place, LPE is well positioned to grow our business to become a true industry leader.



Scott Taylor



FY2026 and Beyond

FY2026 represents the next critical phase in LPE's transformation as we aim to accelerate growth with the following priorities:

- **Customer Advocacy** which includes looking after developers, body corporates, strata managers and customers to ensure consumer protections and better outcomes
- **Greenfield Focus:** working with Developers to make longer term infrastructure investments within greenfield sites to bring energy solutions into the future
- **Decarbonisation and Electrification:** to meet the needs of an increase in urban densification with solutions that include solar, electric vehicle charging and batteries
- **Multi-utility Diversification:** Moving beyond energy with our plans to launch LPE Broadband, providing customers with access to high-speed internet plans
- **Service Excellence:** by looking after our existing clients and customers, ensuring we provide a seamless experience earning high retention and renewal rates.
- **Improving Productivity** and our operating margins with a focus on service excellence, productivity improvements and the progressive procurement of our energy needs
- **Profitably growing the business** through increasing our focus on developing better infrastructure solutions for developers within the new build space
- **Competitive Positioning:** working with industry to ensure both the embedded network market and LPE retain a strong position with the regulatory and commercial frameworks
- **Updating the Capital Management Strategy** to leverage the improved financial profile and earnings, to enable organic and strategic growth beyond our current footprint
- **Continued Investment in Capabilities** to become a highly scalable business to enable growth, which includes a relocation to a new office to deliver a 25%+ annual cost saving



Growing Addressable Market

Over the next 25 years, the Southeast Queensland's (SEQ) population is expected to grow by 2.2 million people to almost six million people. This translates to a required supply of around 900,000 new homes, or roughly 34,500 dwellings per year (Source: Shaping SEQ2023) and this shift toward greater density via strata-style housing is expected to underpin much of LPE's future growth.

The next 25 years of growth for SEQ will be different to the past 25 years of growth, presenting complex challenges and opportunities of a complexity beyond those faced by the region to date.

As urban densification accelerates, demographic shifts are becoming more pronounced, with single-person and couple-only households expected to comprise nearly 40% of all households by 2046. LPE is well positioned to meet the evolving needs of these increasingly diverse and compact urban communities, delivering tailored benefits and enhanced value in the context of a rapidly changing housing landscape.

Australia's future energy demand is also expected to grow, driven by factors like population and economic expansion, as well as the increasing adoption of electric vehicles and data centres. By 2030, the Australian Energy Market Operator (AEMO) predicts that rooftop solar capacity is expected to double, and storage capacity is also set to increase by a factor of six. While rooftop solar and energy efficiency measures may initially offset some growth, Retail electricity consumption is anticipated to rise substantially alongside electrification trends over the next decade. (Sources: AEMO and CSIRO).

Sustained population growth, densifying urban form, decentralised energy acceleration, and supportive planning settings combine to expand LPE's addressable market and strengthen the commercial rationale for embedded infrastructure networks.





Leadership team

With shared Vision, Purpose and Values, LPE's leadership team has complimentary strengths and capabilities to cohesively focus on creating, growing and harvesting value

Scott Taylor

Chief Executive Officer

Scott has over 30 years' experience in energy, property, and technology management, 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 his 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 also enable LPE growth ambitions and add value for LPE's customers.



Sandra Pienaar

Chief Financial Officer

Sandra Pienaar is an accomplished finance executive and Chartered Accountant, with a distinguished career spanning over 30 years across multinational corporations and private equity-backed enterprises. Her professional experience encompasses a diverse range of industries throughout Australia, New Zealand, and South Africa.

She brings a robust blend of financial expertise, governance proficiency, and strategic leadership to her role. Sandra has a proven track record of delivering measurable outcomes, including successful project finance transactions, complex business integrations, cross-border operational management, and the development of high-performing finance teams that drive scalable and efficient performance.



Alan Daly

Chief Commercial Officer

Alan has over 30 years' experience across a portfolio of industries including energy, property, manufacturing, hospitality and advertising. This includes working in the wholesale and renewable sectors of the electricity market as well as embedded networks.

Alan has worked in senior finance and general management functions for a number of start up to scale up businesses and brings a strong commercial focus to increase revenue, reduce cost, manage risk and facilitate good corporate governance.

Alan joined LPE on 18 November 2024 and his skills, knowledge and experience will enable a commercial focus on operational excellence and service delivery through the key areas of operations, customer care and billing.



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 Limited (referred to hereafter as the Company or LPE) and the entities controlled at the end of and during the year to 30 June 2025.

Directors and Company Secretary

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

Craig Chambers

Chair

Mr. Chambers brings 30 years of leadership experience in the energy and infrastructure sectors, with a track record in project delivery, market reform, and the energy transition. He is currently the Energy Market & Clients Director at Mott MacDonald, where he leads a team of professionals delivering energy transition, decarbonisation, and infrastructure solutions across Australia. Mr. Chambers is also an Independent Advisory Panel member tasked with evaluating funding requests from the Australian Renewable Energy Agency (ARENA). Previously, he has held executive and board roles at Energy Queensland, Ergon, Energex, and Yurika. His deep expertise is in energy industry focusing on growth, technology innovation, regulatory reforms and navigating the energy transition will be invaluable in guiding LPE's strategic direction as it continues to drive innovation and growth in the Australian energy market



Andrew Vlachos

Non-Executive Director

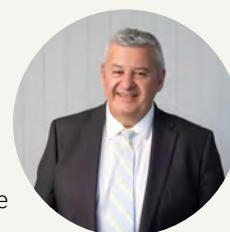
Mr. Vlachos has many years of experience in major Australian and international public companies, in a wide variety of roles, including General Counsel, General Management, Non-Executive Directorships, Company Secretary, Human Resources and Employment Law. He is the principal of an independent incorporated legal practice firm that advises business in a wide range of areas. Mr. Vlachos was the General Counsel and Company Secretary for Coates Hire, Australia's largest equipment hire company.



David Jarjoura

Non-Executive Director

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.



Nicole Noye

Non-Executive Director

Ms. Noye is an experienced Chief Executive Officer and Non-Executive Director with over 25 years of experience at the C-suite and Board level. She has worked across multiple industries, including retail, hospitality, leisure, entertainment, fitness, professional services, car-sharing, franchising, and executive coaching. She is recognised for expertise in business transformation and operational excellence with a proven track record in re-imaging businesses to enhance profitability and stakeholder value. Ms. Noye's Board experience includes serving as a Non-Executive Director and committee member for Crown Sydney, Non-Executive Director of Fernwood, Non-Executive Director for GoGet, and Board and committee member for Collective Wellness Group. She was the Chair of the Compono Executive Leadership program and a Board member for several industry associations.



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	Board Meetings	
	Eligible to attend	Attended
Craig Chambers ¹	4	4
David Jarjoura	13	13
Nicole Noye ¹	4	4
Andrew Vlachos ¹	4	4
Simon Tilley ²	10	10
Stan Kolenc ²	10	10

¹ Appointed 20 March 2025

² Resigned 20 March 2025

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 fulfils 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 non-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.

Key Management Personnel (KMP), as defined by AASB 124 Related Party Disclosures, include non-executive Directors and executive management.

Remuneration Policy

The Board's policy for determining the nature and amount of remuneration for KMP of the 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 executives receive a base salary (which is based on factors such as length of service and experience), and superannuation; and
- The Board reviews executives' packages annually by reference to the Group's performance, executive's performance, and information from comparable industry sectors.
- The Board also introduced a new Short Term Incentive (STI) framework to strengthen alignment between executive performance and shareholder outcomes.

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 receiving their fees as non-executive Directors. These amounts were subsequently paid in FY2025.

At the 2024 Annual General Meeting (AGM), 54.22% of votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices, however it did receive feedback about the independence of the Board. In response, the Board was refreshed during FY2025 and, from March 2025, the Company has been governed by a majority-independent Board led by an independent Chair. While this majority was not in place for the full reporting period, it is now firmly established and will be maintained going forward.



Remuneration Report

(AUDITED) (continued)

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

2025 Remuneration

	Short Term Employee Benefits Salary & Fees	Post Employment Benefits Superannuation	Long Term Employment Benefits	Equity based Payments	Termination Benefits	Total
Directors						
David Jarjoura ¹	251,000	28,865	-	-	-	279,865
Simon Tilley ²	139,483	16,041	-	-	-	155,524
Stanislav Kolenc ²	118,714	13,652	-	-	-	132,366
Craig Chambers ^{3,9}	29,192	3,357	-	-	-	32,549
Andrew Vlachos ³	20,192	2,322	-	-	-	22,514
Nicole Noye ³	20,192	2,322	-	-	-	22,514
Executives						
Scott Taylor ^{4,10}	465,295	27,545	1,235	-	-	494,075
Michelle Alexander ⁵	233,245	25,298	6,061	10,676	-	275,280
Mark (Charlie) Notting	194,883	18,613	4,281	9,287	-	227,064
Alan Daly ⁶	135,036	14,502	236	4,656	-	154,430
Brendan Kay ⁷	46,518	8,824	(625)	-	48,462	103,179
Sandra Pienaar ⁸	7,714	814	30	-	-	8,558
Total	1,661,464	162,155	11,218	24,619	48,462	1,907,918

¹ Resigned as Chair 26 June 2025, appointed as Non-Executive Director 26 June 2025.

² Resigned as Non-Executive Director 20 March 2025. Messrs. Tilley and Kolenc deferred their FY2024 directors' fees, which were paid in FY2025.

³ Appointed as Non-Executive Director 20 March 2025.

⁴ Appointed as Chief Executive Officer 22 July 2024.

⁵ Resigned as Chief Financial Officer 1 July 2025.

⁶ Appointed as Chief Commercial Officer 18 November 2024.

⁷ Departed from Chief Operating Officer 11 September 2024.

⁸ Appointed as Chief Financial Officer 1 July 2025.

⁹ Commenced 16 June 2025, appointed as Chairman 26 June 2025.

¹⁰ Pay includes a base of \$370,295 and FY2025 bonus of \$95,000.

Remuneration Report

(AUDITED) (continued)

2024 Remuneration

	Short Term Employee Benefits Salary & Fees	Post Employment Benefits Superannuation	Long Term Employment Benefits	Equity based Payments	Termination Benefits	Total
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

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.



Remuneration Report

(AUDITED) (continued)

Equity Based Compensation

2025 Equity Based Compensation

The terms and conditions of each grant of performance rights over ordinary shares affecting the 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	114,679	15 May 2024	1 December 2024	\$0.0830
Charlie Notting	114,679	15 May 2024	1 December 2024	\$0.0830
Alan Daly	2,709	21 November 2024	1 December 2024	\$0.1589

Performance Rights granted carry no dividend or voting rights.

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

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

2024 Equity Based Compensation

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.

Remuneration Report

(AUDITED) (continued)

2025 Key management personnel (KMP) security holdings

The number of securities in the Company held during the year ended 30 June 2025 by each director and other key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at 1 Jul 2024 or date of commencement	FY25 Acquired	FY25 (Disposed)	Holding on Exit	Balance at 30 June 2025
Directors					
Craig Chambers					
Fully Paid Ordinary Shares	-	-	-	-	-
David Jarjoura¹					
Fully Paid Ordinary Shares	200,000	-	-	-	200,000
Nicole Noye					
Fully Paid Ordinary Shares	-	-	-	-	-
Andrew Vlachos²					
Fully Paid Ordinary Shares	315,000	-	-	-	315,000
Simon Tilley³					
Fully Paid Ordinary Shares	24,300,000	1,600,100	-	25,900,100	-
Stan Kolenc⁴					
Fully Paid Ordinary Shares	18,537,944	-	-	18,537,944	-
Executives					
Scott Taylor					
Fully Paid Ordinary Shares	-	-	-	-	-
Michelle Alexander					
Fully Paid Ordinary Shares	291,667	287,413	-	-	579,080
Performance Rights	460,146		(287,413)	-	172,733
Alan Daly					
Fully Paid Ordinary Shares	-	18,709	-	-	18,709
Performance Rights	-	70,446	(2,709)	-	67,737
Charlie Notting					
Fully Paid Ordinary Shares	183,333	206,850	-	-	390,183
Performance Rights	299,021	8,510	(206,850)	-	100,681
Brendan Kay					
Fully Paid Ordinary Shares	67,954	-	-	67,954	-
Performance Rights	301,095	-	-	301,095 ⁵	-

¹ 200,000 Shares held by Bond Street Custodians Limited <Macquarie Wrap D87588 A/C>.

² 315,000 Shares held by Netwealth Investments Limited <Wrap Services A/C>.

³ 24,000,100 Shares held by Fernsha Pty Limited as trustee for Simon's Brooklyn Trust, 1,100,000 Shares held by Sore Tooth Pty Ltd as trustee for Simon Tilley Super Fund, and 800,000 Shares held by TW Criterion Pty Ltd.

⁴ 2,248,314 Shares held by KIC Advisor Pty Ltd as trustee for the KIC Superannuation Fund.

⁵ Shares were forfeited subsequent to the conclusion of the quarter ended 30 September 2024.



Remuneration Report

(AUDITED) (continued)

2024 Key management personnel (KMP) security holdings

	Balance at 1 Jul 2023 or date of commencement	FY24 Acquired	FY24 (Disposed)	Holding on Exit	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 Pettett^{3,6}					
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

¹ 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 2,248,314 Shares held by KIC Advisor Pty Ltd as trustee for the KIC Superannuation Fund.

³ 8,945,000 Shares held by Pettett Pty Ltd.

⁴ 112,000 Shares held by BNP Baribas Nominees Pty Ltd.

⁵ Shares held by Whistler Street Pty Ltd and Options held by BXW Ventures Pty Ltd.

⁶ Shares were forfeited subsequent to the conclusion of the quarter ended 30 September 2024.

This concludes the remuneration report which has been audited.

Remuneration Report

(AUDITED) (continued)

Principal Activities

The Group's principal activity is managing private embedded networks (EN), which includes acquiring energy from a retailer and supplying it to EN customers. A full review was scheduled to occur as part of the rebranding at the end of the financial year (EOFY).

Financial Result

The Group reported a statutory net loss after tax of \$3,494,978 for the year ended 30 June 2025.

Dividends

The Directors do not recommend the payment of a dividend, and no amount has been paid or declared by way of a dividend.

Review of Activities and Business Strategies

An operating and financial review of the Company's results during the financial year is contained within the Chief Executive Officer and Chairman's report and forms part of the Directors' Report.

Changes in State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group 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 to intervene in any proceedings involving the Company. The Company was not a party to any such proceedings during the year.

Auditor's Independence Declaration

A copy of the external auditor's declaration under Section 307C of the Corporations Act in relation to the audit review for the full year is attached to the Company's Financial Statements.

Indemnification and Insurance of Officers or Auditor

Each of the Directors and the Secretary of the Company has 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.

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

There are no subsequent events relating to this remuneration report.

Corporate Governance

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

Business Risks

Across the regions where LPE currently operates, rapid population growth, increased urban densification, and rising demand for electrification and low-emissions technology are reshaping the market landscape. As LPE transitions from an embedded network retailer to a multi-utility platform, it continues to navigate a dynamic and evolving set of regulatory, commercial, and operational risks.



Remuneration Report

(AUDITED) (continued)

Brownfield Site Margin Compression

Queensland's embedded network market includes over 54,000 strata schemes and approximately 500,000 lot owners. More than 3,000 sites operate under network exemptions, representing 40% of the national total. The acquisition of embedded network rights is increasingly competitive, with brokers and strata managers auctioning access to the lowest bidder. Additionally, the appetite to convert existing strata communities from a standard retail model to an embedded network remains limited, due to transition costs and perceived complexity.

LPE maintains a strong market position in South-East Queensland and continues to tackle its competition head-on through structured repricing, operational efficiency, and a differentiated service model focused on customer responsiveness and offering feasible innovations.

Greenfield Delivery and Housing Shortfall

South-East Queensland is expected to require 900,000 new dwellings over the next 20 years, presenting LPE with a unique opportunity to expand its offering through leveraging its expertise and developer partnerships. Despite this, execution risks include planning delays, developer viability, capital constraints, and technology deployment challenges.

LPE applies strict investment criteria to assess site-level return potential and is cultivating enduring partnerships with reputable developers. By maintaining a balanced focus between greenfield expansion and continued brownfield growth, it aims to secure revenue resilience and broaden its impact at the planning phase to embed future-proof infrastructure.

Regulatory Reform and Compliance

National and state energy reforms including mandatory smart meter deployment by 2030, flexible trading frameworks, and strengthened consumer protections are driving up compliance complexity and elevating the risk of financial penalties. Some embedded network managers are not equipped to navigate these obligations, leaving them vulnerable to regulatory exposure and operational disruption.

LPE leverages its dual retail and embedded network manager accreditations to guide decision-makers through regulatory complexity, clearly articulating the material risks associated with engaging non-compliant or underqualified operators. By positioning itself as a locally focused, fully accredited, customer-focused provider with a proven compliance track record, LPE builds trust with strata committees and developers, reinforcing its commercial advantage in an increasingly regulated market.

Technology Integration

LPE's expansion into batteries, electric vehicle charging, and demand response introduces site integration complexity, with considerations across site, hardware, and software optimisation.

To manage this, LPE will engage reputable technology vendors and specialist delivery partners through multi-year agreements that include performance accountability, installation quality, and lifecycle support. These partnerships are central to ensuring interoperability and ongoing technical assurance.

Information Integrity and Security

LPE's revenue model relies on timely, accurate information. As we scale, our information systems will become larger, which introduces challenges such as data consistency, reliability, system interoperability, and cyber resilience. The integration and improvement of systems further amplifies these risks by increasing dependency across systems and suppliers. Furthermore, a cyber security incident could lead to disruption of critical business operations and could lead to a breach of privacy, and loss or corruption of commercially sensitive data which could adversely affect customers.

The company is deploying secure, standards-aligned information infrastructure consistent with best practice. LPE regularly assesses its cyber security profile and is seeking to improve its information management systems. All employees undertake regular awareness training, including how to identify scam emails and how to keep data safe. As our organisation grows, LPE's cybersecurity and information integrity remains critical. LPE is also considering tools to better predict consumption patterns and mitigate the impact of demand volatility on revenue.

Supply Chain Constraints

LPE is reliant on key suppliers and delivery partners for essential infrastructure and service delivery. With rising input costs, labour market shortages, and supplier insolvency risk, the core cost of doing business continues to increase, placing pressure on project timelines, budgets, and overall profitability.

Remuneration Report

(AUDITED) (continued)

LPE has established supply agreements with key partners, incorporated escalation protections, and applies forward planning to mitigate cost and delivery pressures. Ongoing supplier engagement and performance monitoring are critical as LPE broadens its embedded technology solutions offering.

Access to Workforce Talent

The successful execution of LPE's growth strategy depends on the attracting, developing, and retaining of talent with expertise in energy markets, digital systems, compliance, and customer operations. Workforce shortages, high turnover, or gaps in leadership capability could delay delivery, compromise compliance, and dilute organisational resilience.

LPE is implementing strategic workforce planning, with an emphasis on succession mapping, role clarity, and retention incentives linked to performance and values alignment. The Company has made substantial investments in strengthening its leadership, including the appointment of a refreshed board featuring independent Directors, a new Chairman with relevant industry experience, and a revitalised executive team including a new Chief Executive Officer, Chief Financial Officer and Chief Commercial Officer.

Workplace Health and Safety

Maintaining a safe and compliant work environment is fundamental to LPE's operational resilience. The company has refreshed its approach to health and safety under the LPE Way, which includes a comprehensive review of policies, procedures, and risk controls aligned with a Zero Harm commitment.

All staff are expected to act in accordance with applicable health and safety legislation, workplace obligations, and internal protocols. Regular training and compliance audits are conducted to reinforce individual responsibility and support a safe, and high-performing organisational culture.

Climate Response and Resilience

The physical and economic impacts of climate change, coupled with tightening disclosure standards, are reshaping expectations across LPE's core markets. Future site opportunities may require resilience to extreme weather events, participation in demand response programs, and integration of low-emissions technologies as a condition of planning approvals.

LPE's transformation to a multi-utility platform presents both upside potential and execution complexity. Realising this opportunity will depend on the Company's ability to embed risk governance, deliver operational scalability, and allocate capital effectively.

Outlook

The Board notes that the Company recorded a statutory net loss for the year, primarily due to the impairment of the BioHub investment asset. This non-cash adjustment was required to align the asset's carrying value with its recoverable amount, ensuring the balance sheet appropriately reflects the Company's financial position.

Excluding this impairment, operating performance remained strong, with progress made on initiatives to expand market share. The recognition of the impairment provides clearer visibility of future earnings capacity and enables the Company to move forward with greater financial clarity.

The Board continues to focus on operational efficiency, disciplined capital allocation, and investment in opportunities that support value creation.

Approval

Approval of Directors' Report

This Directors' Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board this 28th August 2025.



The Board of LPE
Mr Craig Chambers
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 2025 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
29 August 2025



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Financial Statements

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 \$	2024 \$
Revenue	5a	41,635,817	40,545,818
Cost of goods sold	5b	(31,299,779)	(30,019,586)
Gross profit		10,336,038	10,526,232
Other income	5c	3,186,311	1,477,800
Total operating income		13,522,349	12,004,032
Impairment losses	5d	(7,597,309)	(698,801)
Financing expenses	5e	(498,493)	(1,135,458)
Other expenses	5f	(8,921,525)	(8,163,349)
(Loss)/profit before income tax		(3,494,978)	2,006,424
Income tax benefit	6	-	-
(Loss)/profit after income tax		(3,494,978)	2,006,424
Other comprehensive income		-	-
Other comprehensive income net of tax		-	-
Total comprehensive (loss)/income for the year		(3,494,978)	2,006,424
Basic earnings per share (dollars per share)	17	(0.0194)	0.0112
Diluted earnings per share (dollars per share)	17	(0.0194)	0.0086

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 2025

	Note	June 2025 \$	June 2024 \$
Current assets			
Cash and cash equivalents	22	6,186,326	3,478,354
Trade and other receivables	7	5,015,419	6,248,336
Site conversion receivables	7	1,218,064	1,162,224
GST receivable		509,438	-
Financial assets	8	3,212,312	6,230,131
Other current assets	9	1,130,098	629,542
Total current assets		17,271,657	17,748,587
Non-current assets			
Site conversion receivables	7	3,182,332	3,185,358
Financial assets	10	20,000	232,312
Plant and equipment	11	175,479	206,775
Leasehold improvements	12	42,398	139,105
Intangibles	13	580,086	731,299
Right of use assets	14	88,619	280,567
Total non-current assets		4,088,914	4,775,416
Total assets		21,360,571	22,524,003
Current liabilities			
Trade and other payables		11,267,070	6,879,402
GST payable		-	20,314
Employee entitlements - leave provisions		211,688	152,629
Lease liabilities		154,494	332,545
Provisions		48,042	43,674
Borrowings	15	2,215,332	712,001
Total current liabilities		13,896,626	8,140,565
Non-current liabilities			
Employee entitlements - leave provisions		114,389	97,239
Lease liabilities		6,073	160,565
Borrowings	15	-	3,227,046
Total non-current liabilities		120,462	3,484,850
Total liabilities		14,017,088	11,625,415
Net assets		7,343,483	10,898,588
Equity			
Issued capital	16	54,795,812	54,815,666
Share option reserve		96,058	136,331
Accumulated losses		(47,548,387)	(44,053,409)
Total equity		7,343,483	10,898,588

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 2025

	Note	June 2025 \$	June 2024 \$
Cash flows from operating activities			
Receipts from customers		16,444,450	32,128,646
Receipts from government grants	7	29,743,050	13,256,288
Total receipts from customer and grants/rebates		46,187,500	45,384,934
Payments to suppliers and employees		(39,462,353)	(38,364,330)
Interest received		1,687,617	1,025,695
Interest paid		(481,281)	(740,064)
Net cash provided by/(used in) operating activities	22	7,931,483	7,306,235
Cash flows from investing activities			
(Payment)/receipt for financial assets		(3,000,000)	90,000
Payment to acquire investments		-	-
Payment for plant and equipment		(36,635)	(111,683)
Proceeds from plant and equipment		-	62,645
Payment for leasehold improvements		-	-
Payment for intangibles		-	-
Net cash (used in)/provided by investing activities		(3,036,635)	40,962
Cash flows from financing activities			
Payment for share buy-back		(139,999)	-
Share issue costs		(304)	-
Financing costs paid		(16,352)	(16,651)
Proceeds from loans		-	53,842
Repayment of leases	22	(228,176)	(288,043)
Repayment of loans		(1,802,045)	(5,163,937)
Net cash used in financing activities		(2,186,876)	(5,414,789)
Net increase in cash and cash equivalents		2,707,972	1,932,408
Cash and cash equivalents opening balance		3,478,354	1,545,946
Cash and cash equivalents closing balance	22	6,186,326	3,478,354

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 2025

	Issued capital \$	Options reserve \$	Accumulated losses \$	Totals \$
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 (Performance rights)	-	(508,333)	508,333	-
Issue of Share Capital (Performance rights)	-	4,524	-	4,524
Profit 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
Balance at 30 June 2024	54,815,666	136,331	(44,053,409)	10,898,588
Issue of Share Capital	(19,551)	-	-	(19,551)
Capital Raising Costs	(303)	-	-	(303)
Expired Share Capital (Performance rights)	-	(120,447)	-	(120,447)
Issue of Share Capital (Performance rights)	-	80,174	-	80,174
Loss after income tax	-	-	(3,494,978)	(3,494,978)
Balance at 30 June 2025	54,795,812	96,058	(47,548,387)	7,343,483

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 2025

1 Reporting entity

The financial statements of Locality Planning Energy Holdings Limited ("the Company") for the year ended 30 June 2025 covers the Consolidated Entity consisting of Locality Planning Energy Holdings Limited and the entities it controlled 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 purposes 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 the 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 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 affect 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, which 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 other financial assets) is assessed for impairment as described in Note 3(g). Note 3(h) 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 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 attributable to the financing component of the purchase. See Note 3(k) for further details.

Notes to the Financial Statements

(continued)

2 Basis of preparation (continued)

(d) Going concern

The financial statements have been prepared on a going concern basis. The Directors have assessed the Group's capacity to continue operating and are satisfied that it has sufficient resources to remain in business for the foreseeable future.

3 Significant accounting policies

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

(a) Basis of consolidation

The consolidated financial statements include those of Locality Planning Energy Holdings Limited and its subsidiaries for the year ended 30 June 2025. Subsidiaries are entities (including structured entities) controlled by the Company. Control exist when the company has control over an entity, is exposed to, or has rights to, variable returns from its involvement with the entity, and can use its power to influence those returns. Subsidiaries are consolidated from the date control is obtained and deconsolidated from the date control is lost.

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

(b) Income tax

The current income tax expense is based on the profit or loss for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates enacted or substantively enacted by the balance sheet date.

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

Deferred tax is calculated using the tax rates expected to apply in 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 other comprehensive income or directly in equity.

Deferred income tax assets are recognised to the extent that it is probable future tax profits will be available to utilise deductible temporary differences or tax losses. Any rebates received from taxation authorities, 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 a 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 Group, and the cost of the item can be measured reliably. All other repairs and maintenance are charged to 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 Group 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 and 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 are included in profit or loss.

(d) Intangible assets

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

(e) Leasehold improvements

Leasehold improvements are amortised over the shorter of the unexpired lease period 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 that remains unpaid. These amounts are unsecured and have 14-60 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 under AASB 9, using 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.

Amounts written off are due to customer bankruptcies or term receivables that have become unrecoverable.

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

Notes to the Financial Statements

(continued)

3 Significant accounting policies (continued)

(h) Impairment of non-financial assets

At each reporting date, the Group 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.

(i) Share-based payments

The Group 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 performance rights is ascertained using a valuation which incorporates all market vesting conditions. The number of shares and performance rights 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 embedded network services, including electricity, hot water, solar, battery and billing agent services
- Supply of embedded network or solar infrastructure (including installation)

Supply of embedded network services

Revenue from the supply of services, including electricity is recognised as the customer obtains a benefit from the supply, which occurs over time as the customer consumes the services. 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 the client's site. 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 the client's site. The performance obligation is the installation of the infrastructure, and therefore revenue is recognised at a point in time upon installation.

Clients 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 being ready for use. 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 9%-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. For costs incurred on site conversions where the infrastructure has not yet been installed, and therefore no revenue yet recognised, the costs are accounted for within the site conversion work-in-progress balance contained within 'Other current assets' in the Statement of Financial Position.



Notes to the Financial Statements

(continued)

3 Significant accounting policies (continued)

(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.

(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 Group 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.

Notes to the Financial Statements

(continued)

3 Significant accounting policies (continued)

(p) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of 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.

Classification and subsequent measurement

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.



Notes to the Financial Statements

(continued)

3 Significant accounting policies (continued)

(p) Financial instruments (continued)

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;
- The business model for managing the financial assets comprises both contractual cashflows and the sale 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.

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 or 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.

Notes to the Financial Statements

(continued)

3 Significant accounting policies (continued)

(p) Financial Instruments (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 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 must be satisfied for 'derecognition of financial assets':

- The right to receive cash flows from the asset has expired or been transferred;
- All risks 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.

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.

(q) Employee entitlements

A 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

The Group 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 and other comprehensive income

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
(a) Revenue		
Embedded network services, including electricity sales	40,621,085	39,499,399
Site conversion sales	1,014,732	1,046,419
Total revenue	41,635,817	40,545,818
(b) Cost of goods sold ("COGS")		
Energy usage charges	17,587,671	18,167,986
Network charges	8,899,799	7,442,794
Other COGS	3,848,626	3,507,401
Site conversion COGS	963,683	901,405
Total cost of goods sold ("COGS")	31,299,779	30,019,586
(c) Other income		
Interest revenue	2,542,653	1,477,800
Other revenue	643,658	-
Total other income	3,186,311	1,477,800
(d) Impairment losses		
Bad debts written off	393,361	845,082
Addition/(decrease) to provision for doubtful debt	126,960	(146,281)
Financial asset impairment provision expense	7,076,988	-
Total impairment losses	7,597,309	698,801
(e) Financing expenses		
Borrowing expenses	96,341	189,787
Interest on leases	35,232	65,028
Interest expense	366,920	880,643
Total financing expenses	498,493	1,135,458
(f) Other expenses		
Bank fees	16,895	74,597
Depreciation and amortisation	506,075	539,091
Employee costs	5,168,041	4,639,771
Loss on disposal of assets	1,724	3,978
Information technology	1,106,665	1,306,881
Insurance	119,421	97,420
Marketing and advertising	121,175	100,940
Occupancy expenses	234,631	112,080
Other expenses	763,892	627,029
Professional costs	883,006	661,562
Total other expenses	8,921,525	8,163,349

Notes to the Financial Statements

(continued)

6 Income tax benefit

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Components of tax benefit comprise:		
Current tax	-	-
Prior year tax	-	-
Deferred tax	-	-
Income tax benefit	-	-
Numerical reconciliation of income tax benefit to prima facie tax payable		
(Loss)/profit before income tax	(3,494,978)	2,006,424
The prima facie income tax benefit on loss before income tax at a tax rate of 25%	(873,745)	501,606
Tax effect amounts which are not (deductible)/taxable in calculating taxable income:	55,585	30,971
Deferred tax asset not brought to account	818,159	(532,577)
Total income tax benefit	-	-
Net unrecognised deferred tax assets		
Net Deductible/(Assessable) temporary differences	1,456,531	(346,171)
Unused tax losses	4,425,624	5,410,167
Net unrecognised deferred tax asset	5,882,155	5,063,996

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 Group has no franking credits.



Notes to the Financial Statements

(continued)

7 Trade and other receivables

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Current trade and other receivables		
Trade receivables	6,318,113	6,581,739
Trade receivables expected credit losses	(1,317,620)	(1,089,359)
Hedging counterparty receivables	-	749,208
Interest receivables	14,926	6,748
	5,015,419	6,248,336
Current site conversion receivables		
Site conversion receivables	1,259,884	1,200,059
Site conversion receivables expected credit losses	(41,820)	(37,835)
	1,218,064	1,162,224
Non-current site conversion receivables		
Site conversion receivables	3,332,329	3,356,916
Site conversion receivables expected credit losses	(149,997)	(171,558)
	3,182,332	3,185,358

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

2024	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

2025	Opening balance 1 July 2024	Net measurement of loss allowance	Closing balance 30 June 2025	Amounts written off
Lifetime expected credit loss: credit impaired				
Current trade receivables	1,089,359	228,261	1,317,620	393,361
Current site conversion receivables	39,792	2,028	41,820	-
Non-current site conversion receivables	185,932	(35,935)	149,997	-
	1,315,083	194,354	1,509,437	393,361

Notes to the Financial Statements

(continued)

7 Trade and other receivables (continued)

Other than stated below, the Group does not hold any financial assets 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.

Government grants

Concession rebates and cost of living rebates (CoLR) are claimed on behalf of our customers from the relevant state or federal government. LPE holds these funds for customers to apply to their individual accounts in lieu of future payments as they fall due. This creates cash flow timing as the CoLR pre-payment is received in an earlier period to when the CoLR is applied to customers. During FY2025, rebates totaling \$29.7m were received, with \$24.6m applied against receivables due from customers. At 30 June 2025 the remaining CoLR balance available for application was \$4.9m.

8 Financial assets

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Term deposits	3,212,312	-
Investments	7,076,988	6,230,131
Provision for financial asset impairment	(7,076,988)	-
	3,212,312	6,230,131

In February 2022, LPE reached agreement to provide capital works funding of \$5.0 million in connection with the Bundaberg BioHub project. The funding was structured as a financial asset measured at amortised cost. The contractual repayment date was extended on several occasions through to 30 August 2025. The balance, including accrued interest and costs, remained unpaid. Interest has accrued at the contractual penalty rate since 1 October 2024 and no cash interest was received since 17 January 2025. Having assessed recoverability at 30 June 2025, LPE has recognised a loss allowance equal to the gross carrying amount. The provision has been recognised in profit or loss within impairment losses and the financial asset's net carrying value at balance date is nil.

9 Other current assets

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Prepayments	154,759	161,838
Environmental certificates	1,650	5,142
Site conversion work-in-progress	973,689	462,562
	1,130,098	629,542

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 2025 \$	Consolidated Entity 2024 \$
Term deposits	20,000	232,312
	20,000	232,312

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

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Office lease	-	212,312
Prudential obligations	20,000	20,000
	20,000	232,312

Notes to the Financial Statements

(continued)

11 Plant and equipment

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Plant and equipment at cost	401,763	369,199
Accumulated depreciation plant and equipment	(292,959)	(251,324)
	108,804	117,875
Motor vehicles at cost	98,180	98,180
Accumulated depreciation motor vehicles	(31,505)	(9,280)
	66,675	88,900
	175,479	206,775

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 2025 \$	Consolidated Entity 2024 \$
Balance at the beginning of the year	117,875	155,687
Additions	36,636	13,503
Depreciation	(41,636)	(46,023)
Disposals	(4,071)	(5,292)
Balance at the end of the year	108,804	117,875
Motor vehicles		
Balance at the beginning of the year	88,900	74,490
Additions	-	98,180
Depreciation	(22,225)	(22,439)
Disposals	-	(61,331)
Balance at the end of the year	66,675	88,900



Notes to the Financial Statements

(continued)

12 Leasehold improvements

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Leasehold improvements at cost	484,273	484,273
Depreciation	(441,875)	(345,168)
	42,398	139,105

Reconciliation

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

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Balance at the beginning of the year	139,105	235,259
Depreciation	(96,707)	(96,154)
Balance at the end of the year	42,398	139,105

13 Intangibles

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Intangibles at cost	1,061,819	1,061,819
Accumulated amortisation	(481,733)	(330,520)
	580,086	731,299

Reconciliation

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

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Balance at the beginning of the year	731,299	913,827
Amortisation	(151,213)	(182,528)
Balance at the end of the year	580,086	731,299

Notes to the Financial Statements

(continued)

14 Right of use asset

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Right of use asset at cost	959,452	959,452
Accumulated amortisation	(870,833)	(678,885)
	88,619	280,567

Reconciliation

Reconciliations of the carrying amount of right of use assets between the beginning and the end of the financial year.

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Balance at the beginning of the year	280,567	472,515
Depreciation	(191,948)	(191,948)
Balance at the end of the year	88,619	280,567

15 Borrowings

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Current		
Roadnight hedge facility	-	712,001
Roadnight growth facility	2,215,332	-
	2,215,332	712,001
Non-current		
Roadnight growth facility	-	3,227,046
	-	3,227,046

The Group has a funding facility with Roadnight Capital, a growth facility of \$7m to fund site conversions and acquisitions. This facility is presented above include borrowing costs.



Notes to the Financial Statements

(continued)

16 Issued capital

(a) Issued and paid up capital

	2025 Number	2024 Number
Ordinary shares fully paid no par value	181,205,907	180,204,412

(b) Movement in ordinary shares on issue

	Number	\$
Balance at 30 June 2024	180,204,412	54,815,666
Issued 1 December 2024	1,986,842	120,447
Share buy-backs ¹	(985,347)	(139,998)
Capital raising expenses	-	(303)
Balance at 30 June 2025	181,205,907	54,795,812

¹ Note: The balance of the ordinary shares on the ASX register will include shares purchased in the share buy-back scheme until cancelled at the conclusion of the buy-back period in July 2025.

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 on-market share buy-back that commenced on 24 April 2024, closed on 24 July 2025.

During the share buy-back period, the Company bought back 985,347 ordinary shares at an average value of \$0.07, total value \$139,998.

(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
LPEAZ (Issued 19-Dec-2022)	19/12/2024	7,000,000	-	(7,000,000)	-	-
LPEAO (Issued 01-Dec-2023)	1/12/2025		5,119,585	(3,430,716)	1,688,869	66,058
		8,000,000	5,119,585	(10,430,716)	2,688,869	96,058

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

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 Group'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 Company raises finance for the Group's working capital and asset development activities.

The Group 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

	2025 Number	2024 Number
Basic	180,618,915	179,342,628
Diluted	184,766,171	233,434,741
	\$	\$
(Net loss)/profit after tax used in calculating basic earnings per share	(3,494,978)	2,006,424
Basic earnings per share (dollars per share)	(0.0194)	0.0112
(Net loss)/profit after tax used in calculating diluted earnings per share	(3,494,978)	2,006,424
Diluted earnings per share (dollars per share)	(0.0194)	0.0086



Notes to the Financial Statements

(continued)

18 Controlled entities

Investment in controlled entities	Country of incorporation	Class of shares	% of ownership 2025	% of ownership 2024
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 Development Pty Ltd ¹	Australia	Ord	100%	100%
LPE Management Pty Ltd ²	Australia	Ord	100%	-

¹ Formerly LPE Generate Pty Ltd

² Company registered 7 May 2025

19 Commitments

The Group has no material commitments that require reporting.

20 Contingent assets and liabilities

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 (2024: nil).

21 Related parties

	2025 \$	2024 \$
Key management personnel compensation		
Short term employee benefits	1,661,464	1,457,142
Post-employment benefits	162,155	119,957
Long-term benefits	11,218	7,504
Share based payments	24,619	13,109
Termination payments	48,462	31,154
	1,907,918	1,628,866

Other related party transactions

There were no other related party transactions (2024: nil).

Notes to the Financial Statements

(continued)

22 Cash flow information

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Reconciliation of cash flow from operations		
(Loss)/profit after income tax	(3,494,978)	2,006,424
Non-cash flows:		
Depreciation and amortisation	506,075	539,091
Non-cash share based payments	80,174	114,526
Loss on disposal of assets	1,724	3,978
Provision for financial asset impairment	7,076,988	-
Expenditure classified as financing activities	228,176	288,043
	4,398,159	2,952,062
Changes in operating assets and liabilities		
Decrease/ (increase) in receivables	1,266,607	4,705,762
Decrease / (increase) in other assets	(1,347,413)	(1,591,637)
(Decrease) / increase in creditors and payables	3,537,917	1,496,989
(Decrease)/increase in employee entitlements	76,213	(256,941)
Net cash used in operating activities	7,931,483	7,306,235
Reconciliation of liabilities arising from financing activities		
Borrowings		
Opening balance	3,939,047	8,705,060
Non-cash changes	94,682	360,733
Cashflow	(1,818,397)	(5,126,746)
Closing balance	2,215,332	3,939,047
Lease liabilities		
Opening balance	493,110	785,134
Non-cash changes	(104,367)	(3,981)
Cashflow	(228,176)	(288,043)
Closing balance	160,567	493,110
Cash and cash equivalents in the Consolidated Statement of Cash Flows include:		
Cash at bank	6,186,326	3,478,354
	6,186,326	3,478,354



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 Group include price risk, interest rate risk, liquidity risk and credit risk. The Group 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 Group 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 Group'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 Group's profit or loss before tax 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 Group to manage their risks by continuously monitoring interest rates.

	Consolidated Entity 2025 \$	Consolidated Entity 2024 \$
Cash and cash equivalents	6,186,326	3,478,354
Borrowings	(2,215,332)	(3,939,047)
	3,970,994	(460,693)
Sensitivity		
Effect on profit before taxes		
Increase 1%	39,710	(4,607)
Decrease 1%	(39,710)	4,607

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 Group manages liquidity risk by maintaining reserves and by continually monitoring forecast and actual cash flows and cash balances.

At 30 June 2025 current assets exceed current liabilities by \$3,375,031 (2024: current assets exceeded current liabilities by \$9,608,022). 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 Group arises from cash and cash equivalents, term deposits, outstanding receivables and financial assets. The Group partially reduces credit risk by the use of direct debit facilities with its customers. In addition, the Group 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 2025 \$	Consolidated Entity 2024 \$
Amounts paid/payable for audit or review of the financial statements	92,945	81,646
Amounts paid/payable for tax and other services	5,000	5,500
	97,945	87,146

25 Subsequent events

On-market buy-back

The Company ended an on-market share buy-back on 24 July 2025.

Payment of debt

On 30 July 2025, the Group repaid \$2,12m on the Roadnight growth facility, reducing the outstanding balance to \$100,000 and maintaining access to \$7 million in undrawn funding.

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 Group, the result of those operations or the state of affairs of the Group in future financial years.



Remuneration Report

(AUDITED) (continued)

26 Parent entity disclosure

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

	2025 \$	2024 \$
Results of parent entity		
Loss for the year	(6,776,494)	(1,414,395)
Other comprehensive income for the year	-	-
Total comprehensive (loss) before tax	(6,776,494)	(1,414,395)
Income tax benefit	-	-
Total comprehensive loss after tax	(6,776,494)	(1,414,395)
Financial position at year end		
Current assets	6,029,927	15,055,633
Total assets	6,029,927	15,055,633
Current liabilities	1,847,111	824,961
Non-current liabilities	-	3,227,046
Total liabilities	1,847,111	4,052,007
Net assets	4,182,816	11,003,626
Total equity comprising:		
Issued capital	54,795,812	54,815,666
Reserves	96,057	120,519
Accumulated losses	(50,709,053)	(43,932,559)
Total equity	4,182,816	11,003,626

Contingent liabilities

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 Company as disclosed in these financial statements (2024: nil).

Contractual commitments

At 30 June 2025, contractual commitments entered into by Locality Planning Energy Holdings Ltd is \$Nil (2024: \$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 2025

Controlled entities

2025

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	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 Development Pty Ltd ¹	Body corporate	Australia	100%	Australian	N/A
LPE Management Pty Ltd ²	Body corporate	Australia	100%	Australian	N/A

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

¹ Formerly LPE Generate Pty Ltd

² Company registered 7 May 2025

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	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



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 2025 and performance for the year ended on that date of the Group,
- 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 Chief Executive Officer 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); and
 - (c) the financial statements and notes for the financial year give a true and fair view.
 - (d) the information disclosed in the attached Group's 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.



Craig Chambers

Chairperson

Dated: 29 August 2025

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 2025 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 2025 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 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

(continued)



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

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
1. 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 contributed a significant portion of total current assets and total assets in the prior year. The balance as at 30 June 2025 has been fully impaired to \$0. The agreement was renegotiated during the year, was breached again and noted receipt has not occurred by 30 June 2025. Investment was fully provided for at 30 June 2025 	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 noting that non-receipt of these payments and non-adherence to terms of the second letter of forbearance has resulted in the full impairment.
2. Recoverability of Legacy Receivable We focused on this area as a key audit matter due to: <ul style="list-style-type: none"> The on-going litigation regarding the legacy receivable has included mediation in the period, with an outcome not yet reached. The receivable balance had been partially provided in the prior year, with the full balance now being provided. 	Our procedures included, amongst others: <ul style="list-style-type: none"> Discussed with management any updates from the litigation and mediation. Reviewed additional amounts billed and costs incurred.



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Independent Auditor's Report

(continued)



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

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
3. Recognition and Recording Revenue We focused on this area as a key audit matter due to: <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. 	Our procedures included, amongst others: <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 2024-2025 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.



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Independent Auditor's Report

(continued)



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

Key Audit Matters (Continued)

Key Audit Matter	How our audit addressed the key audit matter
4. 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 2025. 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 2024-2025 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 2024-2025 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 2024-2025. 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.
5. 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.



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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 2025, 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

(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)

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.

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.



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Independent Auditor's Report

(continued)



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

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 2025.

In our opinion, the Remuneration Report of Locality Planning Energy Holdings Limited, for the year ended 30 June 2025, 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
29 August 2025



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Shareholder Information

Additional information required by Australian Securities Exchange (ASX) and not shown elsewhere in the Annual Report, current as at 29 July 2025, 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: 181,205,907 ordinary shares (LPE), each fully paid, held by 708 shareholders;
- Unlisted: 1,000,000 options exercisable at \$0.20 and expiring 30th March 2026, held by 1 holder; and
- Unlisted: 1,688,869 Employee Performance Rights held by 29 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 318 shareholders holding less than a marketable parcel of shares based on the closing price of \$0.115 on 29 July 2025 representing a total of 367,873 shares.

On-market buy-back

The Company ended an on-market share buy-back on 24 July 2025.

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	172,752,569	95.33	102	14.41
10,001 to 100,000	7,490,279	4.13	200	28.25
5,001 to 10,000	464,710	0.26	61	8.62
1,001 to 5,000	423,494	0.23	143	20.20
1 to 1,000	74,855	0.04	202	28.53
Total	181,205,907	100.00	708	100.00

Twenty Largest Shareholders (LPE)

Rank	Name	No. of Shares	%IC
1	RIVER CAPITAL NOMINEES PTY LTD	36,699,802	20.25
2	BNP PARIBAS NOMINEES PTY LTD	27,546,057	15.20
3	FERNSHA PTY LIMITED	24,000,100	13.24
4	MR STANISLAV MICHAEL KOLENC	12,762,587	7.04
5	SNOWBALL ASSET MANAGEMENT PTY LTD	6,910,760	3.81
6	KIC ADVISOR PTY LTD	5,775,357	3.19
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,437,166	3.00
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,330,520	2.94
9	MR LESLIE PETER WOZNICZKA	4,518,502	2.49
10	PACIFIC CUSTODIANS PTY LIMITED	2,886,062	1.59
11	SAHO NOMINEES PTY LTD	2,848,666	1.57
12	MR BRIAN THOMAS CLAYTON & MRS JANET CLAYTON	2,739,263	1.51
13	BRIO CAPITAL MASTER FUND LTD	2,000,000	1.10
14	THOMPSON HOSPITALITY PTY LTD	1,763,853	0.97
15	TML FT MANAGEMENT SERVICES PTY LTD	1,446,874	0.80
16	TML SF MANAGEMENT SERVICES PTY LTD	1,435,000	0.79
17	DEFENDER EQUITIES PTY LTD	1,400,000	0.77
18	CRYING ROCK PTY LTD	1,237,500	0.68
19	SORE TOOTH PTY LIMITED	1,100,000	0.61
20	MISS HOLLY JANE APPLETON	1,006,714	0.56
Total		148,844,783	82.14
Balance of register		32,361,124	17.86
Grand total		181,205,907	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:

Name¹	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	25,783,116	14.23%
Mr. Simon Tilley	25,900,000	14.37%
Fernsha Pty Limited	24,000,100	13.24%
Mr. Stanislav (Stan) Kolenc	18,537,944	10.29%

¹ Holdings may be held via nominee/custodian accounts and may not appear under the same name in the register on p.65.

Corporate Directory

Chair

Mr Craig Chambers

Non-Executive Directors

Mr David Jarjoura

Mr Andrew Vlachos

Ms Nicole Noye

Chief Executive Officer

Mr Scott Taylor

Company Secretary

Ms Elissa Hansen

Principal & Registered Office

Level 8, 8 Market Lane

Maroochydore, Qld 4558

Phone: 1300 443 735

Auditors

Bentleys

Level 23/71 Eagle 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

MUFG Pension & Market Services

10 Eagle Street

Brisbane, Qld 4000

Phone: 1300 554 474

Stock Exchange Listing

Australian Securities Exchange

Code: LPE





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