

Locality Planning Energy Holdings Limited
Appendix 4D – Half year report
For the half year ended 31 December 2023

Name of entity:	Locality Planning Energy Holdings Limited
ABN or equivalent company reference:	90 147 867 301
Current reporting period:	1 July 2023 to 31 December 2023
Previous reporting period:	1 July 2022 to 31 December 2022

Results for announcement to the market

Revenue for ordinary activities	Down	8.11%	to	19,329,190
Net profit after tax from ordinary activities after tax attributable to members*	Up	104.91%	to	341,218
Net profit from ordinary activities after tax attributable to members	Up	104.91%	to	341,218

* Please refer to the accompanying financial report for further details.

	31 December 2023	31 December 2022
	\$	\$
Net Tangible assets per share	0.0467	0.0769
Final & interim dividend paid	nil	nil

This information should be read in conjunction with the 31 December 2023 Half Year Financial Report of Locality Planning Energy Holdings Limited and any public announcements made during the period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Listing Rules.

This report is based on the Locality Planning Energy Holdings Limited 31 December 2023 half-year financial statements which have been reviewed by Bentleys. The Independent Auditor's Review Report provided by Bentleys is included in the 31 December 2023 half year financial statements.



December 2023 Half Year Report

Locality Planning Energy
Holdings Limited

ABN 90 147 867 301

Smarter, **Friendlier**, **Better** electricity provider

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Directors' Report

Directors' Report

The Directors submit their report on the consolidated entity consisting of Locality Planning Energy Holdings Limited (LPE) and the entities it controlled (Group) at the end of, or during the half year ended, 31 December 2023.

Directors

The following were Directors during the period and at the date of this report unless otherwise stated:

Mr Justin Pettett – Non-Executive Director and Chairman – Resigned 6th February 2024

Mrs Kathryn Giudes – Independent Non-Executive Director – Resigned 6th February 2024

Mr Barnaby Egerton-Warburton – Independent Non-Executive Director – Resigned 6th February 2024

Mr Damien Glanville – Executive Director and Chief Executive Officer – Resigned 6th February 2024

Mr Simon Tilley – Non-Executive Director

Mr Stan Kolenc – Non-Executive Director – Appointed 21 September 2023

Mr David Jarjoura – Independent Non-Executive Director

Principal Activities

The Group's principal activity is the sale of electricity and utility services to residential and commercial customers throughout the Australian National Electricity Market.

Financial Result

The Group reported a net profit after tax of \$341,218 for the half year ended 31 December 2023 (December 2022 loss after tax of \$6.9 million).

Performance Highlights

- The Company achieved a net profit of \$341,218 for the half year ended 31 December 2023.
- While revenues were down (due to our exit from the retail energy market) in this half, the Company was able to increase net margins through cost management, recovery of bad debts, interest received from deposits, and the BioHub loan interest. Further highlights were:
 - Electricity trading margins increased to 25.73% from 1.49%.
 - Operating costs increase was managed to 2.15% and included:
 - Reduced employee costs;
 - Investment into IT infrastructure; and
 - AP2U positive earnings for the half year.
- In December 2023, a restructured agreement was signed with the Bundaberg Bio Hub. LPE agreed to further extend the repayment date of the loan to 28 June 2024 including all outstanding interest and legal costs as at 31 December 2023 which were capitalised into the total debt for a total of \$6.1 million. Bundaberg BioHub prepaid \$230,295 in interest for Q3 with further interest payments payable of 30 April and 31 May 2024.

The Board commented: “These financial results are the first steps to returning the business to an ongoing profitable position. The half year profit of \$341,218 is a position for the organisation to grow from dependent on management’s ability to increase our embedded network which we are confident in our ability to do so. This result has been driven by our focus on the embedded market which we will continue to do.”

Operating and Financial Review

The Board has decided to not pursue any Merger & Acquisition opportunities that are not directly related to LPE's existing customers and business lines and is focusing on a combination of efficient operations, quality customer service and growth in services offered to customers and the number of customers.

Financial Performance Summary

Revenues for 1HFY24 were \$19.3 million, a decrease of 8% on 1HFY23, and including income from BioHub interest, other investments returns and prior year debt recovery. For 1HFY24, LPE posted a net profit of \$341,218. The Company has returned to profitability through a combination of higher margins and lower costs. It also benefited from other income as detailed above. Customer numbers have remained static over the last quarter however, with an increased focus from the Board and Management, we expect to see an improvement as the months progress with additional opportunities to introduce our benefits to Strata Building Managements.

For the review period, LPE's contracted embedded network customers remained steady at 32,200, with management focused on growing customers in this half. This focus will be by retention of existing customers, growth of new Strata Managements and developing relationships with Property Developers. The Sales team has been structured to increase in our customer base.

The Board is confident that the focus on cost controls and opportunities to increase margins in line with service will deliver results.

Hedge Position

Following the decision to close LPE's electricity hedge book, LPE's position reduced to \$2.5 million as at 31 December 2023 and will be completed in February 2025 with asset manager, Roadnight Capital Pty Ltd.

Credit Facility

LPE continues its relationship with Roadnight Capital through the \$10 million credit facility for growth of the organisation. The credit facility, which has a 3-year term, expires in December 2025. Currently \$3.33 million has been utilised to fund site infrastructure and acquisitions.

Bundaberg Biohub

In December 2023, the Board restructured the Bundaberg Bio Hub capital works funds agreement with an upfront cash payment of \$230,295 made to cover Q3, FY24 interest and all outstanding interest and legal costs as at the end of the half year capitalised into the debt amounting to a total of \$6.1 million. Under the agreement, this amount is due to be repaid prior to 30 June 2024.

Outlook

The Board expects that these financial results are the first steps to returning the business to an ongoing profitable position. The half yearly profit of \$341,218 is a position for the organisation to grow from, dependent on management's ability to increase our embedded network which we are confident in our ability to do so. Future results will continue to be driven by our focus on the embedded network market.

Operating and Financial Review continued

Other Disclosures for Half Year ending 31 December 2023

Principal Activities of the Consolidated Entity

The principal activity of the consolidated entity is the sale of electricity and utility services to residential and commercial customers within embedded networks.

Dividends

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of dividend since 31 December 2023 and to the date of this report.

Review of Activities and Business Strategies

An operating and financial review of the Company during the financial year is contained on pages 03–06 of this report and forms part of the Directors' Report. It includes a review of operations during the first half, as well as the financial results and business strategies of the Company.

Changes in State of Affairs

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

Proceedings on Behalf of the Company

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

Auditor's Independence Declaration

A copy of the external auditor's declaration under Section 307C of the Corporations Act in relation to the review for the half 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 have entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors and the Secretary. The Company has insured all of the Directors and Officers of LPE.

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

Subsequent to the balance date Justin Pettett, Damien Glanville, Barnaby Egerton-Warburton and Katherine Giudes resigned as Directors on 6th February 2024. Damien Glanville continues as CEO of LPE.

Operating and Financial Review continued

Business Risks

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

Regulatory policy

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

Market

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

Changes in demand for energy

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

Technological developments/disruption

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

Cyber security

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

Climate change

The ongoing decarbonisation of energy markets and the decreasing demand for fossil fuels provides both risks and opportunities for LPE. The Company is focused and committed to growth and innovation of its solar products.

Company Health and Safety Policy

It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable to their respective organisations and to use security and safety equipment provided. Specifically, all employees are responsible for safety in their work area by:

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

Operating and Financial Review continued

Environmental

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

Approval of Directors' Report

This Director's Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Board this 27th day of February 2024.



David Jarjoura
Interim Chairman

Independent Auditor's Declaration



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, in relation to the review for the half-year ended 31 December 2023 there have been:

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

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director
Brisbane
27 February 2024



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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2023

	Note	Dec-23 \$	Dec-22 \$
Electricity revenue	4A	18,594,779	20,318,547
Electricity cost of goods sold	4B	(13,850,539)	(19,986,033)
Unrealised gain/losses on derivatives		–	–
Gain from trading		4,744,240	332,514
Other income	4C	734,411	716,082
Total operating income		5,478,651	1,048,596
Impairment losses	4D	(90,321)	(23,446)
Financing expenses	4E	(735,862)	(3,757,548)
Other expenses	4F	(4,311,250)	(4,218,630)
Profit/(loss) before income taxes		341,218	(6,951,028)
Income tax benefit/(expense)		–	–
Net profit/(loss) for the period		341,218	(6,951,028)
Other comprehensive income		–	–
Other comprehensive income net of tax		–	–
Total comprehensive profit/(loss) for the year		341,218	(6,951,028)
Basic earnings/(loss) per share (dollars per share)		0.0019	(0.0400)
Diluted earnings/(loss) per share (dollars per share)		0.0013	(0.0400)

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 31 December 2023

	Note	Dec-23 \$	Jun-23 \$
Current assets			
Cash and cash equivalents		5,124,814	1,545,946
Trade and other receivables		7,911,516	10,257,162
Site conversion receivables		1,081,849	1,086,431
GST receivable		–	94,744
Financial assets	5A	6,128,082	5,110,000
Other current assets		838,790	268,035
Total current assets		21,085,051	18,362,318
Non-current assets			
Trade and other receivables		82,956	749,208
Site conversion receivables		3,016,859	3,136,193
Financial assets	5B	232,312	212,312
Plant and equipment		203,456	230,177
Leasehold improvements		186,905	235,259
Intangibles		810,100	913,827
Right of use assets		376,541	472,515
Total non-current assets		4,909,129	5,949,491
TOTAL ASSETS		25,994,180	24,311,809
Current liabilities			
Trade and other payables		9,816,374	5,497,474
GST payable		121,857	–
Employee entitlements – leave provisions		243,923	418,938
Lease liabilities		311,776	292,024
Provisions		41,636	39,694
Borrowings		2,439,472	4,981,390
Total current liabilities		12,975,038	11,229,520
Non-current liabilities			
Employee entitlements – leave provisions		172,217	87,871
Lease liabilities		333,168	493,110
Borrowings		3,296,187	3,723,670
Total non-current liabilities		3,801,572	4,304,651
TOTAL LIABILITIES		16,776,610	15,534,171
NET ASSETS		9,217,570	8,777,638
Equity			
Issued capital	2	54,815,666	54,705,664
Share option reserve		120,519	640,140
Accumulated losses		(45,718,615)	(46,568,166)
TOTAL EQUITY		9,217,570	8,777,638

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

Consolidated Statement of Cash Flows

For the Half Year Ended 31 December 2023

	Note	Dec-23 \$	Dec-22 \$
Cash flows from operating activities			
Receipts from customers		11,810,222	26,389,816
Receipts from government utility relief scheme		13,227,537	3,488,625
Receipts from government grants		–	5,000
Payments to suppliers and employees		(18,092,243)	(23,638,707)
Interest received		352,762	549,700
Interest paid		(401,463)	(1,242,111)
Net cash provided by/(used in) operating activities		6,896,815	5,552,323
Cash flows from investing activities			
Receipt/ (Payment) for financial assets		90,000	2,600,000
Payment for plant and equipment		(5,647)	(5,457)
Proceeds from plant and equipment		–	32,282
Payment for leasehold improvements		–	–
Payment for intangibles		–	–
Net cash provided by/(used in) investing activities		84,353	2,626,825
Cash flows from financing activities			
Financing costs paid		(8,707)	(2,408,054)
Proceeds from loans		53,484	18,898,941
Repayment of loans		(3,308,830)	(24,907,986)
Repayment of leases		(138,247)	(121,304)
Proceeds from issue of shares (net of share issue costs)		–	–
Share issue costs		–	–
Net cash provided by/(used in) financing activities		(3,402,300)	(8,538,403)
Net increase/(decrease) in cash and cash equivalents		3,578,868	(359,255)
Cash and cash equivalents opening balance		1,545,946	3,137,913
Cash and cash equivalents closing balance		5,124,814	2,778,658

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 Half Year Ended 31 December 2023

	Issued capital \$	Options reserve \$	Accumulated losses \$	Totals \$
Balance at 1 July 2022	54,298,849	811,440	(34,816,473)	20,293,816
Issue of Share Capital	406,815	–	–	406,815
Capital Raising Costs	–	–	–	–
Expired Share Options	–	(273,107)	273,107	–
Issue of Share Options	–	15,126	–	15,126
Profit/(Loss) after income tax	–	–	(6,951,028)	(6,951,028)
Balance at 31 December 2022	54,705,664	553,459	(41,494,394)	13,764,729
Balance at 1 July 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 Options	–	(508,333)	508,333	–
Issue of Share Options	–	(11,288)	–	(11,288)
Profit/(Loss) after income tax	–	–	341,218	341,218
Balance at 31 December 2023	54,815,666	120,519	(45,718,615)	9,217,570

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 Half Year Ended 31 December 2023

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(A) Basis of Preparation

The interim financial report of Locality Planning Energy Holdings Limited (LPE or the Company) and its controlled entities (the Group) for the half-year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on the date the directors report was signed.

The interim financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134 *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

It is recommended that this interim financial report be read in conjunction with the annual financial report for the year ended 30 June 2023 and any public announcements made by LPE during the period in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The interim financial report does not include full disclosures of the type normally included in an annual financial report.

(B) Reporting Basis and Conventions

The interim report has been prepared on an accruals basis and is based on historical costs.

(C) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for those as described in Note 1(d) below.

(D) New, Revised or Amending Accounting Standards and Interpretations Adopted

A number of new standards, amendments and interpretations are effective for annual reporting periods commencing after 1 July 2023 and earlier application is permitted; however the Company has not early adopted the new or amended standards in preparing these financial statements. The new standards relate to very specific circumstances that have been deemed 'not applicable' to the Company.

(E) Financial Instruments

Initial recognition and measurement

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

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

Notes to the Financial Statements continued

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

(E) Financial Instruments continued

Classification and subsequent measurement

Financial Liabilities

Financial liabilities are subsequently measured at:

- Amortised cost; or
- Fair value through profit or loss.

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

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

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

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

A financial liability is held for trading if:

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

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

Financial Assets

Financial assets are subsequently measured at:

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

Measurement is on the basis of two primary criteria:

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

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

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

Notes to the Financial Statements continued

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

(E) Financial Instruments continued

Financial Assets 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; and
- The business model for managing the financial assets comprises both contractual cashflows and the selling of the financial asset.

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

Derecognition

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

Derecognition of financial liabilities

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

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

Derecognition of financial assets

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

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

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

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

(F) Going Concern

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

The Group incurred a net profit after income tax for the half year ended 31 December 2023 of \$341,218 (2022 half year loss \$6,951,028) and had an operating cash inflow for the half year of \$6,896,815 (2022 half year inflow \$5,552,323). Additionally, the net assets for the half year were \$9,217,570 (2022 half year \$8,777,638). However, due to historical operating losses, there remains a material uncertainty on whether the group will continue as a going concern.

The strengthened electricity margins, along with expense management will be continued which will enhance the financial stability of the Company's balance sheet. The Directors have therefore determined the Group has access to sufficient net working capital to maintain normal business activity deeming it appropriate to prepare the financial report on a going concern basis.

Notes to the Financial Statements continued

2 ISSUED CAPITAL

(A) Issued and paid up capital

	Dec-23 Number	Jun-23 Number
Ordinary shares fully paid no par value	180,204,412	178,156,277

(B) Movement in ordinary shares on issue

	Number	\$
Balance at 1 July 2023	178,156,277	54,705,664
Issued 1 December 2023	2,048,135	110,002
Capital raising expenses		–
Balance at 31 December 2023	180,204,412	54,815,666

(C) Options on issue

At the end of the period, the following options over unissued ordinary shares were outstanding:

		Expiry	Number	\$
Unlisted Options:				
Issued 06-Apr-2022 EX \$0.20	LPEAM	30/3/26	1,000,000	30,000
Issued 19-Dec-2022	LPEAZ	19/12/24	7,000,000	80,157
Issued 01-Dec-2023	LPEAO	1/12/25	3,998,489	10,362
Balance at 31 December 2023			11,998,489	120,519
Listed Options:				
Balance at 31 December 2023			–	–

3 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

4 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Consolidated Entity Dec-23 \$	Consolidated Entity Dec-22 \$
(A) Electricity Revenue		
Electricity sales	18,370,396	19,466,005
Site conversion sales	224,383	852,542
Total Electricity Revenue	18,594,779	20,318,547
(B) Electricity Cost of Goods Sold		
Energy usage charges	8,526,953	12,860,381
Network charges	3,478,583	3,993,542
Other COGS	1,638,245	2,322,454
Site conversion COGS	206,758	809,656
Total Electricity Cost of Goods Sold	13,850,539	19,986,033
(C) Other Revenue		
Interest revenue	734,411	711,082
Government grants	–	5,000
Total Other Revenue	734,411	716,082
(D) Impairment Losses		
Bad debts written off	523,457	103,172
Reduction to provision for doubtful debt	(433,136)	(79,726)
Total Impairment Losses	90,321	23,446
(E) Financing Expenses		
Bank Fees	39,747	57,693
Borrowing expenses	112,868	2,543,047
Interest on leases	36,172	48,865
Interest expense	547,075	1,107,943
Total Financing Expenses	735,862	3,757,548
(F) Other Expenses		
Depreciation and amortisation	281,862	193,463
Employee costs	2,477,552	2,760,630
(Gain)/loss on disposal of assets	449	(6,337)
Information technology	662,922	451,577
Insurance	55,119	48,236
Marketing & advertising	59,661	171,332
Occupancy expenses	59,110	48,766
Other expenses	466,375	275,659
Professional costs	248,200	275,304
Total Other Expenses	4,311,250	4,218,630

Notes to the Financial Statements continued

5 FINANCIAL ASSETS

	Consolidated Entity Dec-23 \$	Consolidated Entity Jun-23 \$
(A) Financial Assets		
At fair value through the profit or loss		
Term Deposits	–	110,000
Investments	6,128,082	5,000,000
	6,128,082	5,110,000
(B) Other Financial Assets		
At fair value through the profit or loss		
Term Deposits	232,312	212,312
	232,312	212,312

LPE entered into an agreement in February 2022 with Bundaberg BioHub Pty Ltd (BBH) and Stak Mining Pty Ltd (STAK) whereby LPE funded \$5 million in capital works (Capital Works Funds) to facilitate the construction of the Bundaberg BioHub. The Capital Works Funds were due for repayment in October 2023 which was not met. LPE varied its agreement with BBH and further extended the settlement date for the full repayment of the capital works funds (including all outstanding interest and legal fees) until 28 June 2024 (Revised Arrangement). As part of the Revised Arrangement, all outstanding interest, and legal costs as of 31 December 2023 were capitalised into the capital works funds and, as of 1 January 2024, the total amount is \$6,158,082.20 (Total Debt). On and from 1 January 2024, interest will accrue on the Total Debt at 15% per annum (accruing daily). BBH paid LPE (in January 2024 quarter) an advance on interest for the period 1 January 2024 to 31 March 2024 of \$230,295.40.

Notes to the Financial Statements continued

6 CONTINGENT ASSETS AND LIABILITIES

The Directors are not aware of any change in contingent assets and liabilities since the last annual reporting date.

7 EVENTS SUBSEQUENT TO PERIOD END

Subsequent to the Period end Justin Pettett, Damien Glanville, Barnaby Egerton-Warburton and Katherine Giudes resigned as Directors as at 6th February 2024.

Directors' Declaration

The Directors of the Company declare that:

The financial statements and notes are in accordance with the *Corporations Act 2001* and:

- (a) complying with Australian Accounting Standard AASB134: *Interim Financial Reporting*; and
- (b) giving a true and fair view of the financial position as at 31 December 2023 and of its performance and cash flows for the half year ended on that date.

In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



David Jarjoura
Interim Chairman

Dated: 27 February 2024

Independent Auditor's Review Report

to the members of Locality Planning Energy Holdings Limited



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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Locality Planning Energy Holdings Limited and its controlled entity (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2023, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

Without modifying our conclusion, we draw attention to Note 1(f) in the financial report, which indicates that the Group incurred a net profit after income tax for the half year ended 31 December 2023 of \$341,218 (2022 half year loss \$6,951,028) and had an operating cash inflow for the half year of \$6,896,815 (2022 half year inflow \$5,552,323). Additionally, the net assets for the half year were \$9,217,570 (2022 half year \$8,777,638). However, given the historic losses, there remains a material uncertainty on whether the Group will continue as going concern. Our conclusion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review 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 Accounting and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



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Advisors
Accountants
Auditors

Independent Auditor's Review Report continued



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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Bentleys Brisbane (Audit) Pty Ltd
Chartered Accountants

Stewart Douglas
Director
Brisbane
27 February 2024



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Corporate Directory

Interim Chairman

Mr David Jarjoura

Non-Executive Directors

Mr Simon Tilley

Mr Stan Kolenc

Chief Executive Officer

Mr Damien Glanville

Company Secretary

Ms Elissa Hansen

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Stock Exchange Listing

Australian Securities Exchange

Code: LPE

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