LPE®

2026

Annual Report

Locality Planning Energy Holdings Limited

ABN 90 147 867 301


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Contents

Empowering your Everyday

Who we are

Locality Planning Energy Holdings Limited (ASX:LPE) is an integrated multi-utility services provider (MUSCo) delivering utility infrastructure and energy solutions to developers, asset owners and communities, primarily across Queensland and Northern New South Wales, with a growing presence in other states and territories.

Established in 2012 and listed on the ASX in 2016, LPE has grown into one of Australia's leading embedded network operators, with experience across more than 377 residential, commercial and mixed-use developments. Through long-term partnerships with developers, asset owners, owners corporations and communities, the Company is helping shape the future of utility infrastructure.

Backed by more than a decade of industry expertise, LPE is committed to delivering smarter, more sustainable utility outcomes by combining innovation, operational excellence and customer-focused solutions. As Australia's energy landscape continues to evolve, the Company is well positioned to support the transition to more connected, resilient and efficient communities.

LPE does this by making delivery easier, assets stronger and everyday living better, creating long-term value for its customers, communities and shareholders while building infrastructure that supports future generations.

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 delivers integrated utility infrastructure and energy solutions that supports the planning, development and long-term operation of residential, commercial and mixed-use communities. Working alongside developers, asset owners, owners corporations and commercial customers, we provide tailored, place-based solutions that simplify utility delivery and enhance long-term asset performance.

Our integrated service offering includes embedded electricity networks, hot and cold water, solar and community batteries, enabling customers to access essential utility services through a single, coordinated delivery model. This approach reduces project complexity, improves operational efficiency and lowers whole-of-life operating costs.

By combining infrastructure, technology and ongoing utility management, LPE helps create smarter, more sustainable communities while supporting Australia's transition to a more connected, decentralised energy future.

The Value of Embedded Networks

Embedded networks provide a smarter, more efficient approach to delivering electricity within residential, commercial and mixed-use developments. By integrating energy infrastructure under a single network, they enable developers, building owners and communities to optimise energy management, improve operational efficiency and reduce whole-of-life operating costs.

For property owners and managers, embedded networks simplify utility administration through centralised metering, billing and ongoing network management while providing greater visibility and control over energy consumption. For residents and businesses, they offer access to competitively priced electricity, improved customer service and the opportunity to benefit from emerging energy technologies.

As Australia's energy system continues to decentralise, embedded networks are evolving into integrated local energy platforms that support rooftop solar, community batteries, electric vehicle charging and other distributed energy resources. This enables communities to participate more actively in the energy transition while improving sustainability and long-term affordability.

The Evolving Embedded Network Sector

The embedded network sector continues to mature, driven by regulatory reform, technological innovation and industry consolidation. Increasing compliance obligations and higher operating costs are accelerating the shift from a fragmented market of smaller operators to a professionalised, infrastructure-based industry supported by institutional capital.

Enhanced Australian Energy Regulator (AER) requirements, including mandatory registration, greater tariff transparency and stronger consumer protections, have increased the importance of scale, governance and operational capability.

At the same time, embedded networks are evolving beyond traditional energy on-selling into integrated local energy systems. The adoption of rooftop solar, battery storage, electric vehicle charging and smart energy management technologies is enabling operators to optimise energy use, improve customer outcomes and support more resilient communities.

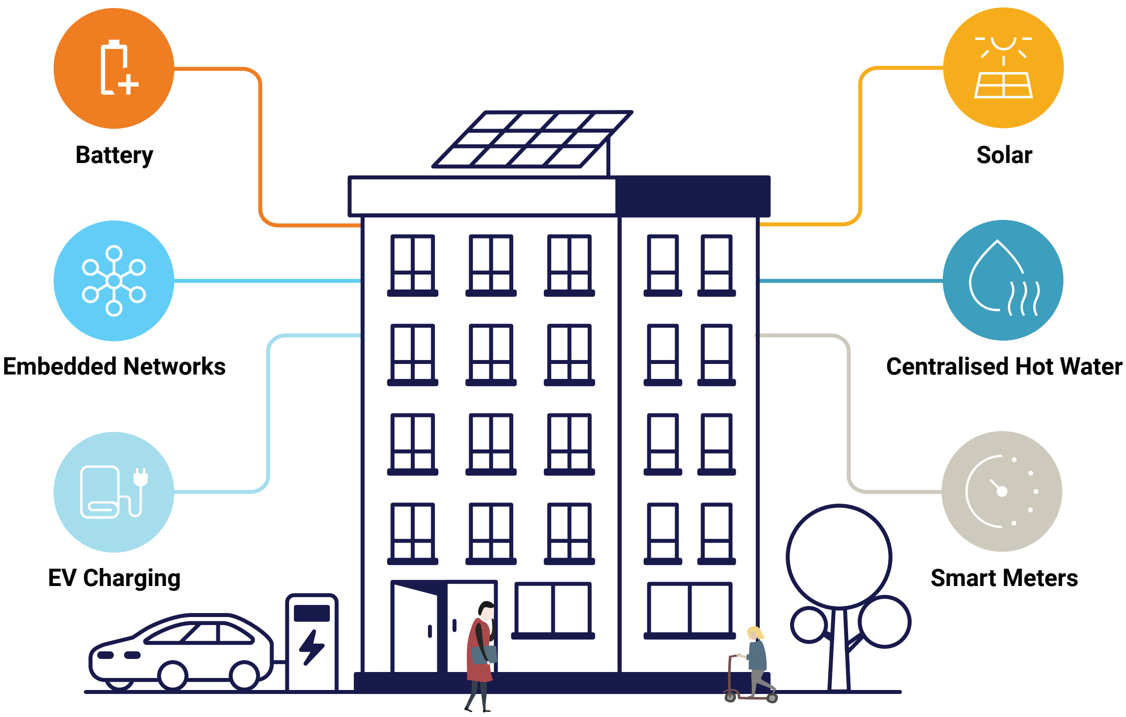
These structural changes continue to reshape the competitive landscape, favouring larger, well-capitalised operators with the scale, technical expertise and infrastructure capability to deliver long-term, integrated utility solutions.

The MUSCo Advantage

Choosing a multi-utility services company (MUSCo) is a strategic decision that delivers value across the entire lifecycle of a development. Rather than coordinating multiple utility providers, LPE provides a single, integrated solution that simplifies planning, delivery and ongoing operations.

By bringing together electricity, hot and cold water, solar, community batteries, and other essential utility services, LPE reduces project complexity, improves coordination and creates long-term operational efficiencies. Where appropriate, we invest in utility infrastructure, helping preserve developer capital to support stronger long-term asset performance.

Our integrated approach enables developers, asset owners and communities to benefit from streamlined delivery, reduced risk and future-ready infrastructure designed to support evolving customer needs. Guided by our intent of making delivery easier, assets stronger and everyday living better, we create lasting value for our partners and the communities they serve.



From early strategy and construction, through to long-term operations, we ensure every system works together driving performance across multiple asset classes.

Build-to-rent | Build-to-sell | Strata | Retirement | Land lease communities

Industrial | Office | Retail | Mixed-use | Greenfield | Brownfield

Image is a generative impression

Performance Highlights

LPE enters FY2027 with a stronger financial position, enhanced operational capability, an expanding development pipeline and increasing visibility of future recurring earnings. The Company is well positioned to capitalise on growing demand for integrated utility infrastructure and to deliver sustainable long-term value for shareholders.[1]

Strategic

Acquisition-led growth adopted

Independent strategic review completed and Mergers and Acquisitions (M&A) capability in place. The Board concluded that acquisition-led growth, offers shareholders good value.

Pursued M&A opportunities

Worked with an advisor to actively explore and test several opportunities.

Growth Focused on Developer Partnerships

27 x 10-year Infrastructure agreements across 20 sites became operational with active revenue. Increased focus on growing the number of new build sites with long-term infrastructure contracts.

Financial

$41.13 M

Revenue:

Delivering gross profit of $10.3 M at a 25% margin. Net tangible assets per share grew 36.8%, borrowings reduced to $0.1 M, and debt to total assets fell to 0.5%.

$2.31 M

Statutory Net Profit after tax

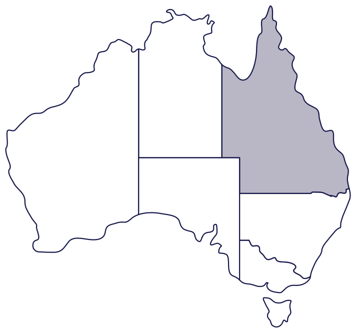
Operating cash flow positive at $0.89 M while funding infrastructure construction from working capital.

$1.62 M

Core Earnings[2]

Up 20% on FY2025's $1.35 M, a third year of core profitability. Material improvement in net customer profitability, which are normalised recurring earnings that exclude non-operational adjustments.

Notes: (1) This page contains forward-looking statements, including contracted pipeline and agreement durations, which are subject to construction, settlement and market conditions. (2) Core earnings is a non-IFRS measure that has not been audited or reviewed in accordance with Australian Auditing Standards; a reconciliation to statutory profit appears in the Operations and Financial Review.



We are a Market Leader in Embedded Network Management in South East Queensland

Operational

NPS of 39

Customer Net Promoter Score (NPS), up 28 points from 11.2, measured independently by Verian from 1,735 customer responses.

Employee Engagement of 74%

Employee engagement increased by 25%, up from 59% and above the Culture Amp benchmark of 73% for Australian organisations.

402 Communities

377 operational sites and 25 contracted pipeline sites.

Subsequent Events

(after 30 June 2026; not reflected in FY2026 results)

PowerHub Acquisition

76 sites and 4,642 Service Points (SPs), comprising 30 active sites with 1,697 active SPs, a further 187 contracted SPs due to go live by September 2027, and a pipeline of 46 sites with 2,758 SPs. Consideration up to $5.8 M with $2.8 M paid at completion on 13 August 2026.

15-year master services agreement

Approximately 1,284 homes and 2,568 energy and water service points across 4 communities.

Westpac $7.2 M facility

Replacing the Roadnight facility, which has been repaid in full and closed; cost of senior debt falls from 12.2% to approximately 7.3%.

Chair's Report

Craig Chambers

Dear Shareholders,

This year LPE continues to move beyond embedded network retailing to establish itself as a community infrastructure provider, forming partnerships with multiple property developers, extending the business beyond strata into new residential property types and lengthening the contracted revenues that underpin future shareholder returns.

Across Australia, the embedded network market is increasingly valuing long-term community infrastructure and the quality of the technology selected, as well as the term of the agreements and access to competitive capital. LPE has focused this year on positioning itself against those value drivers for both customers and investors, and it is pleasing to report strategic partnerships formed, funding secured and underlying earnings have grown.

The Company returned a statutory net profit of $2.31 M, substantially lengthened the contracted infrastructure pipeline, secured new property developer partnerships and, subsequent to year end, arranged a new senior banking facility and completed the acquisition of PowerHub, which adds service points, geographic reach and an operational platform capability.

Governance

FY2026 was the first full year in which the current Board served together, and the Board used that year to complete LPE's governance framework. The People and Culture, Finance and Audit, and Governance, Risk and Compliance Committees were established, and the Board adopted a revised Risk Appetite Statement, Delegations of Authority and a Diversity and Inclusion Policy, and completed an independently facilitated board evaluation to inform future skills and succession planning. The Board also adopted a materiality threshold to focus its time on the matters that most affect shareholder value.

The Board continues to close out legacy matters inherited from earlier periods, including the settlement of the Harbour Towers dispute in January 2026.

During the year the Company's former auditor resigned with the consent of the Australian Securities and Investments Commission, and the Board appointed Grant Thornton Audit Pty Ltd in its place. Grant Thornton conducted the FY2026 half year review and the FY2026 audit, and the Finance and Audit Committee oversaw the transition. Shareholders will be asked to confirm the appointment at the 2026 Annual General Meeting.

Progress against strategic priorities

The Board continues to focus on LPE's overall strategic direction, evaluating how management serves long-term owner interests in the creation and delivery of shareholder value through making progress on these strategic priorities.

1. Growth through Acquisition

During the year the Board commissioned an independent review of LPE's value creation options, which concluded that acquisition-led growth offered shareholders one of the best medium-term growth outcomes. The Board accepted that conclusion and directed management to pursue acquisitions, beginning by testing market appetite.

Subsequent to year end LPE completed the acquisition of PowerHub, the first transaction completed under our growth strategy. The transaction adds service points, geographical scale and additional operational capability, and was announced separately to the market.

The Board regards the ability to identify, negotiate and complete a transaction of this kind as a material addition to LPE's capability, and expects acquisition to remain a component of the Company's growth alongside its organic growth.

2. Growing Assets Under Management

FY2026 represented an important strategic transition as LPE accelerated its evolution from an energy on seller to a fully integrated multi-service utility and infrastructure developer. The most consequential change during FY2026 was in the quality and duration of the contracts LPE secured.

During the year the Company secured several long-term development partnerships and multiple new 10-year infrastructure and utility service agreements, extending LPE beyond strata into community and affordable housing and design-led townhouse developments.

The recently announced strategic partnerships average approximately 261 service points per community, compared with the FY2025 portfolio average of 99 service points per site.

The clearest measure of that shift is the uplift in infrastructure contracted. LPE entered FY2026 with 175 infrastructure works agreements (IWAs) worth an initial $8.6 M and current carrying a value of approximately $4.9 M. The recently announced strategic partnerships for a further 18 agreements are worth approximately $5.8 M, close to doubling the investment in future IWAs, also known as forward site conversion assets. The agreements signed during FY2026 carry an average life of 10 years against a portfolio average of approximately five years.

Capital deployed per site and the profitability returned to LPE improved materially against the historical portfolio. These are the characteristics that infrastructure investors value, and FY2026 is the first year in which LPE's portfolio has begun to display them at scale.

Subsequent to year end LPE executed a 15-year Master Services Agreement with a leading operator of over-50s land lease lifestyle communities, which was announced separately to the market. Consistent with the counting definitions adopted by the Company, service points are recognised only once the Company is legally obliged to deliver them, so that agreement is reported as a subsequent event rather than as an FY2026 outcome.

Image is a generative impression

"FY2026 marked a defining year for LPE as the Company completed its multi-year turnaround from restructuring the organisation to demonstrating it can build a scalable platform for sustainable growth"

3. Capital Structure and Funding Capacity

The Board approved an integrated capital strategy during the year, on the basis that a business investing in long-lived infrastructure should fund it with debt of appropriate price and tenor rather than from working capital alone.

LPE reduced drawn borrowings to a nominal level during FY2026 and held its Roadnight Capital facility undrawn at 30 June 2026. Subsequent to year end the Company executed a new $7.2 M secured banking facility with Westpac Banking Corporation, comprising a line of credit, a project funding facility and an equipment finance facility.

Debt has become an instrument of growth for LPE rather than an obligation to be managed down, and the Company is now able to fund infrastructure at a cost and tenor that match the assets it is building, at a cost of debt reduced from 12.2% to approximately 7.3%.

Shareholder Returns and Material Risks

The Board will not declare a dividend until LPE's accumulated losses have been recovered. The earnings delivered in FY2026, together with the contribution expected from the businesses and contracts secured since year end, have materially shortened the path to that point.

Entering FY2027, the Board is focused on:

- regulatory reform and the rising cost of compliance across the sector,
- the Company's exposure to consumption volatility, which contracted infrastructure income is intended progressively to reduce,
- execution and integration risk attached to the contracted growth and acquisitions, and
- revenue growth, partnerships and sales.

These matters are addressed more fully in the Directors' Report.

Summary

FY2026 marked a defining year for LPE as the Company completed its multi-year turnaround from restructuring the organisation to demonstrating it can build a scalable platform for sustainable growth. Following two years of strengthening operational performance and resolving historical matters, LPE is now positioned as a leading integrated multi-utility infrastructure and energy solutions provider focused on delivering long-term shareholder value through recurring revenue, long-term partnerships and disciplined capital deployment.

FY2026 is LPE's third consecutive year of core earnings growth, and the Company enters FY2027 with a more predictable earnings base and a funding structure capable of supporting the growth it has contracted. FY2026 is the year that transition became evident in the agreements we executed, and FY2027 is the year it becomes evident in the revenue we report.

Beyond conversion, the Board's priority for FY2027 is revenue growth: renewing and expanding the core embedded network business, activating the contracted pipeline, and pursuing further acquisitions that meet the Company's disciplined investment criteria.

Craig Chambers

Chair

Chief Executive Officer's Report

Scott Taylor

FY2026 was a year in which we continued the shift from service points to profitability, seeking to progressively resolve several non-performing sites, improving customer and site profitability. LPE's long-term outlook has materially improved with the recently announced strategic partnerships worth approximately $5.8 M, compared to the inherited IWA portfolio of 175 IWAs with an original investment of $8.6 M currently worth $4.9 M.

This is LPE's third consecutive year of core profitability and its first statutory profit since the Company began its reset. It was also the year in which we completed the turnaround, started to deliver stable and predictable returns and focussed on growth. LPE has invested in M&A for the first time since the acquisition of All Power to You (AP2U) in June 2023.

The embedded network sector is consolidating rapidly, with smaller operators being absorbed into larger platforms and acquisitions increasingly funded by infrastructure investors who regard embedded networks as long-term, stable infrastructure assets. Scale has become a condition of competing and over the same period the regulatory landscape has shifted from self-assessment to an expectation of stronger customer outcomes, supported by regulated tariffs, and increasing consumer protections.

Customer expectations have moved in parallel, with rooftop solar, battery storage, electric vehicle charging, smart metering and the management of two-way energy flows becoming standard requirements rather than discretionary upgrades. Communities are increasingly functioning as local energy ecosystems, and LPE must be able to design, fund and operate that infrastructure whilst maintaining high customer service levels.

These conditions favour operators with governance, systems, credibility and capital, and LPE has spent FY2026 developing all four of these qualities.

Our People and Our Customers

FY2026 was a period of leadership renewal at the executive with Sandra Pienaar completing her first year as Chief Financial Officer and James Harvey joining as the Group Executive of Development and Sales in late October 2025, supporting the continued improvement in business performance.

Employee engagement improved from 59% to 74%, placing LPE just above the Culture Amp Australian benchmark for organisations of comparable size.

LPE achieved a record customer Net Promoter Score of 39 during the year, independently measured, with 80% of customers reporting satisfaction and a similar proportion reporting that their issues were resolved within an appropriate timeframe.

Improvement of this kind is rarely the product of a single initiative. It happens when internal culture, customer satisfaction and market conditions align, and the FY2026 results demonstrate that alignment.

We also completed an independent audit of our employment award obligations and implemented each recommendation, and in February 2026 relocated to new premises at 50 First Avenue, Maroochydore. The new office supports the above results, as well as a cost savings and cost certainty over seven years as the Sunshine Coast region grows in anticipation of hosting the 2032 Olympic and Paralympic Games.

What We Learned

Strategic relationships and working with top-tier developers takes time, care and trust. The sales conversion cycle for traditional energy on-selling is a short cycle that supports short-term three-year contracts. Working with property developers from abstract place-making designs into concrete infrastructure solutions that create verified long-term value from 10-15 year investments require partnerships to be formed, respected and nurtured over time.

Summary

Whilst the Company continues to transition toward becoming a leading infrastructure developer, LPE is a team of people focussed on serving people, including customers, clients, employees, stakeholders and ultimately shareholders. A thriving business doesn't happen by accident. It operates on a continuous feedback loop: when you take care of your people, they take care of your customers, and together you attract the right partners to scale.

We know that none of this would be possible without the continued commitment of our team and the loyalty of our customers. Thank you to our employees, our customers, and our new partners for being part of this journey.

"LPE continues to transition toward becoming a leading infrastructure developer, with a focus on growth through partnerships…"

I also thank the Board for their strategic guidance, constructive challenge, tireless ongoing support and patience.

It is a privileged position to be in and one that I am very grateful for and don't take for granted. The hard work continues.

Scott Taylor

Chief Executive Officer

Operations and Financial Review

Operations

Revenue for FY2026 was $41.13 M, slightly down from $41.64 M in FY2025 mainly due to lower consumer consumption of energy. The Company finished the year with a Gross Profit (GP) of $10.30 M or a GP margin of 25%, in each case consistent with the previous financial year.

Pipeline activations also fell short against a target because of developer construction schedule slippage. The plan was to activate 2,335 service points, but we only activated 864 service points or 37% due to delays by the property developer. Those activations have been carried into FY2027 rather than lost, and we now forecast activation timing on a more conservative basis.

With the increased focus on the customer, billing completion reached 100% of sites in June 2026, achieving 98% for the year. Management of bad debt through proactive engagement of the customer remains within budget expectations of 0.5%.

LPE implemented the AER's embedded network reform obligations that took effect during the year, including registration under the new framework from 1 January 2026.

Following a comprehensive reconciliation of our service point records against primary billing and general ledger data, LPE serves 37,501 active service points across 377 sites on a consistently defined basis. Including a contracted pipeline of 2,382 service points and 25 sites, LPE finishes the year with 39,883 service points and 402 sites.

The reconciliation identified additional service points that had not previously been captured, principally gas cooktop, air-conditioning and billing agent services. Those figures represent a change in measurement basis rather than growth, they are not directly comparable with counts published before FY2026, and have no effect on revenue previously reported. Service point records are now maintained within Business Central and reconciled monthly.

A core focus for the year has been to shift from service points to profitability, and from a transactional sales model to developing strategic relationships and secure pipelines with property developers.

Whilst it is disappointing that the efforts in FY2026 did not deliver the desired number of new contracted service points, the momentum has continued with new build service points being contracted in July 2026. These recently announced strategic partnerships are worth approximately $5.8 M, compared to the inherited IWA portfolio of 175 IWAs with an original investment of $8.6 M currently worth $4.9 M.

Growth

LPE started FY2026 with an ambition to grow our core earnings and improve gross margins through an aggressive pricing strategy. Management learnt through the first six months that competition within the embedded network market has materially increased with several new market entrants putting downward pressure on pricing, leading to low conversion rates and subsequently poor sales results in the first half.

A market review of the actual results led to a revised pricing strategy, supported by our progressive energy procurement strategy that completed its third tranche during the year, and was able to secure pricing below the Default Market Offer (DMO), enabling LPE to become more competitive within the renewal market, materially improving renewal outcomes in the second six months to finish the year at 90% of the renewals budget.

The progressive procurement strategy has protected gross margins against both wholesale volatility and the tightening of regulated pricing under DMO 8.

It is the principal reason embedded network gross margin was maintained in a year of lower volumes, and it means LPE enters FY2027 with a substantial portion of its energy cost base already secured.

Acquisitions of new sites from competitors have proved more challenging. The acquisition strategy for FY2027 is under review to increase the pipeline of opportunities and reconsider the pricing strategy to become more competitive in the next financial year.

Financial Performance

LPE continued to strengthen its underlying financial performance during FY2026, building on the operational momentum established in FY2025.

1. Underlying Business Performance

In FY2025, LPE reported a statutory loss of ($3.49 M). That result was driven almost entirely by a ($7.08 M) non-cash impairment of a prior loan, and it obscured the performance of the operating business, beneath which LPE was already profitable and growing. FY2026 removes that distortion, with the Company recording a statutory net profit of $2.31 M, an improvement of $5.8 M from last year.

Core earnings*, which LPE regards as a measure of trading performance, improved by 20% from $1.35 M to $1.62 M. Core earnings is a non-IFRS measure which has not been audited, and LPE defines it as statutory net profit after income tax adjusted for items the Board does not expect to recur, being in FY2026 the settlement of the Harbour Towers dispute of $0.524 M and interest earned on restricted government rebate balances of $0.163 M. The FY2025 and FY2024 comparatives have been determined on the same basis.

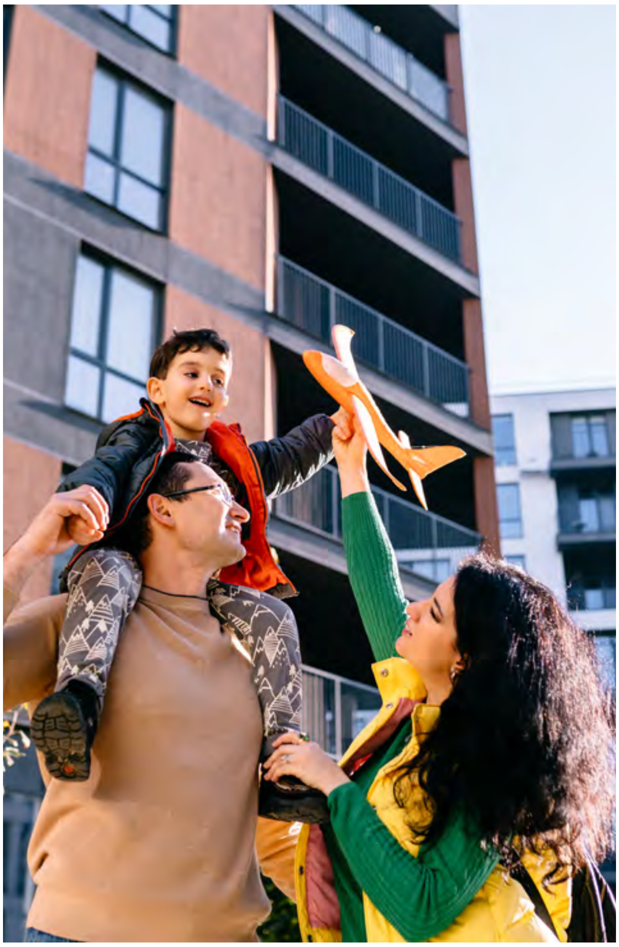
FY2026 was also the year LPE finished clearing the matters that had sat between the operating business and the reported result. Shareholders can now read the statutory accounts as a measure of how LPE performed.

* FY2026 core earnings is calculated as profit after tax, adjusted for non-operating items totalling $0.69 M, which include interest received on rebates included in cash, and an impairment provision reversal following the favourable resolution of legal proceedings.

2. Earnings Quality and Cash Generation

The quality of the earnings improved together with their scale. Gross margin within the embedded network business held at 25.3% through a year of falling energy volumes, reflecting both the Company's progressive energy procurement strategy and a deliberate decision to release sites and service points that did not meet LPE's margin requirements. Days sales outstanding improved by around seven days and billing completion reached 98% by year end.

LPE generated $0.89 M of cash from operating activities, after deploying approximately $0.9 M into infrastructure projects under construction, as analysed in the notes to the financial statements. Cash held at 30 June 2026 was $7.62 M, (including terms deposits) of which $4.79 M was available to the Company, the balance mainly being government rebate funds of $2.8 M held pending progressive application to customer invoices. Total equity increased 32.8% to $9.75 M.



"LPE continued to strengthen its underlying financial performance during FY2026…"

FY2027 and Outlook

If FY2025 was focused on fixing core operations and resolving legacy issues, then FY2026 was about improving the business fundamentals including a new capital facility to support the shift from traditional sales to become a credible infrastructure developer focussed on profitable growth.

FY2027 will be a year of conversion rather than construction for LPE. The task is to turn the capital committed and the contracts executed during FY2026 into connected homes and recurring revenue to integrate PowerHub and realise the benefits of that transaction, and to lift the standard of service we provide to the communities and development partners now joining the LPE portfolio.

The key priorities for FY2027 will continue to be:

- Continued focus on service delivery to customers, whilst seeking to improve core earnings,
- Maintaining momentum on growth through partnerships, with a focus on new property asset classes such as land lease and build-to-rent,
- Delivering the benefits of the PowerHub acquisition whilst testing the market for new growth opportunities, and
- Investing in improving the core technology stack to create a scalable platform where revenue growth exceeds costs to improve LPE's profitability.

Forward-looking statements.

Forward-looking statements are based on assumptions and expectations current at the date of this report, and are subject to risks and uncertainties, many of which are outside LPE's control. Actual outcomes may differ materially from those expressed or implied. LPE does not undertake to update any forward-looking statement, except as required by law or the ASX Listing Rules.

The material business risks that could affect these prospects are set out in the Business Risks section of the Directors' Report.

Leadership team

With shared Vision, Purpose and Values, LPE's leadership team has complementary 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 a proven track record of leading start-ups through the scale-up phase in new and emerging markets.

Scott's experience in embedded networks and property development bring significant value to LPE. His sector knowledge and strategic leadership 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.

James Harvey

Group Executive | Development & Sales

James brings extensive experience in the Australian energy and property sectors and will play a critical role in driving the growth of LPE's embedded network business for our communities and clients. James' background is a proven track record of developing innovative energy solutions for residential communities, including leadership positions such as:

- Executive Director – Energy & Renewables at Prospecta Utilities, a wholly owned subsidiary of GemLife (2024 – 25)
- Head of Strategic Alliances & Growth at Energy Locals (2023)
- Non- Executive Director of Allume Energy (2019 – 2023)
- National Portfolio Manager – Alternative Investments & Head of Energy at Mirvac (2013 – 2023)

James joined LPE on 20 October 2025, at a pivotal time as we focus on expanding our multi-utility platform and innovative solutions, such as distributed generation, battery storage, EV charging and virtual power plants.

Directors' Report

Your directors submit the financial report of the consolidated entity (referred to hereafter as the Group or Consolidated Entity) consisting of Locality Planning Energy Holdings Ltd (referred to hereafter as the Company or LPE) and the entities controlled at the end of and during the year to 30 June 2026.

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

Craig is an experienced Director, Executive and Advisor with 30 years of leadership across the energy, infrastructure, technology, and innovation sectors. Craig's diverse background spans founding a successful start-up, leading Australian and NZ divisions of international professional services firms and being responsible for corporate strategy, audit, risk, innovation, customer & stakeholder engagement, regulation and pricing at Australia's largest utility group. Craig also has a track record in capital raising, corporate strategy, governance, project development, and transformation of multi-national and disciplinary organisations. As a thought leader in the energy and climate sectors, Craig has worked extensively with both public and private sector organisations in Australia and internationally, providing strategic direction in regulatory reform, policy development, and commercial transformation.

Nicole Noye

Non-Executive Director

Nicole 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-imagining businesses to enhance profitability and stakeholder value. Ms. Noye's Board experience includes serving as a Non-Executive Director, Chair of the Finance and Audit Committee for Crown Sydney, Non-Executive Director of Fernwood, Non-Executive and Director for GoGet.

Andrew Vlachos

Non-Executive Director

Andrew 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.

Olivia Versace

Company Secretary

Olivia is a senior corporate and commercial lawyer with over 20 years' experience in both private practice and in-house, including ASX compliance and company secretarial roles. Her background includes extensive company secretarial and corporate governance experience in energy and renewables including as Assistant General Counsel in an ASX 200 company. She has strong Corporations Act and ASX Listing Rules expertise, board and reporting experience and energy-sector transaction exposure.

Directors' Report

(continued)

Director	Board Meetings FY2026	
	Eligible to attend	Attended
Craig Chambers	12	12
David Jarjoura	12	12
Nicole Noye	12	12
Andrew Vlachos	12	12

Director - committee member	People & Culture Committee Meetings FY2026	
	Eligible to attend	Attended
Nicole Noye	1	1
Andrew Vlachos	1	1

Director - committee member	Finance & Audit Committee Meetings FY2026	
	Eligible to attend	Attended
Craig Chambers	2	2
David Jarjoura	2	2

Director - committee member	Governance, Risk & Compliance Committee Meetings FY2026	
	Eligible to attend	Attended
David Jarjoura	1	1
Andrew Vlachos	1	1

Remuneration Report

(AUDITED)

Remuneration Policy

The remuneration policy is designed to align Key Management Personnel objectives with shareholder and business objectives by providing a fixed remuneration package to Non-executive Directors, and a combination of fixed and variable remuneration to Executives leaders in the business. The Board believes the policy to be appropriate and effective in attracting and retaining the best Directors and Executives to manage and direct the Group, as well as create goal congruence between Directors, Executives and shareholders.

The Board seeks to ensure remuneration is fair, competitive and appropriate for the size, complexity and performance of the business. In fulfilling these responsibilities, the Board:

- establishes and periodically reviews the Company's remuneration framework and policies;
- approves the remuneration of the Chief Executive Officer, Senior Executives and Non-Executive Directors;
- ensures executive remuneration appropriately reflects Company and individual performance;
- oversees incentive arrangements to support the achievement of strategic, financial and operational objectives; and
- approves recruitment, retention and termination arrangements for senior executives.

The Board may obtain independent external advice, at the Company's expense, where considered necessary to assist in fulfilling its responsibilities. In FY2026, no independent advice has been obtained.

In addition to the above during the reporting period the Board formed a People, Culture and Remuneration Committee (the Committee) to assist the Board in fulfilling its oversight responsibilities in relation to the Company's people strategy, executive remuneration, board composition, culture, and succession planning.

The Committee comprises at least two non-executive Directors appointed by the Board.

For the purposes of this report, Key Management Personnel (KMP), as defined in AASB 124 *Related Party* Disclosures, comprise the Non-Executive Directors and members of the executive leadership team with authority and responsibility for planning, directing and controlling the activities of the Company.

Remuneration Report

(AUDITED) (continued)

Executive Remuneration

Executive remuneration comprises fixed remuneration and, where applicable, a Short-Term Incentive (STI).

Fixed remuneration includes base salary and statutory superannuation and reflects each executive's role, responsibilities, experience and market positioning.

The STI rewards the achievement of annual financial, operational and strategic objectives aligned with LPE's business plan. Target STI opportunities are expressed as a percentage of fixed remuneration, with the applicable percentage determined by each executive's role, responsibilities and contribution to the Company's performance and growth.

For the FY2026 period, the current Executive Remuneration framework was:

FY2026	Base	STI Bonus %	STI $	Total Remuneration
Chief Executive Officer	404,000	25%	101,000	505,000
Group Executive (GE), Development and Sales	178,571	25%	44,643	223,214
Chief Financial Officer (CFO)	232,300	5%	11,615	243,915
Chief Commercial Officer (CCO)	228,975	5%	11,449	240,424
Potential Executive Remuneration	**1,043,846**		**168,707**	**1,212,553**

Please note:

1. The table above sets out the annualised base salary and related potential short-term incentive (STI) bonus for executive KMP on a 12-month basis. The amounts presented have not been pro-rated for any period during which an executive KMP was not employed during the year, nor for the period from which the 5% STI scheme applied.

   Accordingly, the amounts represent a potential full-year remuneration outcome and do not necessarily reflect the remuneration actually earned or payable for the reporting period. For remuneration earned or payable during the reporting period, the relevant amounts would need to be pro-rated to reflect the applicable period of employment and, in the case of the 5% STI scheme, the period from 1 December 2025.

2. The CEO and GE were not participants in the Employee Share Option Plan (ESOP).

3. The CFO and CCO participated in the ESOP scheme, as the scheme vested and closed on 1 December 2025. An STI of 5% of based salary earned was introduced, and would be relevant for the period 1 December 2025 to 30 June 2026.

Performance measures are tailored to each executive and may include financial performance, operational delivery, strategic growth initiatives and leadership objectives, with weightings reflecting their responsibilities.

The Board assesses performance against approved objectives at the end of each financial year and determines STI outcomes based on the level of achievement. The Board retains discretion to adjust outcomes where appropriate to ensure remuneration remains aligned with Company performance and shareholder interests.

Specific measures include strategic milestones, financial measures such as net operating profit, operational measures such as the growth in active and pipeline service points, customer net promoter (NPS) scores, employee engagement and improvements in safety.

Remuneration Report

(AUDITED) (continued)

Non-Executive Director Remuneration

Non-Executive Directors receive fixed fees only and do not participate in performance-based incentive arrangements, supporting their independence in overseeing management.

Director fees are reviewed periodically having regard to the responsibilities of the role, market practice and the aggregate fee pool approved by shareholders.

Shareholder Engagement

At the 2025 Annual General Meeting, 99.53% of votes cast were in favour of adopting the Remuneration Report for the year ended 30 June 2025.

The Company did not receive any specific shareholder feedback regarding its remuneration practices.

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

Short term incentive FY2025

The bonus awarded to the CEO in respect of FY2025 performance reflected that progress was made in strengthening LPE's foundations and increasing revenue and improving cash flow . The Board considered LPE was better positioned to deliver stable and predictable revenue and profitability. The award recognised both the Company's performance during FY2025 and the work undertaken to support its ongoing development.

2026 Remuneration

	Short Term Employee Benefits Salary & Fees	Post Employment Benefits Superannuation	Long Term Employment Benefits	Equity based Payments	Termination Benefits	Total
Directors						
Craig Chambers	134,000	16,080	-	-	-	150,080
David Jarjoura	76,500	9,180	-	-	-	85,680
Nicole Noye	84,000	10,080	-	-	-	94,080
Andrew Vlachos	76,500	9,180	-	-	-	85,680
Executives						-
Scott Taylor [1]	521,094	28,846	2,552	-	-	552,492
Mark (Charlie) Notting [2]	86,682	8,829	-		-	95,511
James Harvey [3, 4]	146,657	15,072	205	-	-	161,934
Alan Daly	234,614	27,458	970	7,127	-	270,169
Michelle Alexander [5]	-	791	-	-	22,404	23,195
Sandra Pienaar [6]	249,083	27,746	781	4,913	-	282,523
Total	**1,609,130**	**153,262**	**4,508**	**12,040**	**22,404**	**1,801,344**

1 Pay includes a base of $403,924 and FY2025 bonus of $95,000.
2 Resigned as Head of Product and Development 4 January 2026.
3 Appointed as Group Executive – Development and Sales 20 October 2025.
4 Pay Includes base of $178,571 and relocation payment of $14,964.
5 Resigned as Chief Financial Officer 1 July 2025.
6 Appointed as Chief Financial Officer 1 July 2025.

Remuneration Report

(AUDITED) (continued)

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. Appointed as Chairman 26 June 2025.
10. Pay includes a base of $370,295 and FY2025 bonus of $95,000.

Remuneration Report

(AUDITED) (continued)

Equity Based Compensation

2026 Equity Based Compensation

The Performance Rights were subject to the Board's discretion under the terms of the LPE Employee Incentive Plan.

Performance rights entitle the holder to receive one fully paid ordinary share in the Company for each vested right, subject to satisfying continued service through predetermined vesting tranches. Unvested performance rights automatically lapse and are forfeited upon the participant ceasing employment, or upon reaching the applicable expiry date, unless otherwise determined by the Board in accordance with the terms of the plan. The rights do not carry voting or dividend rights prior to vesting, and are subject to disposal restrictions until exercised.

Details 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	$ Amount
Sandra Pienaar	46,690	5 September 2025	1 December 2025	$0.1052	4,912

2025 Equity Based Compensation

Details 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	$ Amount
Michelle Alexander	114,679	15 May 2024	1 December 2024	$0.0830	9,518
Charlie Notting	114,679	15 May 2024	1 December 2024	$0.0830	9,518
Alan Daly	2,709	21 November 2024	1 December 2024	$0.1589	430
Alan Daly	67,737	21 November 2024	1 December 2025	$0.1052	7,126

Remuneration Report

(AUDITED) (continued)

2026 Key management personnel (KMP) security holdings

The number of securities in the Company held during the year ended 30 June 2026 by each director and other key management personnel of the Consolidated Entity, including their personally related parties, is set out below:

	Balance at 1 July 2025 or date of commencement	FY2026 Acquired	FY2026 Exercised/ Disposed/ Forfeited	Holding on Exit	Balance at 30 June 2026
Directors					
Craig Chambers [1]					
Fully Paid Ordinary Shares	-	350,000	-	-	350,000
David Jarjoura [2]					
Fully Paid Ordinary Shares	200,000	-	-	-	200,000
Nicole Noye [3]					
Fully Paid Ordinary Shares	-	76,923	-	-	76,923
Andrew Vlachos [4]					
Fully Paid Ordinary Shares	315,000	-	-	-	315,000
Executives					
Scott Taylor					
Fully Paid Ordinary Shares	-	-	-	-	-
Performance Rights	-	-	-	-	-
James Harvey					
Fully Paid Ordinary Shares	-	-	-	-	-
Performance Rights	-	-	-	-	-
Michelle Alexander					
Fully Paid Ordinary Shares	579,080	-	-	(579,080)	-
Performance Rights [5]	172,733	-	(172,733)	-	-
Alan Daly					
Fully Paid Ordinary Shares	18,709	67,737	-	-	86,446
Performance Rights [7]	67,737	-	(67,737)	-	-
Charlie Notting					
Fully Paid Ordinary Shares	390,183	100,681	(490,864)	-	-
Performance Rights [6]	100,681	-	(100,681)	-	-
Sandra Pienaar					
Fully Paid Ordinary Shares	-	46,690	(46,690)	-	46,690
Performance Rights [8]	-	46,690	(46,690)	-	-

1 350,000 Shares held by Capetal PTY Limited <Wrap Services A/C>.
2 200,000 Shares held by Bond Street Custodians Limited <Macquarie Wrap D87588 A/C>.
3 76,923 shares held by Noye Super Fund.
4 315,000 Shares held by Netwealth Investments Limited <Wrap Services>.
5 172,733 Performance Rights were granted on 16/10/2023, the value was $8,291. These were forfeited on resignation.
6 92,171 Performance Rights were granted on 16/10/2023, the value was $4,424 and 8,510 Performance Rights were granted on 17/04/2025, the value was $1,021. The value of all these shares, exercised on 01/12/2025, was $9,324.
7 67,737 Performance Rights were granted on 21/11/2024, the value was $10,838. On 01/12/2025 these vested and the value was $6,164.
8 46,690 Performance Rights were granted on 05/09/2025, the value was $5,369. On 01/12/2025 these vested and the value was $4,249.

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 July 2024 or date of commencement	FY2025 Acquired	FY2025 Exercised/ Disposed/ Forfeited	Holding on Exit	Balance at 30 June 2025
Directors					
Craig Chambers					
Fully Paid Ordinary Shares	-	-	-	-	-
David Jarjoura [1]					
Fully Paid Ordinary Shares	200,000	-	-	-	200,000
Nicole Noye					
Fully Paid Ordinary Shares	-	-	-	-	-
Andrew Vlachos [2]					
Fully Paid Ordinary Shares	-	315,000	-	-	315,000
Simon Tilley [3]					
Fully Paid Ordinary Shares	24,300,000	1,600,100	-	25,900,100	-
Stan Kolenc [4]					
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 [5]	301,095	-	-	301,095	-

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>, acquired on 30 July 2024.

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.

End of Audited Remuneration Report.

Directors' Report

Principal Activities

The Group principal activity is embedded network management, including the procurement of energy from retailers and the supply of electricity and related services to customers within embedded networks.

There were no other significant changes in the nature of the Group principal activities during FY2026.

Financial Result

The Group reported a net profit after tax of $2,308,178 for the year ended 30 June 2026.

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, the significant changes in the state of affairs of the Group during the financial year were the completion of an independent strategic review and the adoption of an acquisition-led growth strategy, the restatement of the Company's service point measurement basis, the launch of the broadband service offering, and the transition from a substantially debt-free position to funding long-lived infrastructure with borrowed capital. Other than these matters, there were no significant changes in the state of affairs of the Group 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

Non-audit services: Grant Thornton is due to receive $4,000 for other services delivered in relation to the FY2026 report. This was services to verify the statistical data, namely service points as at the end of FY2026. The Directors are satisfied that the provision of those services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001, and that the services do not undermine the auditor’s independence, because each engagement was subject to the auditor’s own independence procedures and none involves reviewing or auditing the auditor’s own work or acting in a management capacity.

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

No matter or circumstance relating to remuneration has arisen since the end of the financial year that significantly affects the arrangements disclosed in this report.

Directors' 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

The Board oversees a risk management framework and monitors the risks most likely to affect strategy delivery, customer outcomes and financial performance.

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.

The Group's context and therefore principal risks evolved during FY2026, reflecting the transition toward contracted community infrastructure, the focus on increased use of debt funding, and the acquisition and partnership activity completed during and after the period. The risks below should be read together with the strategies and outlook described in the Operations and Financial Review, as they are the principal matters that could affect the achievement of the FY2027 Outlook.

- **Consumption and weather volatility:** A material share of Group revenue varies with customer electricity consumption. A mild year reduced energy volumes below budget, and volume remains the largest single driver of variance in the Group's results. The growth of fixed, contracted infrastructure income is intended progressively to reduce this exposure, and the Group's progressive procurement strategy secures a substantial portion of the energy cost base, including a 3-year contract priced 29% below the Default Market Offer.
- **Recovery of the Bundaberg BioHub loan:** The Group's largest single credit exposure is the Bundaberg BioHub loan. A loss allowance has been recognised against the full carrying value of the financial asset, including accrued interest, reflecting management's current assessment of recoverability. Recovery remains dependent on a refinancing or enforcement outcome that is not within the Group's control. The matter is overseen directly by the Board with support from external legal advice.
- **Funding, liquidity and covenant risk:** The Group has moved from a substantially debt-free position to funding long-lived infrastructure with borrowed capital, and its facilities carry financial covenants. A sustained earnings shortfall would reduce covenant headroom. Headroom is monitored monthly against forecast, the treasury position is reported to the Finance and Audit Committee, and capital commitments are staged against contracted revenue.
- **Greenfield delivery and counterparty concentration:** The development pipeline depends on a small number of large residential developers, and revenue phases in only as their communities are built and settled. Developer delays reduced FY2026 pipeline activations well below target, deferring rather than removing that revenue. The Group manages this through counterparty assessment, staged capital commitment, contractual protections in its infrastructure agreements, and conservative activation forecasting. The Group is also reducing concentration by diversifying its development pipeline into new residential asset classes, including land lease and Build 2 Rent communities.
- **Brownfield competition and margin compression:** Access to embedded network rights is increasingly competitive, and renewal pricing is under sustained pressure from both competitors and regulated price benchmarks. The Board-approved pricing strategy sets minimum margin floors for renewals, non-contestable sites and developer proposals, with any exception requiring Board approval, and the Group released service points that did not meet those thresholds during the year.
- **Regulatory reform and compliance:** The Australian Energy Regulator's (AER) embedded network reforms have moved the sector to a register-based regime with strengthened consumer protections, and compliance obligations and costs continue to rise. Successive Default Market Offer (DMO) determinations (DMO 8) continue to tighten the regulated benchmarks against which embedded network prices are set, compressing margins across the sector. The Group met each reform obligation on time during FY2026, reduced internal red-flags, and self-reports breaches to the regulator where they occur, with remediation of the underlying process in each case.
- **Acquisition and integration:** The Group's strategy includes growth by acquisition, and the realisation of acquisition benefits depends on integrating people, systems and customers without disruption to the base business. Integration is planned and governed as a distinct programme with Board oversight, and consideration structures are weighted toward contracted outcomes.

Directors' Report

- **Information integrity and cyber security:** The Group's revenue model relies on timely, accurate billing and metering data, and the sector remains a target for cyber-attack, with threats increasing in frequency and sophistication through the use of AI. Service point records are now maintained in core systems and reconciled monthly, billing platform consolidation is governed as a staged programme, security posture is assessed regularly, and all employees undertake awareness training.
- **People and capability:** Delivery of the growth now contracted depends on attracting and retaining talent across energy markets, digital systems, compliance and customer operations in a small organisation where key-person dependencies are material. Employee engagement improved from 59% to 74% favourable during the year, above the national benchmark, an independent audit of employment award obligations was completed and implemented, and workforce and succession planning are Board-level priorities. As a micro-cap business, the Group pursues its growth agenda within a modest cost base, and the Board balances investment in capability against shorter-term earnings expectations in order to build longer-term value.
- **Climate resilience and disclosure readiness:** The physical impacts of climate change affect network assets and customer demand, and mandatory climate-related financial disclosure obligations may apply in future periods if the Group exceeds the legislated thresholds. The Group is below those thresholds for FY2026 and monitors its position. Site selection and design incorporate resilience requirements.

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.

Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial and Directors' Reports) Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to `rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Outlook

The Board notes that the Company recorded a net profit after tax of $2,308,178 for the year ended 30 June 2026. Operating performance remained strong, with progress made on initiatives to expand market share and resolving historical matters.

Importantly, these financial outcomes were achieved while LPE continued to invest in the business and build its platform for growth.

This balanced approach reflects the strength of the Company's underlying business and positions LPE for future opportunities.

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 2026.

The Board of LPE
Mr Craig Chambers
Chair

Auditor’s Independence Declaration

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Auditor’s Independence Declaration

To the Directors of Locality Planning Energy Holdings Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Locality Planning Energy Holdings Limited for the year ended 30 June 2026. I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Cameron Smith

CDJ Smith
Partner – Audit & Assurance

Brisbane, 28 August 2026

Financial Statements

Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 $	2025 $
Revenue	5a	41,125,945	41,635,817
Cost of goods sold	5b	(30,828,460)	(31,299,779)
Gross profit		**10,297,485**	**10,336,038**
Other income	5c	2,643,709	3,186,311
Total operating profit		**12,941,194**	**13,522,349**
Depreciation and amortisation		(420,256)	(506,075)
Employee costs	5d	(5,640,630)	(5,168,041)
Impairment losses	5e	(1,563,429)	(7,597,309)
Financing expenses	5f	(137,676)	(498,493)
Information technology		(1,103,122)	(1,106,665)
Other expenses	5g	(1,767,903)	(2,140,744)
Profit/(loss) before income tax		**2,308,178**	**(3,494,978)**
Income tax benefit	6	-	-
Profit/(loss) after income tax		**2,308,178**	**(3,494,978)**
Other comprehensive income		-	-
Other comprehensive income net of tax		-	-
Total comprehensive profit/(loss)		**2,308,178**	**(3,494,978)**
Basic earnings per share (dollars per share)	18	**0.0127**	**(0.0194)**
Diluted earnings per share (dollars per share)	18	**0.0127**	**(0.0194)**

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 2026

	Note	2026 $	2025 $
Current assets			
Cash and cash equivalents	23	7,402,606	6,186,326
Trade and other receivables	7	4,465,932	5,015,419
Site conversion receivables	7	1,278,516	1,218,064
GST receivable		-	509,438
Financial assets	8	218,899	3,212,312
Other current assets	9	1,003,584	1,130,098
Total current assets		**14,369,537**	**17,271,657**
Non-current assets			
Site conversion receivables	7	3,618,990	3,182,332
Financial assets	10	-	20,000
Plant, equipment and leasehold improvement	12	338,746	217,877
Intangibles	13	425,790	580,086
Right of use assets	14	2,062,922	88,619
Other non-current assets	11	48,655	-
Total non-current assets		**6,495,103**	**4,088,914**
Total assets		**20,864,640**	**21,360,571**
Current liabilities			
Trade and other payables	15	8,555,689	11,267,070
GST payable		28,936	-
Employee entitlements - leave provisions		231,279	211,688
Lease liabilities		185,579	154,494
Provisions		-	48,042
Borrowings	16	103,583	2,215,332
Total current liabilities		**9,105,066**	**13,896,626**
Non-current liabilities			
Employee entitlements - leave provisions		65,993	114,389
Lease liabilities		1,803,369	6,073
Provisions		139,625	-
Total non-current liabilities		**2,008,987**	**120,462**
Total liabilities		**11,114,053**	**14,017,088**
Net assets		**9,750,587**	**7,343,483**
Equity			
Issued capital	17	54,894,738	54,795,812
Share option reserve		-	96,058
Accumulated losses		(45,144,151)	(47,548,387)
Total equity		**9,750,587**	**7,343,483**

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 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Receipts from customers		39,618,389	16,444,450
Receipts from government grants	7	3,438,862	29,743,050
Total receipts from customer and grants/rebates		**43,057,251**	**46,187,500**
Payments to suppliers and employees		(43,007,143)	(39,462,353)
Interest received		873,824	1,687,617
Interest paid		(32,014)	(481,281)
Net cash provided by operating activities	23	**891,918**	**7,931,483**
Cash flows from investing activities			
Net movement in term deposits		3,013,413	(3,000,000)
Payment for plant, equipment and leasehold improvement		(274,258)	(36,635)
Proceeds from plant and equipment		21,942	-
Net cash provided by/(used in) investing activities		**2,761,097**	**(3,036,635)**
Cash flows from financing activities			
Payment for share buy-back		-	(139,999)
Share issue costs		(66,057)	(304)
Proceeds from issue of shares		98,926	-
Financing monitoring costs		(12,000)	(16,352)
Payment of lease liabilities		(311,145)	(228,176)
Repayment of loans		(2,146,459)	(1,802,045)
Net cash used in financing activities		**(2,436,735)**	**(2,186,876)**
Net increase in cash and cash equivalents		1,216,280	2,707,972
Cash and cash equivalents opening balance		6,186,326	3,478,354
Cash and cash equivalents closing balance		**7,402,606**	**6,186,326**

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 2026

	Issued capital $	Options reserve $	Accumulated losses $	Totals $
Balance at 30 June 2025	54,795,812	96,058	(47,548,387)	7,343,483
Issue of Share Capital (Performance rights)	98,926	-	-	98,926
Expired Share Capital (Performance rights)	-	(96,058)	96,058	-
Profit after income tax	-	-	2,308,178	2,308,178
Balance at 30 June 2026	**54,894,738**	**-**	**(45,144,151)**	**9,750,587**

Balance at 30 June 2024	54,815,666	136,331	(44,053,409)	10,898,588
Share buy-back	(139,998)	-	-	(139,998)
Issue of share capital (performance rights)	120,447	-	-	120,447
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 2026

1 Reporting entity

The financial statements of Locality Planning Energy Holdings Limited ("the Company") for the year ended 30 June 2026 cover 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 6, 50 First Avenue, Maroochydore QLD 4558.

2 Basis of preparation

The financial statements were authorised for issue, in accordance with a resolution of Directors' on 28 August 2026. The Directors' have the power to amend and reissue the financial statements.

(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 AASBs 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 is 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).

Notes to the Financial Statements

(continued)

2 Basis of preparation (continued)

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.

(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 Material 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 2026. Subsidiaries are entities (including structured entities) controlled by the Company.

Control exists 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 Material 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	2–10 years, straight line or diminishing value
Motor vehicles	4 years, 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 comprise capitalised software development costs and acquired customer contract relationships.

Software Development Costs

Software is recorded at cost less accumulated amortisation and any accumulated impairment losses.

Software has an estimated useful life of between three and ten years and is amortised on a straight-line basis.

The carrying value is assessed annually for indicators of impairment.

Customer Contract Relationships

Customer contract relationships were acquired as part of the acquisition of All Power to You Pty Ltd (AP2U).

These assets were recognised at their fair value at the date of acquisition, as determined through the purchase price allocation process. These contracts are amortised on a straight-line basis over the remaining term of the underlying customer contracts, which represents the period over which the associated economic benefits are expected to be realised. The carrying value is assessed annually for indicators of 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 remain 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.

Notes to the Financial Statements

(continued)

3 Material accounting policies (continued)

(g) Impairment of financial assets

Trade Receivables

The Group applies the simplified approach under AASB 9, using the lifetime expected credit loss (ECL) provision for all trade receivable and site conversion receivables. To measure the ECL, trade receivables are grouped based on shared credit risk characteristics and days past due, utilising a provision matrix informed by historical credit loss experience and adjusted for forward-looking factors.

Site Conversion Assets (Contract Costs)

In accordance with AASB 15 Revenue from Contracts with Customers, the Group assesses site conversion assets for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised where the carrying amount of a site conversion asset exceeds the remaining consideration expected to be received from the related contract less the estimated costs required to complete the remaining performance obligations under that contract.

General

Amounts are written off when there is no reasonable expectation of recovery, such as customer bankruptcy or term receivables becoming unrecoverable. At each reporting date, the Group recognises the movement in any loss allowance or impairment as a gain or loss in the Statement of Profit or Loss and Other Comprehensive Income.

(h) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. Where an impairment indicator exists, the Group estimates the asset's recoverable amount.

The recoverable amount is the higher of the asset's, or the cash-generating unit's, fair value less costs of disposal and value in use. If an asset does not generate cash inflows that are largely independent of those from other assets, recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised in profit or loss when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Impairment losses recognised for cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit and then, on a pro rata basis, to the other assets in the cash-generating unit.

At each reporting date, the Group also reviews whether there has been any change in the estimates used to determine the recoverable amount of an asset or cash-generating unit for which an impairment loss was previously recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

Impairment assessment during the year

During the year, the Group assessed the carrying amounts of each non-financial asset for indicators of impairment.

The assessment included customer contract relationships relating to AP2U. The Group identified an impairment indicator in relation to a customer contract relating to AP2U.

The recoverable amount of the customer contract relationships was determined using a value in use methodology, based on estimated future cash flows expected to be generated by the asset, discounted to its net present value.

As a result of the assessment, an impairment loss of $41,389 was recognised in profit or loss. This included in Impairment losses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Notes to the Financial Statements

(continued)

3 Material accounting policies (continued)

(i) Share-based payments

The Group provides benefits to directors, employees, and suppliers in the form of equity-settled share-based payments.

The Group does not currently have any cash-settled share-based payment arrangements.

The cost of these equity-settled transactions is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of shares is determined by the market bid price on the grant date.

The fair value of performance rights is determined using a valuation model that incorporates relevant market vesting conditions.

The fair value is recognised as an expense over the vesting period, with a corresponding increase in the share-based payment reserve in equity. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

The number of shares and performance rights expected to vest is reviewed and adjusted at each reporting date so that the amount ultimately recognised as an expense is based on the number of equity instruments that eventually vest.

For awards with non-market vesting conditions, the expense is reversed if the performance condition is not met.

For awards with market-based vesting conditions, the expense is recognised whether or not the condition is satisfied, provided all other performance and service conditions are met.

(j) Cash and cash equivalents

Cash and cash equivalents include 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 embedded network services, including electricity, gas for hot water, gas for cooktops, electric hot water, air conditioning and other utilities supplied through the embedded network, is recognised upon delivery to the customers at the offered rate.

Consumption is determined by meter readings or other appropriate usage measures. Between meter readings, consumption is estimated using industry and historical consumption patterns, together with consumption reports received from the Group's suppliers.

Billing-agent services are an integral part of the embedded network services provided and are not separately identifiable from the overall service provided to the relevant client.

Accordingly, these services form part of the performance obligation as the embedded network services.

Notes to the Financial Statements

(continued)

3 Material accounting policies (continued)

Supply of embedded network services (continued)

The infrastructure used to provide the embedded network services may include electricity meters, hot-water systems, hot-water meters, solar systems, batteries and other equipment required to provide utility services within the network.

Costs associated with the purchase and supply of utilities, including electricity, gas and hot water supplied through the embedded network, are recognised in profit or loss as incurred. Costs that meet the criteria for recognition as an asset under AASB 15, such as certain costs incurred to fulfil customer contracts, are capitalised and amortised over the period in which the related economic benefits are expected to be realised.

Supply and installation of embedded network infrastructure

The Group enters into Infrastructure Works Agreement (IWA) contracts to supply and install embedded network infrastructure and make that infrastructure available for use. The infrastructure may include electricity meters, hot-water systems, hot-water meters, solar systems, batteries and other related equipment required to provide utility services within an embedded network.

For greenfield developments, where the building or network is still being developed, the IWA contract is generally entered into with the developer. For brownfield developments, where the building or network already exists, and additional services or replacement of infrastructure is required, the IWA contract is generally entered into with the body corporate.

The infrastructure is installed at the relevant development or building and is used to provide utility services to the customers (end users) within the embedded network. The customers may legally have the option to install their own electricity meter and engage their own utility suppliers. However, because doing so may be cost-prohibitive, the end users generally receive their utility services through the embedded network.

For the purposes of AASB 15, the developer or body corporate is the contractual customer under the IWA contract. Occupants and other end users are the beneficiaries of the utility services provided through the embedded network but are not parties to the IWA contract. Revenue is recognised when the developer or body corporate obtains control of the completed infrastructure and the Group has satisfied its performance obligation under the IWA contract.

The performance obligation under the IWA contract is to supply and install the embedded network infrastructure and make it available for use in accordance with the contractual requirements. Although the infrastructure is physically installed at the relevant development or building, revenue is not recognised solely upon physical installation.

Revenue is recognised at a point in time, in accordance with AASB 15, when a completion notice has been issued, following which the embedded network infrastructure is placed into use in accordance with the IWA contract. Placing the infrastructure into use demonstrates that the infrastructure has been completed and that the Group has satisfied its performance obligation to the developer or body corporate. At that point, the contractual customer obtains control of, or the ability to direct the use of, the completed infrastructure in accordance with the IWA contract, and the customers are able to receive the utility services provided through the network.

Revenue is recognised at a point in time when a completion notice has been issued, following which the infrastructure is placed into use and the related performance obligation has been satisfied under AASB 15.

Notes to the Financial Statements

(continued)

3 Material accounting policies (continued)

Supply of embedded network services (continued)

Supply and installation of embedded network infrastructure (continued)

The contractual customer may pay for the site-conversion infrastructure over the life of a related supply contract, generally ranging from five to 15 years. These payment terms give rise to a material financing component. Accordingly, the transaction price is adjusted to reflect the significant material component in accordance with AASB 15. The amount recognised as revenue when the infrastructure is placed into use represents the consideration allocated to the infrastructure supply and installation performance obligation, adjusted to reflect the financing effect.

The related receivable is recognised as a 'Site conversion receivable' in the Statement of Financial Position. Interest revenue arising from the material financing component is recognised over time using the effective interest rate applicable to the arrangement.

The Group has assessed this rate at between 9% and 12% per annum, and interest revenue is recognised until the contractual customer has paid all consideration.

Costs to obtain or fulfil contracts

Costs incurred to obtain or fulfil the IWA contracts are assessed in accordance with AASB 15.

Costs are expensed as incurred unless they meet the criteria for recognition as an asset, including the criteria for capitalisation as costs to obtain or fulfil a contract.

Costs are capitalised only where they:

- relate directly to an identified contract or an anticipated contract;
- generate or enhance resources that will be used to satisfy performance obligations in the future;
- are expected to be recovered.

Accordingly, costs incurred in relation to the supply and installation of embedded network infrastructure are expensed as incurred unless they meet the applicable criteria for capitalisation under AASB 15.

Qualifying costs are recognised as an asset and amortised on a systematic basis consistent with the transfer to the customer of the related goods or services.

Costs incurred on site conversions where the infrastructure has not yet been placed into use, and for which the related performance obligation has not yet been satisfied, are recognised within the site-conversion work-in-progress balance included in 'Other current assets' in the Statement of Financial Position, to the extent that those costs meet the applicable asset-recognition criteria. Costs that do not meet those criteria are expensed as incurred.

The site-conversion work-in-progress balance is classified as a current asset within Other current assets in the Statement of Financial Position where the underlying costs are expected to be converted into a site-conversion asset within 12 months of the reporting date. Where conversion is not expected to occur within 12 months of the reporting date, the related balance is classified as a non-current asset within Other non-current assets, consistent with the requirements of AASB 101 Presentation of Financial Statements.

(l) Goods and services tax (GST)

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

Notes to the Financial Statements

(continued)

3 Material accounting policies (continued)

(m) Issued capital

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

(n) Earnings per share

The 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 whether a contract is, or contains, a lease. A right-of-use asset and a corresponding lease liability are recognised where the Group is a lessee. The Group has elected to apply the recognition exemptions for short-term leases (leases with a lease term of 12 months or less at the commencement date) and leases of low-value assets. For these leases, the Group recognises the lease payments 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 the 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 on a straight-line basis from the commencement date of the lease.

Where ownership of the underlying asset transfers to the Group at the end of the lease, or the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset.

For other leases, right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. The Group's office premises right-of-use assets are depreciated over the applicable seven-year lease terms, representing a depreciation rate of approximately 14.29% per annum.

Right-of-use assets relating to other leased assets are depreciated over the applicable five-year lease terms, representing a depreciation rate of 20.00% per annum. Depreciation is calculated on a straight-line basis, with no assumed residual value.

Notes to the Financial Statements

(continued)

3 Material 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 regular-way purchases or sales of financial assets, the Group applies trade date accounting, whereby the financial asset is recognised on the date the Group commits to purchase or sell the asset.

Except for trade receivables without a material financing component, financial assets and financial liabilities are initially measured at fair value.

For financial assets that are not classified as measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are added to its fair value on initial recognition. For financial liabilities that are not classified as measured at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability are deducted from its fair value on initial recognition.

For financial assets and financial liabilities classified as measured at fair value through profit or loss, transaction costs are recognised immediately in profit or loss.

Trade receivables without a material financing component are initially measured at the transaction price determined in accordance with the Group's revenue recognition policy.

Where available, quoted prices in an active market are used to determine fair value. Where quoted prices are not available, appropriate valuation techniques are used to determine fair value.

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 cash flows; and
- The contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates

Notes to the Financial Statements

(continued)

3 Material 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 cash flows 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 cash flows 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 Material 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 any Australian Accounting Standards, or amendments to Australian Accounting Standards, that have been issued but are not yet mandatory for the Group's reporting period.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 *Presentation of Financial Statements* and applies to for-profit entities preparing Tier 1 general purpose financial statements for annual reporting periods beginning on or after 1 January 2027. For the Group, AASB 18 is expected to first apply to the financial year ending 30 June 2028, with the comparative financial year ending 30 June 2027 presented in accordance with the transition requirements.

Notes to the Financial Statements

(continued)

3 Material accounting policies (continued)

(r) New accounting standards issued but not yet applicable (continued)

AASB 18 introduces new requirements for the presentation of the statement of profit or loss, including defined subtotals and the classification of income and expenses into operating, investing and financing categories. It also introduces disclosure requirements for management-defined performance measures and enhanced requirements for the aggregation and disaggregation of information.

Consequential amendments have also been made to other Standards, including AASB 107 Statement of Cash Flows.

Based on the assessment performed to date, AASB 18 is expected to primarily affect the presentation and disclosure of the Group's financial statements, including the presentation of comparative information, rather than the recognition or measurement of the Group's underlying transactions. The quantitative impact of applying AASB 18 is not known and cannot be reasonably estimated at the reporting date.

AASB 2024-2 Amendments to the Classification and Measurement of Financial Instruments and AASB 2024-3 Annual Improvements Volume 11 apply to annual reporting periods beginning on or after 1 January 2026. Based on the assessment performed, the Group does not expect these amendments to have a material impact on the recognition, measurement or presentation of amounts reported in the financial statements. The quantitative impact, if any, is not known and cannot be reasonably estimated at the reporting date.

Other new or amended Standards issued but not yet mandatory are not expected to have a material impact on the Group's financial statements.

4 Segment reporting

The Group has assessed its operating segments in accordance with AASB 8 Operating Segments, based on the internal reports regularly reviewed by the chief operating decision makers ("CODM") for the purposes of allocating resources and assessing performance.

The Group provides a range of services, including electricity, hot water, solar, billing agent, infrastructure and broadband services. These services are generally provided as an integrated embedded network solution to a site. Management contracts, evaluates and monitors the profitability of these arrangements based on the overall deal stack and the complete service offering provided to each site, rather than by individual product or service line.

The information regularly reviewed by the CODM includes the financial performance and key operating metrics of the integrated embedded network arrangements. The CODM does not receive or use regular internal management reports that separately present the operating results, assets or liabilities of the individual embedded network products or services. Accordingly, management has concluded that the individual products and services do not represent separate operating segments for the purposes of AASB 8.

Broadband services are monitored separately by management. The broadband services were launched part way through the current financial year and, applying the quantitative thresholds in AASB 8 Operating Segments (paragraph 13), do not meet the thresholds for a separately reportable segment for the current reporting period. Accordingly, broadband services have not been presented as a separate reportable segment and are included within the Group's sole reportable segment.

Based on the manner in which the Group's activities are managed and its financial performance is evaluated, the Group has identified embedded network services as its sole operating segment. There have been no changes in the Group's operating segments during the year.

The financial results of the operating segment are equivalent to the consolidated financial statements of the Group as a whole. The Group's operations and customers are located in Australia, and the Group does not have any material non-current assets located outside Australia.

Notes to the Financial Statements

(continued)

5 Statement of profit and other comprehensive income

	Consolidated Entity 2026 $	Consolidated Entity 2025 $
(a) Revenue*		
Embedded network services including electricity sales	39,800,791	40,621,085
Supply and installation of embedded network infrastructure	1,308,258	1,014,732
Broadband sales	16,896	-
Total revenue	**41,125,945**	**41,635,817**
(b) Cost of goods sold ("CoGS")		
Energy usage charges	17,740,562	17,587,671
Network charges	8,962,272	8,899,799
Other CoGS	3,011,869	3,848,626
Site conversion CoGS	1,099,972	963,683
Broadband CoGS	13,785	-
Total cost of goods sold ("CoGS")	**30,828,460**	**31,299,779**
(c) Other income		
Interest income	2,643,709	2,542,653
Other income	-	643,658
Total other income	**2,643,709**	**3,186,311**
(d) Employee costs		
Salaries and wages	4,013,824	3,551,361
Superannuation	458,279	441,988
Commissions, bonus and share options	459,883	339,277
Board related	459,004	588,093
Other staff related services and fees	249,640	247,322
Total employee costs	**5,640,630**	**5,168,041**
(e) Impairment losses		
(Decrease)/addition to provision for expected credit losses	(248,978)	520,321
Financial asset impairment provision expense	1,812,407	7,076,988
Total impairment losses	**1,563,429**	**7,597,309**
(f) Financing expenses		
Borrowing expenses	46,710	96,341
Interest on leases	58,952	35,232
Interest expense	32,014	366,920
Total financing expenses	**137,676**	**498,493**
(g) Other expenses		
Bank fees	11,402	16,895
Loss on disposal of assets	21,954	1,724
Insurance	106,644	119,421
Marketing and advertising	111,682	121,175
Occupancy expenses	123,268	234,631
Other expenses	551,257	763,892
Professional costs	841,696	883,006
Total other expenses	**1,767,903**	**2,140,744**

*All revenue is recognised at a point in time, please refer to the accounting policy for further details.

Notes to the Financial Statements

(continued)

6 Income tax benefit

	Consolidated Entity 2026 $	Consolidated Entity 2025 $
Components of tax benefit comprise:		
Current tax	602,996	(818,160)
Prior year tax	-	-
Deferred tax	(602,996)	818,160
Income tax benefit	**-**	**-**
Numerical reconciliation of income tax benefit to prima facie tax payable		
Profit/(loss) before income tax	2,308,178	(3,494,978)
The prima facie income tax benefit on loss before income tax at a tax rate of 25%	577,045	(873,745)
Tax effect amounts which are not (deductible)/taxable in calculating taxable income:	25,951	55,586
Deferred tax (liability)/asset not brought into account	(602,996)	818,160
Total income tax benefit	**-**	**-**
Net unrecognised deferred tax assets		
Net deductible temporary differences	1,753,004	1,456,531
Unused tax losses	3,560,306	4,425,624
Net unrecognised deferred tax asset	**5,313,310**	**5,882,155**

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 2026 $	Consolidated Entity 2025 $
Current trade and other receivables		
Trade receivables	5,064,166	6,318,113
Trade receivables expected credit losses	(604,059)	(1,317,620)
Interest receivables	5,825	14,926
	4,465,932	**5,015,419**
Current site conversion receivables		
Site conversion receivables	1,319,009	1,259,884
Site conversion receivables expected credit losses	(40,493)	(41,820)
	1,278,516	**1,218,064**
Non-current site conversion receivables		
Site conversion receivables	3,736,086	3,332,329
Site conversion receivables expected credit losses	(117,096)	(149,997)
	3,618,990	**3,182,332**

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

2026	Opening balance 1 July 2025	Net measurement of loss allowance	Closing balance 30 June 2026	Amounts written off
Lifetime expected credit loss: credit impaired				
Current trade receivables	1,317,620	(713,561)	604,059	314,756
Current site conversion receivables	41,820	(1,327)	40,493	-
Non-Current site conversion receivables	149,997	(32,901)	117,096	-
	1,509,437	**(747,789)**	**761,648**	**314,756**

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)

Allowance for expected credit losses

The consolidated entity has recognised a loss of $1,563,429 in (5(e)) profit or loss in respect of the expected credit losses for the year ended 30 June 2026.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Apportionment		Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2026	2025	2026	2025	2026	2025	2026	2025
Consolidated	%	%	%	%	$	$	$	$
Not Overdue	57%	55%	1.22%	1.52%	2,903,541	3,465,506	35,409	20,016
1 - 30 days overdue	14%	18%	2.32%	3.13%	731,554	1,139,073	16,960	41,180
31 - 60 days overdue	3%	7%	3.49%	4.52%	154,390	472,881	5,383	59,517
60 days overdue	25%	20%	4.29%	5.67%	1,274,681	1,240,653	546,307	1,196,907
					5,064,166	**6,318,113**	**604,059**	**1,317,620**

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.

Notes to the Financial Statements

(continued)

8 Financial assets

	Consolidated Entity 2026 $	Consolidated Entity 2025 $
Term deposits	218,899	3,212,312
Investments	8,855,974	7,076,988
Provision for financial asset impairment	(8,855,974)	(7,076,988)
	218,899	**3,212,312**

In February 2022, LPE reached an agreement to provide capital works funding of $5.0 M 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, ultimately to 30 August 2025. The balance, including accrued interest and costs, remained unpaid. Interest accrued at the contractual penalty rate from 1 October 2024, and no cash interest had been received since 17 January 2025.

Having assessed the recoverability of the financial asset at 30 June 2025, LPE recognised a loss allowance equal to the financial asset's entire gross carrying amount, including accrued interest and costs. The resulting impairment loss was recognised in profit or loss within impairment losses, reducing the financial asset's net carrying value to nil at 30 June 2025.

During FY2026, further contractual interest accrued on the outstanding balance. As this interest remained unpaid, LPE recognised an additional impairment loss in profit or loss within impairment losses, equal to the interest accrued during FY2026.

At 30 June 2026, the total loss allowance, including the additional impairment loss recognised in FY2026, was equal to the financial asset's entire gross carrying amount.

Accordingly, the financial asset's net carrying value was nil at 30 June 2026.

Current financial assets in the form of term deposits are held as security for bank guarantees for various suppliers. The bank guarantees due to expire within the next 12 months, have been classified as current.

Notes to the Financial Statements

(continued)

9 Other current assets

	Consolidated Entity 2026 $	Consolidated Entity 2025 $
Prepayments	210,669	154,759
Environmental certificates	616	1,650
Site conversion work-in-progress	792,299	973,689
	1,003,584	**1,130,098**

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.

10 Non-current financial assets

	Consolidated Entity 2026 $	Consolidated Entity 2025 $
Term deposits - Prudential obligations	-	20,000
	-	**20,000**

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.

11 Other non-current assets

	Consolidated Entity 2026 $	Consolidated Entity 2025 $
Site conversion work-in-progress	48,655	-
	48,655	**-**

Notes to the Financial Statements

(continued)

12 Plant, equipment and leasehold improvement

	Plant and equipment	Vehicles	Leasehold improvements	Total
Gross Carrying Amount				
Balance 1 July 2025	401,763	98,180	484,273	984,216
Additions	142,119	-	133,307	275,426
Disposals	(107,783)	(32,757)	(484,273)	(624,813)
Balance 30 June 2026	**436,099**	**65,423**	**133,307**	**634,829**
Depreciation and impairment				
Balance 1 July 2025	292,959	31,505	441,875	766,339
Disposals	(83,330)	(13,315)	(483,106)	(579,751)
Depreciation	46,349	13,911	49,235	109,495
Balance 30 June 2026	**255,978**	**32,101**	**8,004**	**296,083**
Carrying amount 30 June 2026	**180,121**	**33,322**	**125,303**	**338,746**

	Plant and equipment	Vehicles	Leasehold improvements	Total
Gross Carrying Amount				
Balance 1 July 2024	369,199	98,180	484,273	951,652
Additions	36,635	-	-	36,635
Disposals	(4,071)	-	-	(4,071)
Balance 30 June 2025	**401,763**	**98,180**	**484,273**	**984,216**
Depreciation and impairment				
Balance 1 July 2024	251,324	9,280	345,168	605,772
Disposals	(2,348)	-	-	(2,348)
Depreciation	43,983	22,225	96,707	162,915
Balance 30 June 2025	**292,959**	**31,505**	**441,875**	**766,339**
Carrying amount 30 June 2025	**108,804**	**66,675**	**42,398**	**217,877**

Notes to the Financial Statements

(continued)

13 Intangibles

	Software	Customer Contracts	Total
Gross Carrying Amount			
Balance 1 July 2025	167,944	893,875	1,061,819
Additions	-	-	-
Disposals	-	(43,573)	(43,573)
Balance 30 June 2026	**167,944**	**850,302**	**1,018,246**
Depreciation and impairment			
Balance 1 July 2025	140,338	341,395	481,733
Disposals	-	-	-
Depreciation	5,521	105,202	110,723
Balance 30 June 2026	**145,859**	**446,597**	**592,456**
Carrying amount 30 June 2026	**22,085**	**403,705**	**425,790**

	Software	Customer Contracts	Total
Gross Carrying Amount			
Balance 1 July 2024	167,944	893,875	1,061,819
Additions	-	-	-
Disposals	-	-	-
Balance 30 June 2025	**167,944**	**893,875**	**1,061,819**
Depreciation and impairment			
Balance 1 July 2024	133,436	197,084	330,520
Disposals	-	-	-
Depreciation	6,902	144,311	151,213
Balance 30 June 2025	**140,338**	**341,395**	**481,733**
Carrying amount 30 June 2025	**27,606**	**552,480**	**580,086**

Notes to the Financial Statements

(continued)

14 Right of use assets

	Total
Gross Carrying Amount	
Balance 1 July 2025	959,452
Additions	2,172,157
Disposals	(959,452)
Balance 30 June 2026	**2,172,157**
Depreciation and impairment	
Balance 1 July 2025	870,833
Disposals	(959,452)
Depreciation	197,854
Balance 30 June 2026	**109,235**
Carrying amount 30 June 2026	**2,062,922**

	Total
Gross Carrying Amount	
Balance 1 July 2024	959,452
Additions	-
Disposals	-
Balance 30 June 2025	**959,452**
Depreciation and impairment	
Balance 1 July 2024	678,885
Disposals	-
Depreciation	191,948
Balance 30 June 2025	**870,833**
Carrying amount 30 June 2025	**88,619**

Notes to the Financial Statements

(continued)

15 Trade and other payables

	Consolidated Entity 2026 $	Consolidated Entity 2025 $
Trade payables	2,329,269	1,869,619
Accrued expenses	1,547,997	2,204,593
Billing agent payables	1,021,240	778,914
Customer credits and rebates	3,351,259	6,110,041
Employee-related liabilities	97,604	95,583
Customer deposits	208,320	208,320
Total trade and other payables	**8,555,689**	**11,267,070**

Government grants

Concession rebates and cost of living rebates (CoLR) are claimed on behalf of our customers from the relevant state or federal government. These funds are included in Customer credits and rebates. LPE holds these funds solely for the purpose of applying them to eligible customers' individual accounts in lieu of future payments as they fall due, and the funds are not available for the Group's general operating purposes. The unapplied CoLR balance held at each reporting date is presented as cash within Cash and cash equivalents, with a corresponding liability recognised for the Group's obligation to apply these amounts to customer accounts. This creates cash flow timing differences, as the CoLR pre-payment is received in an earlier period to when it is applied to customers. During FY2025, rebates totalling $29.7 M were received, with $24.6 M applied against receivables due from customers. At 30 June 2025, the remaining CoLR balance available for application was $4.9 M, which was held within Cash and cash equivalents, together with a corresponding liability. During FY2026, an additional $3.4 M was received. At 30 June 2026, the remaining CoLR balance available for application was $2.8 M, which is held as cash within Cash and cash equivalents, together with a corresponding liability, as reflected in the Consolidated Statement of Financial Position.

16 Borrowings

	Consolidated Entity 2026 $	Consolidated Entity 2025 $
Current		
Roadnight growth facility	103,583	2,215,332
	103,583	**2,215,332**

As at 30 June 2026 the Group has access to a $7.0 M growth facility with Roadnight Capital Pty Ltd to fund the expansion of its embedded network business, including site conversions and acquisitions.

The facility matures in August 2026.

During the year the Company repaid amounts under the Roadnight facility. At 30 June 2026, the outstanding balance owing under the facility was $0.103 M.

Borrowing costs, which are mainly monitoring costs, associated with the facility are recognised in profit and loss.

Interest is payable monthly at a rate of 8% per annum plus the higher of 2% per annum and the 30-day Bank Bill Swap Rate (BBSW). Interest is paid as and when it becomes due.

Subsequent to 30 June 2026, the Group has entered into a new secured banking facility with Westpac Banking Corporation (Westpac) (note 26) and the Roadnight loan has been repaid.

Notes to the Financial Statements

(continued)

17 Issued capital

(a) Issued and paid up capital	2026 Number	2025 Number
Ordinary shares fully paid no par value	182,624,436	181,205,907

(b) Movement in ordinary shares on issue	Number	$
Balance at 30 June 2025	**181,205,907**	**54,795,812**
Issued 1 December 2025	1,418,529	98,926
Share buy-backs	-	-
Capital raising expenses	-	-
Balance at 30 June 2026	**182,624,436**	**54,894,738**

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.

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 $0.14, total value $139,999.

c) Share options / performance rights

The Company has historically issued performance rights under its employee incentive arrangements. Performance rights entitle the holder to receive one fully paid ordinary share in the Company for each vested right, subject to satisfying continued service and engagement conditions through predetermined vesting tranches, as well as applicable leaver provisions. Unvested performance rights automatically lapse and are forfeited upon the participant ceasing employment or engagement as a Bad Leaver, or upon reaching the applicable expiry date, unless otherwise determined by the Board in accordance with the terms of the plan. The rights do not carry voting or dividend rights prior to vesting, and are subject to disposal restrictions until exercised. During FY2026, previously granted rights vested, expired or were forfeited in accordance with the terms of the relevant plan. No options or performance rights remained outstanding at 30 June 2026.

Notes to the Financial Statements

(continued)

17 Issued capital (continued)

Set out below are summaries of options granted under the plan:

2026

Grant date	Expiry date	Exercise price	Balance at the start of the year	Issued	Vested	Expired/ forfeited/ other	Balance at the end of the year
06/04/2022	30/03/2026	$0.20	1,000,000	-	-	1,000,000	-
16/03/2023	01/12/2025	$0.10	1,215,656	-	940,865	274,791	-
08/01/2024	01/12/2025	$0.10	67,354	-	67,354	-	-
15/05/2024	01/12/2025	$0.10	69,731	-	69,731	-	-
11/10/2024	01/12/2025	$0.10	62,375	-	62,375	-	-
21/11/2024	01/12/2025	$0.10	107,114	-	107,114	-	-
22/04/2025	01/12/2025	$0.10	68,083	-	68,083	-	-
22/04/2025	01/12/2025	$0.10	68,967	-	-	68,967	-
15/06/2025	01/12/2025	$0.10	29,589	-	29,589	-	-
05/09/2025	01/12/2025	$0.10	-	73,418	73,418	-	-
			2,688,869	73,418	1,418,529	1,343,758	-
Weighted average exercise price		$0.14	$0.10	$0.10	$0.17		

2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Issued	Vested	Expired/ forfeited/ other	Balance at the end of the year
06/04/2022	30/03/2026	$0.20	1,000,000	-	-	-	1,000,000
19/12/2022	19/12/2024	$0.02	7,000,000	-	-	7,000,000	-
16/10/2023 - 15/6/2025	01/12/2025	$0.10	-	5,119,585	3,430,716	-	1,688,869
			8,000,000	5,119,585	3,430,716	7,000,000	2,688,869
Weighted average exercise price		$0.04	$0.10	$0.10	$0.02	$0.14	

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2026 Number	2025 Number
06/04/2022	30/03/2026	-	1,000,000
01/12/2023	01/12/2025	-	1,688,869
		-	2,688,869

The weighted average share price during the financial year was $0.10 (2025: $0.13).

The weighted average remaining contractual life of options outstanding at the end of the financial year was nil years (2025: 0.75 years).

The weighted average share price at the exercise date of performance rights exercised during FY2026 was $0.12 per share.

Notes to the Financial Statements

(continued)

17 Issued capital (continued)

The fair value was determined by using the average closing share price for the month preceding the option grant date.

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate
05/09/2025	01/12/2025	$0.12	$0.10	59.87%	0.00%	4.40%

During the year, previously granted performance rights/options vested, expired or were converted into fully paid ordinary shares in accordance with the terms of the LPE Employee Incentive Plan. The amount previously recognised in the share-based payment reserve in relation to those awards was transferred within equity, with amounts relating to vested awards transferred to issued capital and amounts relating to expired or forfeited awards transferred to accumulated losses. No further share-based payment expense was recognised in profit or loss in respect of these awards during the year.

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.

Notes to the Financial Statements

(continued)

18 Earnings per share

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

	2026 Number	2025 Number
Basic	182,624,436	180,618,915
Diluted	182,624,436	184,766,171

	$
Net profit after tax used in calculating basic earnings per share	2,308,178
Basic earnings per share (dollars per share)	0.0127
Net profit after tax used in calculating diluted earnings per share	2,308,178
Diluted earnings per share (dollars per share)	0.0127

19 Controlled entities

Investment in controlled entities	Country of incorporation	Class of shares	% of ownership 2026	% of ownership 2025
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%	100%

[1] Formerly LPE Generate Pty Ltd

[2] Company registered 7 May 2025

20 Commitments

The Group has no material commitments that require reporting.

21 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 (2025: nil).

Notes to the Financial Statements

(continued)

22 Related parties

Key management personnel compensation	2026 $	2025 $
Short term employee benefits	1,609,130	1,661,464
Post-employment benefits	153,262	162,155
Long-term benefits	4,508	11,218
Share based payments	12,040	24,619
Termination payments	22,404	48,462
Total	**1,801,344**	**1,907,918**

Other related party transactions

There were no other related party transactions (2025: $Nil).

Notes to the Financial Statements

(continued)

23 Cash flow information

	Consolidated Entity 2026 $	Consolidated Entity 2025 $
Reconciliation of cash flow from operations		
Profit/(loss) after income tax	2,308,178	(3,494,978)
Non-cash flows:		
Depreciation and amortisation	420,256	506,075
Non-cash share based payments	-	80,174
Loss on disposal of assets	21,954	1,724
Provision for financial asset impairment	1,812,407	7,076,988
Expenditure classified as financing activities	90,967	228,176
	4,653,762	**4,398,159**
Changes in operating assets and liabilities		
Decrease in receivables	49,514	1,266,607
Increase in other assets	(1,701,127)	(1,347,413)
(Decrease)/increase in creditors and payables	(2,081,425)	3,537,917
(Decrease)/increase in employee entitlements	(28,806)	76,213
Net cash from operating activities	**891,918**	**7,931,483**
Reconciliation of liabilities arising from financing activities		
Borrowings		
Opening balance	2,215,332	3,939,047
Non-cash changes	67,487	94,682
Cash flow	(2,179,236)	(1,818,397)
Closing balance	**103,583**	**2,215,332**
Lease liabilities		
Opening balance	160,567	493,110
Non-cash changes	2,086,332	(104,367)
Cash flow	(257,951)	(228,176)
Closing balance	**1,988,948**	**160,567**
Cash and cash equivalents in the Consolidated Statement of Cash Flows include:		
Cash at bank	7,402,606	6,186,326
	7,402,606	**6,186,326**

Notes to the Financial Statements

(continued)

24 Financial instruments

Material accounting policies

Details of the material 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 2026 $	Consolidated Entity 2025 $
Cash and cash equivalents	7,402,606	6,186,326
Borrowings	103,583	(2,215,332)
	7,506,189	**3,970,994**
Sensitivity		
Effect on profit before taxes		
Increase 1%	75,062	39,710
Decrease 1%	(75,062)	(39,710)

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.

Notes to the Financial Statements

(continued)

25 Auditors remuneration

	Consolidated Entity 2026 $	Consolidated Entity 2025 $
Fees and services delivered by Grant Thornton Audit Pty Ltd		
Amounts paid/payable for audit or review of the financial statements	101,650	-
Amounts for agreed upon procedures: verification of service points statistical data	4,000	-
Fees and services delivered by Bentleys Brisbane (Audit) Pty Ltd		
Amounts paid/payable for audit or review of the financial statements	-	92,945
Amounts for other services: tax	8,000	5,000
	113,650	**97,945**

26 Subsequent events

Subsequent to year end the Company executed a new $7.2 M secured banking facility with Westpac Banking Corporation, comprising a line of credit, a project funding facility and an equipment finance facility. The Westpac $7.2 M facility which was executed on 7 August 2026, and replaced the Roadnight Capital facility, which has been repaid in full and closed; the cost of senior debt falls from 12.2% to approximately 7.3%.

On 13 August 2026, the Group completed the acquisition of 100% of the ordinary share capital and voting equity interests in PowerHub Pty Ltd ("PowerHub"), marking the first milestone under the Group's strategic growth initiative.

The primary strategic rationale for the acquisition is to expand the Group's geographical presence and operational capabilities within the embedded network sector. PowerHub provides complementary utility infrastructure and energy solutions to developers, asset owners, and communities across Queensland, New South Wales, South Australia, and Tasmania. The acquisition contributes 76 sites and 4,642 service points (comprising 1,884 active connections and 2,758 contracted pipeline connections) to the Group's portfolio.

Total maximum consideration for the acquisition is up to $5.8 million, consisting of:

- An initial cash consideration of $2.8 million paid at completion, funded from existing cash reserves; and
- Up to $3.0 million in contingent consideration, payable subject to the successful execution of pipeline contracts and subsequent activation of sites.

Due to the acquisition completing shortly before the date these financial statements were authorised for issue, the initial accounting for the transaction remains incomplete at the reporting date. Consequently, the provisional fair values of the identifiable assets acquired and liabilities assumed, including any resulting goodwill or intangible assets, have not yet been determined.

As the acquisition completed subsequent to 30 June 2026, the transaction had no impact on the Group's financial performance or cash flows for the financial year ended 30 June 2026.

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

Notes to the Financial Statements

(continued)

27 Parent entity disclosure

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

	2026 $	2025 $
Results of parent entity		
Loss for the year	(1,556,476)	(6,776,494)
Other comprehensive income for the year	-	-
Total comprehensive loss before tax	**(1,556,476)**	**(6,776,494)**
Income tax benefit	-	-
Total comprehensive loss after tax	**(1,556,476)**	**(6,776,494)**
Financial position at year end		
Current assets	3,233,440	6,029,927
Total assets	**3,233,440**	**6,029,927**
Current liabilities	508,174	1,847,111
Total liabilities	**508,174**	**1,847,111**
Net assets	**2,725,266**	**4,182,816**
Total equity comprising:		
Issued capital	54,894,738	54,795,812
Reserves	30,000	96,057
Accumulated losses	(52,199,472)	(50,709,053)
Total equity	**2,725,266**	**4,182,816**

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 (2025: $Nil).

Contractual commitments

At 30 June 2026, contractual commitments entered into by Locality Planning Energy Holdings Ltd is $Nil (2025: $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 2026

Controlled entities

2026

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	Body corporate	Australia	100%	Australian	N/A
LPE Management Pty Ltd	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.

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

[1] Formerly LPE Generate Pty Ltd
[2] Company registered 7 May 2025

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 2026 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, as required by section 295 A of the Corporations Act of 2001:
    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: 28 August 2026

Independent Auditor's Report

To the Members of the Locality Planning Energy Holdings Limited

Grant Thornton Audit Pty Ltd
King George Central
Level 18
145 Ann Street
Brisbane QLD 4000
GPO Box 1008
Brisbane QLD 4001

T +61 7 3222 0200

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 subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, 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, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the year ended on that date; and

b 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 Accounting Professional 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 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.

Independent Auditor's Report

(continued)

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.

Key audit matter	How our audit addressed the key audit matter
Embedded network services revenue recognition (Note 5a)	
Embedded network services revenue is derived from customer electricity, gas and hot water consumption. Revenue is recognised as the services are provided, with customer billings based on metering data and contracted tariff rates. As billing cycles do not align with the reporting date, management recognises unbilled revenue for its estimate of consumption occurring between the latest meter reading or billing date and period end. The estimate is prepared using internal accrual reports from the billing system, available gate meter data, contracted rates and, where data is delayed, expected usage patterns and seasonality. This is a key audit matter due to the significance of embedded network services revenue and the judgement involved in estimating unbilled consumption at year end, including the completeness and accuracy of the underlying metering data and the assumptions applied where actual consumption information was not yet available.	Our procedures included: • Assessing the appropriateness of the Group's revenue recognition policies against the requirements of AASB 15 *Revenue from Contracts with Customers* • Obtaining an understanding of the revenue billing and unbilled revenue estimation processes, including assessing the design and implementation of relevant controls over metering data, billing and the preparation and review of period-end accruals; • For a sample of unbilled revenue accruals, testing the reasonableness of management's estimate by recalculating accrued revenue using underlying consumption data, available gate meter information and contracted rates, and comparing estimated consumption to subsequent billings where available; • Testing the design, implementation and operating effectiveness of controls over metering data validation, meter set-up, meter audits and the resolution of metering discrepancies within the billing software; • Assessing the financial statement disclosures against the requirements of Australian Accounting Standards.
Site conversion receivables (Note 7)	
Site conversion receivables arise where the Group installs infrastructure and recognises revenue upfront, while customers pay over extended periods. In accordance with AASB 15 *Revenue from Contracts with Customers*, the transaction price is discounted for the time value of money and allocated between revenue and financing components. The receivables are also subject to impairment assessment under AASB 9 *Financial Instruments* at each reporting period. The measurement of site conversion receivables requires significant management judgement in determining appropriate discount rates, estimating future cash flows and assessing recoverability at each reporting period. The long-term nature of these arrangements increases estimation uncertainty in the carrying value of the receivables. This area is a key audit matter due to the significance of the balance and the auditor judgement required to	Our procedures included: • Assessing the appropriateness of the Group's accounting policies against the requirements of AASB 15 and AASB 9; • Assessing management's net present value calculations, including mathematical accuracy, discount rates applied and the allocation between revenue and financing components; • For a sample of site conversion receivables, agreeing key inputs to executed customer agreements and other supporting documentation; • Evaluating the recoverability of site conversion receivables by considering impairment indicators and comparing underlying assumptions to historical performance; and

Independent Auditor's Report

(continued)

assess management's determination of the present value and recoverability of site conversion receivables.	• Assessing the financial statement disclosures against the requirements of Australian Accounting Standards.

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 2026, 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 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 (other than the consolidated entity disclosure statement); 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 Group's ability 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 have 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our auditor's report.

Independent Auditor's Report

(continued)

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 23 to 29 of the Directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Locality Planning Energy Holdings Limited, for the year ended 30 June 2026 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.

Grant Thornton Audit Pty Ltd
Chartered Accountants

CDJ Smith
Partner – Audit & Assurance

Brisbane, 28 August 2026

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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 28 July 2026, 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: 182,624,436 ordinary shares (LPE), each fully paid, held by 647 shareholders;

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 343 shareholders holding less than a marketable parcel of shares based on the closing price of $0.084 on 28 July 2026 representing a total of 525,348 shares.

On-market buy-back

The Company ended an on-market share buy-back on 24 July 2025. There are no current on-market share buy-backs.

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

Range	Securities	%	No. of holders	%
100,001 and Over	175,407,054	96.05	93	14.37
10,001 to 100,000	6,312,380	3.46	165	25.50
5,001 to 10,000	432,835	0.24	56	8.66
1,001 to 5,000	401,706	0.21	136	21.02
1 to 1,000	70,461	0.04	197	30.45
Total	**182,624,436**	**100.00**	**647**	**100.00**

Twenty Largest Shareholders (LPE)

Rank	Name	No. of Shares	%
1	RIVER CAPITAL NOMINEES PTY LTD	37,697,571	20.64
2	BNP PARIBAS NOMINEES PTY LTD	28,279,108	15.48
3	FERNSHA PTY LIMITED	25,590,293	14.01
4	MR STANISLAV MICHAEL KOLENC	14,262,030	7.81
5	SNOWBALL ASSET MANAGEMENT PTY LTD	6,910,760	3.78
6	KIC ADVISOR PTY LTD	6,008,453	3.29
7	EGP CAPITAL PTY LTD	5,337,164	2.92
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,280,520	2.89
9	MR LESLIE PETER WOZNICZKA	4,894,420	2.68
10	SAHO NOMINEES PTY LTD	2,848,666	1.56
11	MR BRIAN THOMAS CLAYTON & MRS JANET CLAYTON	2,739,263	1.50
12	WOODVILLE SUPER PTY LIMITED	2,100,000	1.15
13	BRIO CAPITAL MASTER FUND LTD	2,000,000	1.10
14	PACIFIC CUSTODIANS PTY LIMITED	1,777,930	0.97
15	HENDERSON FAMILY PTY LTD	1,501,074	0.82
16	THOMPSON HOSPITALITY PTY LTD	1,477,592	0.81
17	TML FT MANAGEMENT SERVICES PTY LTD	1,446,874	0.79
18	TML SF MANAGEMENT SERVICES PTY LTD	1,435,000	0.79
19	CRYING ROCK PTY LTD	1,237,500	0.68
20	SORE TOOTH PTY LIMITED	1,100,000	0.60
Total		**153,924,218**	**84.27**
Balance of register		**28,700,218**	**15.73**
Grand total		**182,624,436**	**100.00**

Shareholder Information

(continued)

Substantial Shareholders

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

Name	No. 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	27,905,612	15.28%
Mr. Simon Tilley*	25,900,000	14.37%
Mr. Stanislav (Stan) Kolenc*	18,537,944	10.29%

* Holdings may be held via nominees/custodian accounts and may not appear under the same name in the register on pg 79.

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Corporate Directory

Chair
Mr Craig Chambers

Non-Executive Directors
Mr David Jarjoura
Ms Nicole Noye
Mr Andrew Vlachos

Chief Executive Officer
Mr Scott Taylor

Company Secretary
Ms Olivia Versace

Principal & Registered Office
Level 6, 50 First Avenue
Maroochydore, Qld 4558
Phone: 1300 443 735

Auditors

Grant Thornton Audit Pty Ltd
Level 18/145 Anne Street Brisbane QLD 4000
GPO Box 1008 Brisbane QLD 4001
Phone +61 7 3222 0200

Lawyers

Gadens
Level 11, 111 Eagle Street
Brisbane, Qld 4000
Phone +61 7 3231 1666

Share Registrar

MUFG Corporate Markets (AU) Limited
10 Eagle Street
Brisbane, Qld 4000
Phone: 1300 554 474

Stock Exchange Listing

Australian Securities Exchange
Code: LPE

LPE®

localityenergy.com.au