



## **APPENDIX 4E PRELIMINARY FINAL REPORT**

### **Highlights**

- Revenues of \$20.15M for the financial year, a two-fold increase over the previous year
- Average contract length of 7.2 years maintained
- Improved gross profit margins of 24.5% for the year, up by 7.3%
- Energy under management increased by 91.1% to 204.73GWh
- New product lines introduced to further expand market share

**Locality Planning Energy Holdings Limited** (ASX: LPE) (the Company or LPE) is pleased to provide the Company's Appendix 4E Preliminary Final Report for the financial year ending 30 June 2018. The Company has gone through extraordinary growth which is a testament to LPE's customers and staff. LPE offer a highly competitive service to its customers in a highly competitive industry, staying true to their mission "*to save the most amount of money for the most amount of people*". This offering is supported by LPE's hardworking and dedicated staff who are locally employed in the regions that the Company operates throughout Australia.

Strong growth and revenues have allowed the Company to invest substantial resources in key areas throughout the year to secure future growth. This includes a new direct market customer product line for those customers who do not live in an embedded network, so they too can take advantage of LPE's lowest electricity prices. To complement the direct market product and further support body corporates within embedded networks, additional, innovative products are currently being trialled and soft launched by the Company. Further details on these new products will be released soon.

The Company ended the year with \$1.36M in cash. Management are currently finalising a funding solution to replenish cash reserves along with fully funding the Company's growth through its initial target of 450GWh under management and beyond. Details on funding will be released when finalised.

### **Appendix 4E additional commentary**

The 2018 June financial year results saw a rise in both revenue and costs, with trading margins of 24.5% achieved. This represents an increase of 7.3% from the previous year due in part to further stabilisation of the wholesale energy market in Queensland.

The consistent increase in energy under management with an average over 8GWh per month has resulted in total energy under management for the year of 204.73GWh. This is an increase of 91.1% over the previous year. This volume uptake is tracking marginally higher than projected due to LPE's new product offerings being made available to more customers both inside and out of embedded networks. Management expect this trend, of higher than anticipated growth, to be maintained throughout the 2019 financial year.

The Company undertook a substantial investment in new and future product offerings with direct market products as well as an expansion of its embedded network services. The Company was also successful in transitioning significant consulting skillsets to full time positions creating internal operating capacity to manage future growth.

Operating costs have risen in line with the scale of growth, with most of the increase due to customer facing service requirements. There is also a transition period of one off higher costs due to the conversion of those consultants to full time internal staff.

**Ends**



## About Locality Planning Energy Holdings Limited (LPE)

LPE's wholly owned subsidiary Locality Planning Energy Pty Ltd, holds an Australian Energy Regulator (AER) Authority to sell electricity and utility services to residential, commercial and industrial customers throughout the National Energy Market. LPE specialises in electricity sales to strata communities, both existing and new developments; generating significant savings on electricity delivered to its customers.

LPE's unique purchasing model is matched against 5 to 10 year supply contracts providing LPE with consistent recurring revenues. LPE is transforming the electricity supply industry by providing an intelligent solution to help its customers reduce high electricity costs, with no risk and no upfront cost. LPE is at the forefront of innovative electricity supply with a commitment to the integration of technology to provide the highest savings and consumer advocacy to its customers.