



MARKET UPDATE

OPERATING CASH FLOW 4C ANNOUNCEMENT

- 8.4 % increase to active customers for the quarter
- 48 % Uptake in Direct Market Customers for the quarter
- FY19 revenue forecast made in June 2018 downgraded from \$44 million to \$32 million due to a material reduction in cost of goods. (Energy and Network)
- EBITA and NPAT not effected with gross profit margins increasing slightly to compensate at ~23%
- Average contract length of 7.2 years maintained

Locality Planning Energy Holdings Limited (ASX: LPE) (the Company or LPE) is pleased to present its cash flow statement 4C for the quarter ending 31 December 2018.

The AER released their annual performance report with LPE ranking 15th nationally among all retailers, with customer growth for the year of 85.16% through to June 30, 2018. Since this date we have seen a further growth in embedded Network customer numbers by a further 14%.

We continue to see growth in the direct market offering, mainly focused on small common area supply for strata communities along with residential customers moving out of strata into detached dwellings is up 48%.

Guidance on the 12 month forecast revenues through to 30 June 2019 (FY19) has been downgraded to \$32 million. This is mainly due to the reduction in the wholesale cost of electricity and Energex network charges which are required to be passed on to the electricity consumer in full. With the later than anticipated financial close on the BlackRock funding (November 2018) we also experienced a delay in new community conversions and onboarding of direct market customers which has had an effect to the previous forecasted revenue of \$44m.

The BlackRock debt facility has been ongoing in utilisation and BlackRock are continuing to help support LPE and management in progressing opportunities.

Appendix 4C cash flow additional commentary

Cash at the end of the quarter of \$3,350M which is after \$1,934M in director loans were repaid.

The Company finalised several one off, professional and corporate costs for the quarter of a little under \$1.0M due to the professional, due diligence and legal costs to facilitate the BlackRock debt facility.

Otherwise the administration costs of \$1,077M for operating activities during the quarter are in line with management's expectation and stage of growth of the Company.

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, providing significant savings to its customers on electricity delivered.

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.

LPE's growth is financially backed by BlackRock the world's largest investment manager. BlackRock is trusted to manage more money than any other investment manager in the world and manages approximately US\$6.44 trillion in assets on behalf of investors worldwide (as of September 30, 2018).

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Locality Planning Energy Holdings Ltd

ABN

90 147 867 301

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,833	13,173
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(4,650)	(8,787)
(c) advertising and marketing	(98)	(164)
(d) leased assets	-	-
(e) staff costs	(746)	(1,614)
(f) administration, corporate costs & GST	(1,077)	(2,455)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(97)	(138)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	165	15
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(93)	(100)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(255)	(805)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(348)	(905)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings	5,151	5,819
3.6 Repayment of borrowings	(1,934)	(1,965)
3.7 Transaction costs related to loans and borrowings	(972)	(978)
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	2,245	2,876

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	1,288	1,364
4.2 Net cash from / (used in) operating activities (item 1.9 above)	165	15
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(348)	(905)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,245	2,876

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	3,350	3,350

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,810	1,067
5.2	Call deposits	200	81
5.3	Bank overdrafts	-	-
5.4	Other (Bank guarantee)	340	140
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,350	1,288

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
178
0

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
Nil
Nil

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	30,162	5,262,
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The company has a \$30 million loan facility with Blackrock. This facility is secured and the interest rate is 10% p.a.

In addition to the above loan facility, the company has a secured motor vehicle loan with Westpac at 4.81%p.a., as well as a loan with Principle Finance at 5.92%p.a.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	7,064
9.3 Advertising and marketing	81
9.4 Leased assets	-
9.5 Staff costs	1,046
9.6 Administration and corporate costs	963
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	9,154

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	NIL	NIL
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: Date:
(Company secretary)

Print name: Bill Lyne

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.