



MARKET ANNOUNCEMENT QUARTERLY 4C REPORT

- Continued strong customer growth.
- Customer receipts continue to increase in line with revenue forecast.
- Gross margins remain consistent with forecast.

Locality Planning Energy Holdings Limited (ASX: LPE) (the Company or LPE) is pleased to present its 4C cash flow statement for the quarter ending 31 March 2019.

The Company expanded the sales team in early February, and we are already seeing strong returns on our investment.

Residential Live customers have grown from 17,156 to 18,671 – an increase of 8.8% or 1,515 new customers. SME Live customers have also increased, more than doubling from 340 to 718 – an increase of 111% or 378 new customers.

This strong growth brings the total customer count to 19,389 – adding 1,896 customers over an effective working period of 7 weeks following the expansion of the sales team. This increase is in line with expectations and on track to meet our target of 21,000 customers by June 30, 2019.

Trading margins remain stable and are consistent with our forecast of 23% for Residential and 13% for SME

With our new, stronger sales force we expect to see continued growth in the coming quarter, especially as we roll out our solar electricity offer for strata communities.

Appendix 4C: additional commentary

Cash and Cash Equivalents at the end of the quarter are \$2.668m.

Receipts are in line with our cash flow forecast, which allowed for our new direct customers' payment cycles being 90 days rather than our traditional 30 days.

Increased staff costs for the current quarter are primarily due to our expanded sales team and \$63k of payments that relate to the prior period.

Administration costs, corporate costs and GST are up compared to the prior period; this is largely attributable to GST on our net cost of goods and the Company incurred additional legal fees and costs associated with exploring possible M&A opportunities.

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, delivering 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 offering intelligent solutions to help its customers reduce high electricity costs, with no risk and no upfront charges. LPE is at the forefront of innovative electricity supply with a commitment to the integration of technology in order 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 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,456	21,880
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(6,154)	(15,142)
(c) advertising and marketing	(91)	(252)
(d) leased assets	-	-
(e) staff costs	(997)	(2,610)
(f) administration, corporate costs & GST	(1,549)	(4,057)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	4
1.5 Interest and other costs of finance paid	(126)	(264)
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	(456)	(441)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(149)	(250)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(57)	(860)
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	(206)	(1,110)

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	60	5,878
3.6 Repayment of borrowings	(33)	(1,998)
3.7 Transaction costs related to loans and borrowings	(47)	(1,025)
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	(20)	2,855

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	3,350	1,364
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(456)	(441)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(206)	(1,110)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(20)	2,855

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,668	2,668

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	2,218	2,810
5.2	Call deposits	20	200
5.3	Bank overdrafts	-	-
5.4	Other (Bank guarantee)	430	340
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,668	3,350

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
229
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	30,222	5,322,
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 vehicles loan with Westpac at 4.81%p.a., as well as a loan with Principal Finance at 5.92%p.a. The loan with Principal Finance has been fully repaid on 1st April 2019.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	7,249
9.3 Advertising and marketing	61
9.4 Leased assets	
9.5 Staff costs	1,500
9.6 Administration and corporate costs	1,743
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	10,533

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.