

# News Release

## LPE reports first-quarter results and reiterates outlook for FY20

### Highlights:

- 12% increase in customers to 24,500 over the quarter
- Customer receipts of \$7.7 million
- Strong new customer pipeline built to deliver on growth objectives

**Locality Planning Energy Holdings Limited** (ASX: LPE) (the Company or LPE) is pleased to present its cash flow statement 4C for the quarter ending 30 September 2019.

LPE's CEO, Damien Glanville:

*FY20 is a pivotal year for LPE, and we are pleased with the results achieved in the first quarter.*

*With the expanded sales team in place since June, new customer acquisition has begun to accelerate and is anticipated to gain momentum over the year. We remain confident in our ability to deliver substantial growth in FY20 in line with the current revenue guidance of \$80m.*

*The Company's sales pipeline for the remainder of the year is strong as the sales team continues to deliver. We expect to see considerable gains across all product lines, particularly in the SME segment, where customers increased 87% during the first quarter to 2,600.*

Customer receipts of \$7.7 million reflect the increased proportion of customers moving to a quarterly billing cycle, which is in line with growth in traditional customers and seasonality of typical electricity supply arrangements. For the Company's customer base, Q1 has historically been the lowest electricity consumption period of the financial year. The Company remains well capitalised and drew down a further \$1 million from the BlackRock funding facility during the quarter, bringing the total draw to \$7.1 million at the end of the quarter. With a further ~\$22.9 million available, the Company's financial position is solid, supporting its strategic growth objectives. Cash at the end of the quarter was \$2 million.

For consistency with LPE's financial statements, "receipts from customers" are no longer grossed-up for GST. Also, site conversion costs that were previously reported as cash flows from investing activities (item 2.1[e]) are now being reported as cash flows from operating activities (item 1.2[b]) due to the Company's adoption of AASB15.

Management has confidence in the ongoing success of the sales team and in particular the recent recruitment of Alicia Prince as General Manager of Sales and Marketing. Mrs Prince brings a wealth of experience from her previous role as President Director of Accor Vacation Club Asia and her involvement in the sales centre of excellence for M2 telecommunication.

With the expansion into new markets and continual development of the sales team, Management is very pleased with the growth achieved to date. This is a great achievement considering the full deployment of the sales team was only completed in the final month of the quarter.

The pipeline built over the quarter places the Company in a position to deliver a further 20,000 customers for the FY19/20.

As a locally owned Australian Electricity retailer, LPE is excited to continue the expansion of its team and their capabilities and strives to deliver the best outcomes for their loyal customers.

**Ends**

#### About Locality Planning Energy Holdings Limited (LPE)

Locality Planning Energy (LPE) is an electricity retailer to residential and commercial customers. The company was founded in 2012 and quickly developed a reputation as energy supply specialists in residential apartment communities (embedded networks) throughout South-East Queensland.

In January 2016, LPE was listed on the ASX and two years later in 2018 received financial backing from investment giant BlackRock.

LPE now offers a range of utility supply services to residential, commercial, new build and strata customers.

Products and services include direct electricity supply, embedded networks, solar solutions and billing services for other utilities.

#### Contact:

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## 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")**

30 September 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date ( 3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	7,697	7,697
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(6,371)	(6,371)
(c) advertising and marketing	(72)	(72)
(d) leased assets	-	-
(e) staff costs	(1,691)	(1,691)
(f) administration, corporate costs & GST	(961)	(961)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(168)	(168)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,565)</b>	<b>(1,565)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(92)	(92)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date ( 3 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	(108)	(108)
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 (Cash secured bank guarantees in favour of energy trading counterparties)	(170)	(170)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(370)</b>	<b>(370)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	1,180	1,180
3.6	Repayment of borrowings	(54)	(54)
3.7	Transaction costs related to loans and borrowings	(90)	(90)
3.8	Dividends paid	-	-
3.9	Other	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1,036</b>	<b>1,036</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,876	2,876
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1565)	(1,565)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(370)	(370)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date ( 3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,036	1,036
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>1,977</b>	<b>1,977</b>

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	1,977	1,977
5.2	Call deposits	0	0
5.3	Bank overdrafts	-	-
5.4	Other	0	0
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,977</b>	<b>1,977</b>

**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
252
0

**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

8. <b>Financing facilities available</b> <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	30,329	7,317
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.

The company has secured motor vehicle loans with Westpac at 4%p.a. and insurance funding with Principal Finance at a flat rate of 5.92%

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	15,148
9.3 Advertising and marketing	176
9.4 Leased assets	
9.5 Staff costs	2,026
9.6 Administration and corporate costs	1,044
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>18,394</b>

10. <b>Acquisitions and disposals of business entities</b> <b>(items 2.1(b) and 2.2(b) above)</b>	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:   
.....  
(Company secretary)

31 October 2019  
Date: .....

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.