

29 January 2020



LPE December quarter trading update and FY20 outlook

Highlights:

- 9% increase in customers to 26,700 over the quarter
- Cash receipts increasing, up 24% over the previous quarter to \$9.5 million
- Strong demand for solar-in-strata installations, however slower than anticipated body corporate regulatory processes has moved the bulk of revenues into the second half of FY20

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 2019. Customer growth has been steady during the quarter with the bulk of the 2020 financial year target customers expected to grow during the coming quarters to meet our goal for the financial year.

The Company has previously given revenue guidance for the 2020 financial year of \$80 million. This revenue forecast is broken down into a \$50 million forecast on electricity sales (Electricity Sales) and \$30 million in solar-in-strata installations (Solar Sales.) We continue to be confident of achieving the Electricity Sales however due to the body corporate driven regulatory approvals taking a little longer than anticipated, part of the Solar Sales for the 2020 financial year could get pushed into the 2021 financial year. Being able to physically install the solar-in-strata and recognise the Solar Sales prior to the end of the 2020 financial year is key to achieving our projection.

“We are currently reviewing the process of setting customer and financial targets, measuring those against actuals, to better communicate to the market our growth trajectory,” said Justin Pettett LPE’s Chairman. “Customer numbers and revenues are growing in the right direction and we intend to update the market on how we are tracking in the March quarterly report.”

LPE’s CEO Damien Glanville said “While electricity sales are on target, we still have much work to do in the second half of the financial year to achieve our goals. The execution of our new solar-in-strata product by body corporates and the timing of their regulatory processes to approve the installations has resulted in revenue being more heavily weighted in the second half of the current financial year. These are timing issues and we will work hard to realise as much of the revenues from the work of our sales team during the 2020 financial year.”

“We have continued to optimise the sales team structure and strategy to ensure the Company can execute to plan for the remainder of the financial year. The new, innovative solar-in-strata product has been very well received by our core market, strata communities and installations have begun to ramp-up. Given the size of the target market we are excited by the potential of this product to underpin business growth in the medium-term.”

This announcement was authorised by Damien Glanville, CEO.

Contact: Daniel Seeney
Investor Relations
Investors@localityenergy.com.au

ENDS

About Locality Planning Energy Holdings Limited (LPE)

The Company was founded in 2010. In January 2016, LPE was listed on the ASX as an electricity retailer to residential and commercial customers. It quickly developed a reputation as an energy supply specialist in residential apartment communities (embedded networks) throughout South-East Queensland. Two years later in 2018 the Company received financial backing from investment giant BlackRock. LPE 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.

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 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	9,544	17,241
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(7,397)	(13,769)
(c) advertising and marketing	(60)	(133)
(d) leased assets	-	-
(e) staff costs	(1,565)	(3,255)
(f) administration, corporate costs	(638)	(1,597)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	7
1.5 Interest and other costs of finance paid	(205)	(374)
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	(315)	(1,880)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6)	(98)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(107)	(215)
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)	(1,250)	(1,420)
2.6 Net cash from / (used in) investing activities	(1,363)	(1,733)

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	1,700	2,880
3.6 Repayment of borrowings	(60)	(114)
3.7 Transaction costs related to loans and borrowings	(145)	(235)
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	1,495	2,531

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	1,977	2,876
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(315)	(1,880)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(1,363)	(1,733)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,495	2,531
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	1,794	1,794

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	1,794	1,977
5.2	Call deposits	0	0
5.3	Bank overdrafts	-	-
5.4	Other	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,794	1,977

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**

224

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. 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	30,157	8,957
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. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	12,970
9.3 Advertising and marketing	195
9.4 Leased assets	
9.5 Staff costs	1,801
9.6 Administration and corporate costs	685
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	15,651

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.



29 January 2020

Sign here:
(Company secretary)

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.