

## Quarterly Report for the period ending 31 March 2020

### Highlights:

- 6.7% increase in customers to 28,500 over the quarter
- Cash receipts increasing, up 24.4% over the previous quarter to \$11.9 million
- Electricity consumption expected to remain resilient through the COVID-19 crisis
- Cost reduction program underway, ~30% saving in employee costs expected to be realised in the June 2020 quarter

Locality Planning Energy Holdings Limited (ASX: LPE) (the Company or LPE) is pleased to provide an overview of the quarter ended 31 March 2020.

Customer growth continued over the quarter increasing by 6.7% to 28,500 compared to the December quarter, and grew 47.0% compared to the March quarter in the prior year. This was a more modest rate of growth than originally envisaged in the strategic growth plans laid out at the beginning of the year. However, customer growth of 47.0% in one year is a significant achievement and reflects the continued strategic progress of increasing LPE's scale and market share. The majority of new customers acquired during the March 2020 quarter were added in the SME segment, reflecting the sales teams strategic focus on SME prior to the COVID-19 issue, where LPE had been historically underrepresented.

	Units	31-Mar-20	31-Dec-19	chg	FY20 YTD
Residential Customers	NIM's	25,100	24,000	4.6%	25,100
SME Customers	NIM's	3,400	2,700	25.9%	3,400
<b>Total Customers</b>	<b>NIM's</b>	<b>28,500</b>	<b>26,700</b>	<b>6.7%</b>	<b>28,500</b>
Cash Receipts	A\$m	11.9	9.5	24.4%	29.1
Net Debt	A\$m	8.9	7.2		8.9

Cash receipts increased to \$11.9m during the quarter, an increase of 24.4% compared to the December 2019 quarter, and 76.1% compared to the March quarter in the prior year. Net cash from operations is at a seasonal low during the March quarter, reflecting the typically higher wholesale energy costs incurred during the period.

LPE's CEO Mr Damien Glanville said "We are very pleased to see the business continue to deliver solid organic growth in customer numbers, sales and cash receipts during the quarter. This reflects our investment in internal sales capacity, as well as LPE's clear competitive advantage as a nimble, service-oriented player in a very large addressable market. While general economic conditions have deteriorated rapidly over recent weeks as a result of COVID-19, LPE's core business of residential electricity sales in strata communities remains strong and stable. Electricity consumption is relatively durable through periods of economic weakness, and LPE's core residential customers in strata communities are underpinned by long-term contracts providing for stable, recurring revenue streams. This stands our Company in good stead through otherwise difficult markets."

Net debt at the end of the quarter stands at \$8.9m, consisting of \$8.4m in cash and \$17.2m debt drawn of the \$30m facility. The Company drew down \$8.4m during the quarter for the purposes of funding its solar-in-strata projects.

### **Cost Reduction Program and Additional Commentary**

The Company has commenced a cost reduction program focused on reducing our fixed cost base relating to the substantial growth plans the Company had in place for the second half. Given the impacts of COVID-19 on interpersonal contact, the ability for the sales team to deploy staff in the field has been temporarily restricted, although in line with recent Federal Government advice it remains unclear how long social-distancing measures will remain in place. As such the Company has commenced a redundancy program focused on all casual and some permanent sales staff until there is more certainty regarding the forward looking sales environment.

The impact of this program is to reduce overall staff costs to ~\$1.0m in the June quarter, a reduction of ~30% compared to the March quarter. While it is anticipated that this sales capacity will be ramped up again in the event of the relaxation of social-distancing measures and stabilised economic conditions, the Company is working to review the broader cost base for additional savings during this period of restricted growth.

Authorised by the Board.

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Company Secretary  
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**ENDS**

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

LPE is the local Aussie electricity provider that cares about the needs of Australians and is currently supplying electricity to over 26,000 customers. Our mission is to keep things simple and be honest about the costs of electricity – to save the most amount of money for the most amount of people. This means no dodgy deals or confusing contracts, just simple savings. The LPE portfolio includes solutions across electricity, solar, embedded networks, centralised hot water and billing services for other utilities. In January 2016, LPE was listed on the ASX and 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.

## 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 2020

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date ( 9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		11,873	29,114
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(10,719)	(24,323)
(c) advertising and marketing		(23)	(155)
(d) leased assets		-	-
(e) staff costs		(1,587)	(4,843)
(f) administration, corporate costs		(763)	(2,525)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		8	15
1.5 Interest and other costs of finance paid		(364)	(738)
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>(1,575)</b>	<b>(3,455)</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) property, plant and equipment		(14)	(102)
(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	(26)	(251)
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)	(0)	(1,420)
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(40)</b>	<b>(1,773)</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	8,400	11,280
3.6	Repayment of borrowings	(60)	(175)
3.7	Transaction costs related to loans and borrowings	(122)	(356)
3.8	Dividends paid	-	-
3.9	Other	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>8,218</b>	<b>10,749</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	1,794	2,876
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,574)	(3,455)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(40)	(1,773)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date ( 9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,218	10,749
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>8,397</b>	<b>8,397</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	8,397	1,794
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>8,397</b>	<b>1,794</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

331

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	30,097	17,297
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.

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	8,642
9.3 Advertising and marketing	75
9.4 Leased assets	
9.5 Staff costs	1,081
9.6 Administration and corporate costs	799
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>10,597</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: ..... *Daniel Seeney* ..... Date: 15 April 2020  
(Company secretary)

Print name: Daniel Seeney

### 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.