

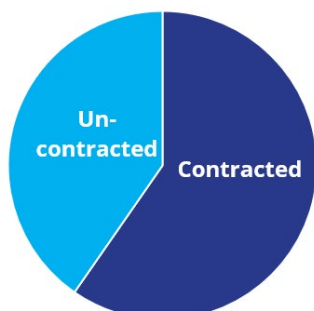
29 April 2021

## Quarterly Report for the period ending 31 March 2021

### Highlights:

- **30.1% growth in total customers during the quarter vs pcg**
- **Excellent results in a challenging lockdown affected quarter**
- **Underlying cash gross profit of \$6.4 million year-to-date vs \$14.1 million market capitalisation**
- **First shared solar installations completed and operational, strong sales pipeline of demand**

Locality Planning Energy Holdings Limited (ASX: LPE) (the Company or LPE) is pleased to report continued growth and expansion across the business for the quarter ended 31 March 2021.



The Company added 1,811 new customers during the seasonally weaker March quarter, representing +32% growth compared to the March quarter FY20. Total customers surpassed 37,000 during the quarter, marking another successful growth milestone and continued progress towards the key strategic objectives of achieving scale and profitability. Of these customers approximately 60%, representing the majority of all LPE customers, are contracted within LPE embedded networks or its new shared solar products representing annual recurring revenues for the Company.

	31-Mar-21 Customers Added	TOTAL	31-Dec-20 Compared to last quarter	chg	31-Mar-20 Compared to last year	chg
Residential Customers	1,277	32,238	30,961	4.1%	25,100	28.4%
SME Customers	534	5,451	4,917	10.9%	3,400	60.3%
<b>Total Customers</b>	<b>1,811</b>	<b>37,689</b>	<b>35,878</b>	<b>5.0%</b>	<b>28,500</b>	<b>32.2%</b>
Cash Receipts (A\$m)	14.2	35.1	11.1	28.0%	11.9	19.4%
Net Debt (A\$m)	12.0	12.0	10.1	18.5%	8.9	34.5%

LPE's CEO Damien Glanville said "Despite a 3-day COVID lockdown in Brisbane towards the end of the quarter, our results have continued to chart a path of rapid and consistent growth. Numerous Body Corporate AGMs (the key decision point for new embedded network contract wins) were deferred from March into April as a result of the brief COVID restrictions in Brisbane which arose during March. In conjunction with first installations of the new shared solar product during the quarter, which is expected to be a new high-growth category for the company going forwards, the business is set up for a very strong finish to FY21. Profitability and cash flow trends are also clearly showing the beginnings of significant operating leverage, which is an exciting inflection point for the business after many years of consistent organic growth."

### Outlook

The Board reiterates LPE's FY21 guidance of 10,000 new customers (~30% growth). Over 1,100 embedded network customers are contracted and due to be delivered prior to 30 June 2021 with a further 2,400 retail customers also in the sales pipeline leading up to the end of the financial year.

## Financials

Cash flows reported for the quarter and year-to-date showed a dramatic improvement compared to those reported in prior comparable periods. This is a reflection of (1) significant growth in customer numbers and (2) productivity initiatives implemented under the new leadership team which have seen this growth delivered with broadly flat operating costs.

It is necessary to adjust year-to-date cash flow numbers due to the significant COVID prepayment of \$3.5 million received from Government stimulus programs during the June quarter FY20, which would otherwise have been received in the normal course of business during the September quarter. The stimulus receipts therefore had the effect of bringing forward customer account settlements from FY21 into FY20.

### SUMMARY FINANCIAL RESULTS – YEAR-TO-DATE

#### Consolidated Statement of Cash Flows

(AUD million)	YTD	YTD	
	FY21	FY20	% Change
<b>Underlying Cash Flows From Operating Activities</b>			
Receipts from customers	38.6	29.1	32.4%
Payments for product manufacturing & operating costs	(32.2)	(24.3)	32.2%
<b>Underlying Cash Gross Profit</b>	<b>6.4</b>	<b>4.8</b>	<b>33.5%</b>
Cash Operating Expenditure	(8.1)	(7.5)	7.2%
<b>Underlying Cash EBIT</b>	<b>(1.7)</b>	<b>(2.7)</b>	<b>n/m</b>

Note: FY21 cash receipts from customers includes \$3.5m COVID prepayments received in the June quarter FY20 related to Government stimulus payments. The payments had the effect of distorting the timing of customer cash receipts.

Year-to-date underlying cash receipts increased by 32.4% to \$38.6 million, with cash operating expenditure at \$8.1 million. As a result, LPE's year-to-date underlying cash EBIT is a modest loss of \$1.7 million. The Board believes these trends can continue for an extended period driven by LPE's strategy to continue to rapidly grow scale and improve productivity.

For the March quarter compared to the prior year the trends are similar. Significant growth in cash gross profit has been realized against a cash operating expenditure base which has remained flat driven by efficiency and productivity gains.

### SUMMARY FINANCIAL RESULTS – MARCH QUARTER

Cash Flows From Operating Activities	31-Mar-21	31-Mar-20	% Change
Receipts from customers	14.2	11.9	19.7%
Payments for product manufacturing & operating costs	(12.5)	(10.7)	16.4%
<b>Cash Gross Profit</b>	<b>1.7</b>	<b>1.2</b>	<b>50.8%</b>
Cash Operating Expenditure	(2.6)	(2.4)	9.7%
<b>Cash EBIT</b>	<b>(0.9)</b>	<b>(1.2)</b>	<b>n/m</b>

The company closed the quarter with \$3.1 million of cash and cash equivalents, \$15.1 million debt, and net debt of \$12.0 million. This excludes an additional \$3.5 million of the Company's cash as credit support with AEMO and hedging counterparties for wholesale electricity and derivative settlements.



LPE's Board is committed to achieving the key strategic objective of near-term sustainable profitability and looks forward to providing more detail with regards to current progress versus this objective at full-year FY21 financial results.

Authorised by the Board.

Contact: Daniel Seeney  
Company Secretary  
[investors@localityenergy.com.au](mailto:investors@localityenergy.com.au)

**ENDS**

#### **About LPE**

LPE is an electricity provider that specialises in innovative technology that creates sustainable apartment living through delivering behind the meter shared solar energy solutions, carbon neutral centralised water heating plants and electrical embedded networks. LPE also provide traditional electricity to homes, businesses, and strata communities throughout Queensland and New South Wales making LPE one of the only electricity providers offering a diverse product range to customers. LPE's vision is to empower people to save money and create sustainable communities of the future.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Locality Planning Energy Holdings Ltd

**ABN**

90 147 867 301

**Quarter ended ("current quarter")**

31 March 2021

<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	14,213	35,057
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(12,473)	(32,160)
(c) advertising and marketing	(160)	(370)
(d) leased assets	(60)	(136)
(e)		
(f) staff costs	(1,430)	(4,462)
(g) administration and corporate costs	(740)	(2,576)
1.3 Dividends received (see note 3)		
1.4 Interest received	160	491
1.5 Interest and other costs of finance paid	(373)	(1,134)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		119
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(863)</b>	<b>(5,171)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(82)	(169)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets	(811)	(1,751)
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other		
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	<b>Net cash from / (used in) investing activities</b>	<b>(893)</b>	<b>(1,920)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		2,957
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		(5)
3.5	Proceeds from borrowings		51
3.6	Repayment of borrowings	(48)	(140)
3.7	Transaction costs related to loans and borrowings	(29)	(894)
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	<b>Net cash from / (used in) financing activities</b>	<b>(77)</b>	<b>1,969</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 period	4,963	8,252
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(863)	(5,171)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(893)	(1,920)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(77)	1,969
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>3,130</b>	<b>3,130</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	2,830	8,177
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (Surplus cash with AEMO and hedging counterparties)	300	
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,130</b>	<b>8,177</b>

**6. Payments to related parties of the entity and their  
associates**

- 6.1 Aggregate amount of payments to related parties and their  
associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their  
associates included in item 2

**Current quarter  
\$A'000**

257\*

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

\*The amount at 6.1 includes payment of directors' fees, remuneration and superannuation (excluding GST).

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	15,103	15,103
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 <b>Total financing facilities</b>	15,103	15,103

7.5 **Unused financing facilities available at quarter end** 0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The Company has a \$15 million loan facility with BlackRock maturing November 2022. 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.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(863)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,130
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	3,130
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	3.63

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

## 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.

Date: 29 April 2021 .....

Authorised by: By the Board of Directors .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.