

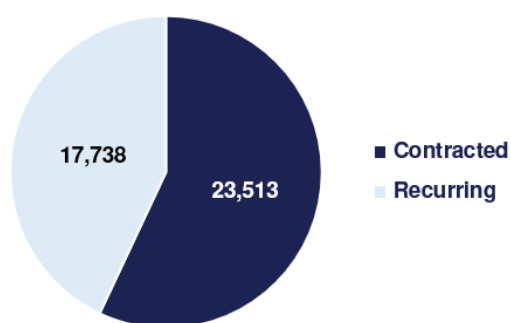
30 July 2021

Quarterly Report for the period ending 30 June 2021

Highlights:

- 32% growth in total customers during the quarter vs pcq
- Added 3,561 customers, the largest inflow on a quarterly basis this year
- 10,000 customer milestone for FY21 achieved, meeting guidance
- Revenues, gross profit, and net debt positions all significantly improved during the quarter
- LPE financials and fundamentals significantly improved on FY20

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 30 June 2021.



The Company added 3,561 new customers during the quarter, an overall +9% growth compared to the March quarter and representing +32% growth compared to the June quarter FY20. This was the largest inflow of customers on a quarterly basis into the Company during FY21. Customer guidance for the year was met, with the Company adding over 10,000 customers during FY21, increasing LPE's total number of customers to over 41,000. Of these customers, approximately 60%, representing the majority of all LPE customers, are in

long term contracts within LPE embedded networks or new shared solar products.

| | Jun-21 | TOTAL | Mar-21 | chg* | Jun-20 | chg** |
|------------------------|--------------|---------------|---------------|-------------|---------------|--------------|
| Residential Customers | 2,767 | 35,005 | 32,238 | 8.6% | 27,661 | 26.6% |
| SME Customers | 794 | 6,245 | 5,451 | 14.6% | 3,555 | 75.7% |
| Total Customers | 3,561 | 41,250 | 37,689 | 9.4% | 31,216 | 32.1% |

*Compared to last quarter

**Compared to last year

Outlook

In South-East Queensland, LPE expects to continue to expand its market leading position in residential embedded networks and shared solar, whilst delivering continual growth in retail electricity sales to residential and business customers. LPE has grown to the 6th largest electricity provider in Queensland on the Energex network and looks to build on this solid growth in the coming quarters.

Financial Commentary

Cash flows reported for the quarter and year-to-date showed a consistent improvement compared to those reported in prior comparable periods. This reflects (1) the significant growth in customer numbers and (2) the expansion of the Company's brand in the marketplace as customers seek out a local electricity provider that delivers a higher level of service and overall better experience.

Due to COVID-19 relief payments received from the Queensland Government in FY20, it is necessary to adjust year-to-date cash receipts by \$3.5 million that were received in FY20 which would have otherwise been received from customers in FY21.

SUMMARY FINANCIAL RESULTS

| Consolidated Statement of Cash Flows (AUD million) | YTD | YTD | |
|---|--------------|--------------|-----------------|
| | FY21 | FY20 | % Change |
| Adjusted Cash Flows From Operating Activities | | | |
| Receipts from customers* | 53.4 | 40.3 | 32.5% |
| Payments for product manufacturing & operating costs | (44.6) | (33.7) | 32.3% |
| Adjusted Cash Gross Profit | 8.8 | 6.6 | 33.3% |
| Cash Operating Expenditure | (10.4) | (9.8) | 6.1% |
| Cash EBIT | (1.6) | (3.2) | n/m |
| Cash Balance* | 5.7 | 4.8 | 18.8% |
| Net Debt (A\$m) | 9.4 | 10.4 | (10.0%) |

*Adjusted to normalise YTD cashflow due to COVID prepayments received in FY20 that would have otherwise been received in FY21.

Year-to-date adjusted cash receipts increased by 32% to \$53.4 million, with adjusted cash gross profit increasing by 33% to \$8.8 million. The Company closed the quarter with \$5.7 million in cash which includes \$1 million from hedging counterparties (investing activities) held to provide credit support to the Company for favourable futures contracts. Net debt of \$9.4 million improved by 10% from 2020. In addition to its cash balance of \$5.7 million, the Company has \$1.6 million of cash in term deposits used as security for bank guarantees provided to various third parties, including credit support obligations with AEMO. Credit support increases with customer load and seasonal demand and the associated cashflows are reported as relating to investment activities, rather than operating activities, due to the nature of the cash security.

Trends are similar for the June quarter compared to the previous quarter. 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

| Consolidated Statement of Cash Flows (AUD million) | QTLY | QTLY | |
|---|---------------|---------------|-----------------|
| | Jun-21 | Mar-21 | % Change |
| Cash Flows From Operating Activities | | | |
| Receipts from customers | 14.9 | 14.2 | 4.9% |
| Payments for product manufacturing & operating costs | (12.4) | (12.5) | (0.8%) |
| Cash Gross Profit | 2.5 | 1.7 | 47.1% |
| Cash Operating Expenditure | (2.9) | (2.4) | 19.7% |
| Cash EBIT | (0.4) | (0.7) | n/m |

Cashflows between hedging counterparties for the purpose of meeting credit support requirements are also treated as investment activities and are not included in the estimated cash available for future operating activities in section 8 of the following Appendix 4C.



Commenting on the quarterly results LPE Chairman, Justin Pettett, said: “The management team are focused on the continued delivery of improved bottom-line results. These results and further growth will build on the Company’s position of having a solid base of over 41,000 customers and growing; the majority in long term contracts with the Company.”

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: Elissa Hansen
Company Secretary
investors@localityenergy.com.au

ENDS

About LPE

LPE is a fast-growing electricity provider challenging the way customers receive their electricity; going beyond being just a traditional supplier, leaders in innovation, supporting strata communities to think of tomorrow. With first to market technology, LPE has delivered shared solar for apartment living and carbon neutral centralised hot water systems, creating shareholder value through long term supply agreements that provide strong recurring revenue.

LPE service the Queensland and New South Wales energy market, selling electricity, hot water, solar and battery systems to homes, business, and strata communities. Providing strata communities, the solution to reduce their carbon footprint and energy bills with no upfront cost. Empowering people to save money and create sustainable communities of the future.

For more information visit: localityenergy.com.au/investors

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")

30 June 2021

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|---|------------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 14,884 | 49,940 |
| 1.2 Payments for | | |
| (a) research and development | (67) | (67) |
| (b) product manufacturing and operating costs | (12,448) | (44,606) |
| (c) advertising and marketing | (210) | (581) |
| (d) leased assets | (49) | (185) |
| (e) staff costs | (1,422) | (5,884) |
| (f) administration and corporate costs | (1,179) | (3,755) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | 155 | 646 |
| 1.5 Interest and other costs of finance paid | (376) | (1,510) |
| 1.6 Income taxes paid | | |
| 1.7 Government grants and tax incentives | | 119 |
| 1.8 Other (provide details if material) | | |
| 1.9 Net cash from / (used in) operating activities | (712) | (5,883) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | | |
| (b) businesses | | |
| (c) property, plant and equipment | (76) | (245) |
| (d) investments | | |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|---|----------------------------|--|
| | (e) intellectual property | | |
| | (f) other non-current assets | 2,340 | 589 |
| 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 (credit support received from hedging counterparties) | 1,000 | 1,000 |
| 2.6 | Net cash from / (used in) investing activities | 3,264 | 1,344 |

| | | | |
|-------------|---|-----------|--------------|
| 3. | Cash flows from financing activities | | |
| 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 | 174 | 225 |
| 3.6 | Repayment of borrowings | (30) | (170) |
| 3.7 | Transaction costs related to loans and borrowings | (81) | (975) |
| 3.8 | Dividends paid | | |
| 3.9 | Other (provide details if material) | | |
| 3.10 | Net cash from / (used in) financing activities | 63 | 2,032 |

| | | | |
|-----------|--|-------|---------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 3,130 | 8,252 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (712) | (5,883) |

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------|--|----------------------------|-------------------------------------|
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 3,264 | 1,344 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 63 | 2,032 |
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of period | 5,745 | 5,745 |

| 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 | 2,257 | 2,830 |
| 5.2 | Restricted cash received from hedging counterparties as credit support | 1,000 | |
| 5.3 | Bank overdrafts | | |
| 5.4 | Other (Cash Deposits with AEMO and hedging counterparties) | 2,489 | 300 |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 5,745 | 3,130 |

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**

264*

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.

| | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---------------------------------------|---|--|
| 7.1 Loan facilities | 15,244 | 15,244 |
| 7.2 Credit standby arrangements | | |
| 7.3 Other (please specify) | | |
| 7.4 Total financing facilities | 15,244 | 15,244 |

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.

The Company has a loan with Principal Finance, to be fully paid by March 2022. Interest is at flat rate of 5.9%.

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (712) |
| 8.2 Cash and cash equivalents at quarter end (Item 4.6) | 5,745 |
| 8.3 Less Restricted cash (Item 5.2) | (1,000) |
| 8.4 Total available funding (Item 8.2 + Item 8.3) | 4,745 |
| 8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1) | 6.66 |

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: 30 July 2021
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By the Board of Directors
Authorised by:
(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.