

6 August 2021

Investor Update July 2021 Trading

Highlights:

- 🕒 **600 new customers added for July 2021**
- 🕒 **42,000 customers at 31 July 2021, an increase of 31% compared to July 2020**
- 🕒 **Strata takeovers driving embedded network growth**
- 🕒 **100% strata contract retention to date, a strong indicator of customer satisfaction**
- 🕒 **Residential and business customer onboarding strong with solid in-flow calls**

Locality Planning Energy Holdings Limited (ASX: LPE) (the “**Company**” or “**LPE**”), is pleased to provide shareholders and investors with an update on trading for the month of July 2021.

LPE has continued its pattern of consistent customer growth, as the Company begins the 2022 financial year with another positive month of customer growth. During FY21, over 10,000 customers joined LPE looking for a higher quality service and a better overall experience from their electricity provider. The uplift of 600 customers in July 2021 represents another consistent month of growth, as the Company continues to execute on its organic growth strategy.

	Jul-21	TOTAL	Jun-21	chg*	Jul-20	chg**
Residential Customers	500	35,505	35,005	1.4%	28,250	25.7%
SME Customers	100	6,345	6,245	1.6%	3,718	70.7%
Total Customers	600	41,850	41,250	1.5%	31,968	30.9%

*Compared to last quarter

**Compared to last year

During July 2021, the Company grew to approximately 42,000 customers, representing an increase of 31% compared to the previous corresponding period of July 2020. The continual delivery of these rates of business expansion is notable, particularly given the inherently stable and durable nature of LPE’s underlying business. LPE’s strategy of taking over existing embedded networks, continues to drive the growth of the Company’s embedded network customers, along with LPE’s dedicated new builds sales force which continues to grow the Company’s pipeline of long term contracted new business. LPE continues to strengthen its position as one of the largest electricity providers to strata communities in Queensland on the Energex network.

Commenting on the strong continued growth LPE Chairman, Justin Pettett, said: “Customer retention of our strata communities has been 100% to date when our initial contracts come to an end, a strong indication of LPE’s very high customer satisfaction. Every expired or expiring strata community we serve has re-contracted with LPE for a further term, with not one customer leaving LPE as its provider since 2014. Given the scale of the broader market opportunity and the demonstrated traction of LPE’s competitive advantage which centers around service and helping our customers, we are confident that the Company has a long runway of healthy growth ahead of it.”



Gain on Financial Derivatives

During the June 2021 quarter, the Callide Power Station located in Central Queensland suffered an explosion, wiping out over 1,500 megawatts from the Southeast Queensland grid, driving up wholesale electricity prices. LPE is protected through a comprehensive wholesale electricity hedging strategy focused on preservation of margins and protecting its customers from any volatility. As a result, the Company was well protected from the adverse fluctuations in wholesale energy pricing due to the supply and demand pressures throughout June 2021.

The positive resulting financial gain attributable to the gross profit of \$14.25 million in FY21 (FY20: \$4.89 million) included a non-cash profit of \$5.64 million (FY20: loss of \$2.25 million) from the change in fair value of financial instruments used to hedge the Company's cost of wholesale electricity. The unaudited results announced to the market on 20 July 2021 are a direct comparison to LPE's previous audited results for FY20, which included a loss on financials derivatives of \$2.25 million. The same methodology was used to calculate gross and net profit in the FY21 preliminary results as was used in FY20 to give a fair comparison.

All results outlined in this release are preliminary and subject to review by the Company's auditors.

Authorised by the Board.

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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