

16 December 2021

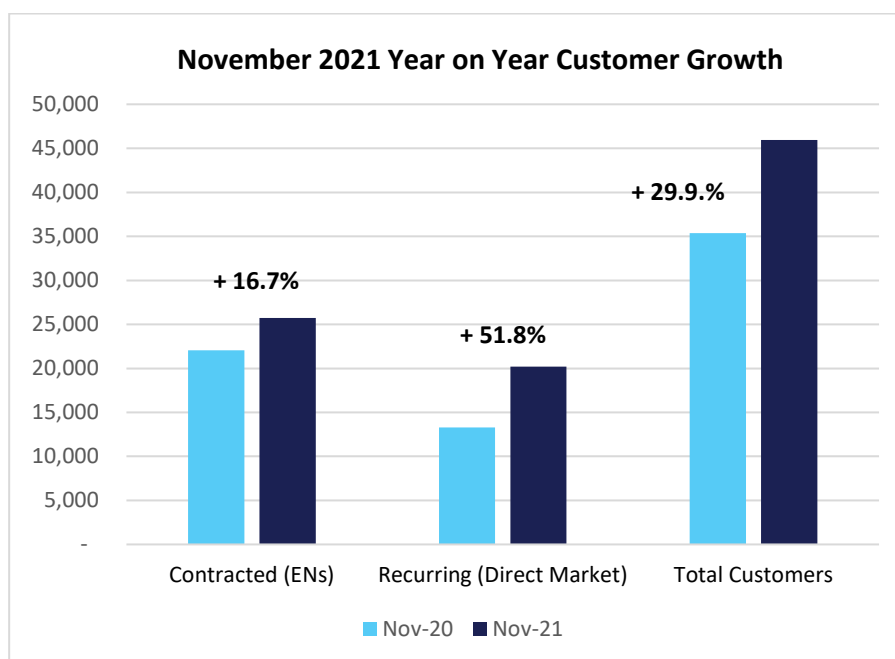
# Investor Update: Strong Growth Continues

## Highlights

- LPE continued to realise strong growth in contracted customers throughout October and November 2021
- 46,000 customers as at 30 November 2021, a strong increase of 30% year on year
- 2,430 new customers secured with 2,000 of these for embedded networks
- High-value contracted strata community customers continued to drive organic growth
- Financed solar and battery systems to be offered to customers in Q1 2022, further positioning LPE for strong growth in the new year
- Launch of Virtual Power Plant in Q1 2022 for customers across QLD creating sticky retail accounts
- Significant inbound enquiries from existing and prospective customers for renewably sourced energy, including manufacturers, data centres and cryptocurrency miners
- LPE to establish funding models to fast-track development, improving the financial returns on renewable energy assets including bio-mass and solar farms and preserving cash on hand

Fast growing electricity provider, Locality Planning Energy Holdings Limited (**ASX: LPE**) (the **Company** or **LPE**), is pleased to provide shareholders and investors with an update on trading and continued growth through to the end of November 2021.

During November, LPE secured an additional 2,000 embedded network customers, primarily due to LPE's superior, personalised service and diversified offering, with 2,430 additional customers gained during the October/November 2021 period in total. Together with the Company's consistent growth in direct market customers, LPE has now achieved a total of 46,000 customers as at 30 November 2021, with forecast growth expected to continue throughout the holiday period.



As per the chart above, this represents an increase in total customer numbers of 30% from November 2020, consistent with the Company's previously achieved organic growth throughout the current calendar year. With the direct market sales team primarily targeting business customers that contribute higher revenues and electricity volumes to the LPE business, overall customer numbers continue to be maintained, including high-value strata community and embedded network customers, representing long-dated, durable contracted recurring revenue streams.

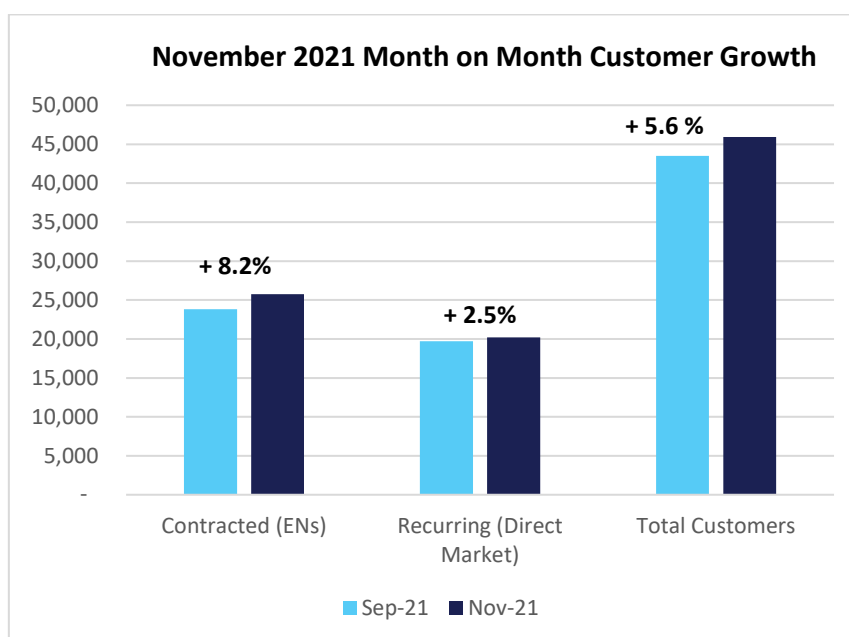
**Table 1 - November 2021 Year on Year Customer Growth**

	Nov-20	Nov-21
Contracted (ENs)	22,052	25,740
Recurring (Direct Market)	13,298	20,190
<b>Total Customers</b>	<b>35,350</b>	<b>45,930</b>

**Table 2 - November 2021 Month on Month Customer Growth**

	Sep-21	Nov-21
Contracted (ENs)	23,800	25,740
Recurring (Direct Market)	19,700	20,190
<b>Total Customers</b>	<b>43,500</b>	<b>45,930</b>

Moving forward, LPE will report on its embedded network/strata community customers (**Contracted**) and direct market residential and business customers (**Recurring**) rather than a split between residential and business accounts. Table 1 above shows the year-on-year growth comparison between Contracted and Recurring customers from November 2020 to November 2021. Table 2 shows the month-on-month growth comparison between Contracted and Recurring customers from September 2021 to November 2021.



**LPE's CEO and Managing Director, Damien Glanville, commented on the strata embedded network takeovers:** "Acquiring embedded network customers from competing service providers is a rewarding win for the LPE sales team, as it demonstrates the Company's strong values of combining a dedicated local customer service team with competitive pricing, and an established reputation as an experienced and capable partner in a complex sector. I am extremely pleased with the diligent work of our sales teams and the manner in which they have responded to this competitive environment, achieving outstanding year to date results with further growth forecast for the 2022 calendar year."

While the sales pipeline of LPE's shared solar offering continues to positively grow and installations underway the Distribution Network Service Provider (**DNSP**), approval process remains slow for solar systems above 30kW, which is hindering the roll out of LPE's shared solar. In response to this slower roll out, the Company has been working on a new, no upfront cost, single supply solar and battery product that will not only be offered to common areas of strata customers, but also to our direct market Recurring customers.

In early 2022, LPE will launch a Virtual Power Plant (**LPE VPP**) product to all customer types who have an existing solar system and want to adopt a battery system or are looking to install a solar and battery system. LPE VPP customers will have the opportunity to fund the purchase through a third-party, which will offer a 10-year power purchase agreement for their system, along with the benefit of becoming a member of the LPE VPP.

Customers will not only benefit from increasing their sustainability through the fastest growing renewable energy source, solar electricity and batteries, but will also benefit from discharging the battery at night to support their own electricity needs. The LPE VPP will consist of many LPE customers with solar and battery systems, whose individual batteries will be programmed to discharge small amounts of electricity in unison when not being used, and during high priced energy events a credit will be created from selling solar electricity back to the grid. Funding for this product has been secured off balance sheet with the cost of the system, installation and maintenance covered by a third party, thereby preserving the Company's cash on hand. Despite utilising third party financing, LPE will maintain its margin for selling grid electricity to the customer, in addition to receiving a margin on the installation of the system and a portion of the revenues generated from the VPP. The Company looks forward to releasing further details of the LPE VPP in early 2022.

LPE continues to receive a high volume of inbound enquires from retail, business and strata customers seeking assistance in lowering their carbon emissions and reaching their sustainability goals. These enquiries include assistance in distributing renewable energy, requests to partner in the development of redundant solar, battery and hydrogen generation assets including from high energy needs businesses such as manufacturers, data centres and cryptocurrency miners. The Company continues to advance these opportunities over the coming period with the expectation of creating further shareholder value in the future.

**LPE Chairman, Justin Pettett, commented on the opportunities currently being evaluated by the Company:** "In line with our high environmental, social and governance principles, we have been working to better align the Company with green energy generation opportunities. While there are many opportunities in the marketplace, LPE has many stakeholders including customers seeking to access greener renewable electricity, as well as shareholders aiming for higher valuations and operational leverage. With the objective of finding the right balance for all stakeholders, we hope to be in a position to update the market soon in relation to some exciting developments currently being worked on in this space."

Authorised by the Board.

For further information:

Jane Morgan

Investor and Media Relations

[jm@janemorganmanagement.com.au](mailto:jm@janemorganmanagement.com.au)

+61 405 555 618

**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](http://localityenergy.com.au/investors)