

8 April 2022

LPE Provides Improved Revenue and Performance Guidance for FY2022

Highlights

- With positive momentum in operational results, the Board is pleased to provide the following upgraded revenue and performance guidance:
 - 1) LPE is on track to establishing a suite of renewable energy assets including the BioHub and Solar Farm opportunities with higher margins, driven by co-location of high energy users such as STAK Mining and data centres; and
 - 2) Organically growing the retail business toward positive free cash flow in FY2023 by achieving the following targets:
 - Exceeding \$70m in revenues in FY2022 (+27% YoY)
 - Reaching at a minimum 48,000 retail customers in FY2022 (+16% YoY) and in excess of 55,000 in FY2023 (+15% YoY)
 - Significant uplift from customer demand for LPE's affordable and green Solar Bank and Battery solution
- Overall, the Board firmly believes it has the right strategy in place to create significant value for shareholders moving forward

LPE Chairman, Justin Pettett, commented: "With the conclusion of the quarter, the Board undertook a comprehensive operational review to determine key targets for FY2022, which includes increasing customer growth by circa 16% to 48,000 and revenues by circa 27% to \$70m. If these metrics are achieved and customer acquisition growth is sustained, the Board is optimistic hitting critical mass across the core retail business enabling free cashflow generation to materialise in FY2023. The Board is excited about LPE's move into renewable energy generation, which is expected to be a game changer in FY2023, given the high margins achievable by generating green energy behind the meter to power high usage data centres and other tenants that are vertically integrated at the site."

Locality Planning Energy Holdings Limited (ASX: LPE) (the **Company** or **LPE**) is pleased to re-affirm the potential for renewable energy generation assets such as the BioHub and Solar Farm opportunities to accelerate revenues and margins materially in FY2023. Further, the Board is pleased to provide near-term revenue and performance guidance for the core retail business.

Targets for Retail Business

With the recent capital raising exercise and significant activity across the group, the Board conducted a comprehensive operational review to outline several key targets for the retail business encompassing FY2022-23.

With a strong emphasis on continued market share growth for the retail business and expanding the green energy offering to both retail and business (data centres being a focus), the Board is aiming to reach 48,000 retail customers in FY2022 (+16% YoY) and generate revenues exceeding \$70m (+27% YoY) – refer Figure 1.

The key underlying drivers comprise organic growth and positive uplift from customers utilising LPE’s unique Solar Bank and Battery offer. Moving into FY2023, the Board is optimistic these drivers will remain key to expanding market share, with business volume growth potentially reaching at least 15% YoY. In this scenario, the Board believes the critical mass necessary to achieve positive free cashflow generation can be readily achieved.



Figure 1: Retail Customer Growth & Revenues (FY2016-22F) – Actual & FY2022F Target

Source: LPE Annual Reports and Management Estimates

Vertically Integrated Renewable Assets to Deliver High Margin Revenue

The key for a significant uplift in revenues in FY2023 depends on the performance of LPE’s renewable energy generation business. Currently, the BioHub operation which will house STAK’s mining operation and data centre, is progressing ahead of schedule. However, with additional opportunities to co-locate other high energy users within two Solar Farms, there is potential to add material high margin revenue for LPE going forward. While in its infancy, the Board is encouraged by the pace of development so far as well as the positive reception to its plans to accelerate renewable asset development through vertically integrated high energy users that significantly improve returns.



The Board believes it has the right strategy in place to create value for shareholders with an added focus on green energy supply to retail, business and commercial customers but especially the fast-growing data centre sector.

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 predominantly service the Queensland 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: investors.joinlpe.com.au