

30 January 2025



Quarterly Report for the period ending 31 December 2024

Highlights

- LPE is cashflow positive for the half year ending 31 December 2024
- LPE reduced its borrowings from \$3.3m to \$2.2m by repaying \$1.1m to Roadnight Capital during the quarter.
- LPE chosen to provide energy solutions to Queensland's largest social and affordable housing development in Cairns
- *The Board reaffirms guidance for Financial Year 2025 to be a Net Profit of \$3m to \$3.5m*

+++

Embedded electricity provider, Locality Planning Energy Holdings Limited (ASX: LPE) (the **Company** or **LPE**), is pleased to provide an overview of activities for the period ending 31 December 2024 (**Quarter**).

The Board reaffirms guidance for Financial Year 2025 to be a Net Profit of \$3m to \$3.5m

Implementing the Strategy

The Board has shared LPE's "Strategic Outlook – Towards 2030" on 28 August 2024, which includes creating a more efficient LPE that can capitalise on the growing trends in our market.

Our Strategy includes our Purpose, Vision, Values, and a 5-year roadmap with the following 3 Horizons:

1. Focus on the foundations by of improving customer satisfaction and retention, acquiring new sites to scale LPE, as well as to reduce the cost per serve and increase margins.
2. Grow through buying energy better, providing better value-added products and looking at the role of batteries, micro-grids and Virtual Power Plants.
3. Become an industry leader by extending beyond energy to look at additional services, working with Customers to solve problems and improve our value proposition for Social and Affordable Housing.

LPE is well placed to meet guidance targets by continuing to:

- Improve our service delivery resolving legacy issues and improve our customer experience,
- Strengthening our margins and revenue; and
- Continued growth in sales through investment in our team, solutions and services.

As an example, LPE was recently appointed as the Embedded Network Manager for Queensland's largest social and affordable housing development. Community Housing Limited (CHL) will develop the landmark project in Cairns that will deliver 490 homes funded under the Queensland Government's Housing Investment Fund. LPE will manage the supply of electricity for the next 10 years as well as provide the smart metering, solar and hot water infrastructure for this innovative project.

This partnership demonstrates LPE's strategy in action, to be the provider of choice to deliver better local solutions.

Financial Commentary

Due to the receipt of the Cost-of-Living Rebate (COLR) in Qtr 1 (therefore not recognised in Qtr 2), LPE recorded a net cash outflow for the December quarter. Importantly, LPE is cashflow positive for the 6 months year to date ending 31 December 2024.

We are holding the COLR for the benefit of customers and draw down on the funds to apply to their individual accounts in lieu of normal cash payments. Practically the money is in credit against a customer's account and is paid to LPE when the customer's bills fall due at a later date. This creates a cash flow timing issue as the COLR pre-payment is received in an earlier period as to when the COLR monies are applied to customers bill.

As of 30 September, the balance of the COLR available for application was \$18.8m. During the December quarter \$6.5m was applied against customer bills. In addition, \$2.9m received from customers, resulted in normalised receipts of \$9.4m. The balance of COLR remaining to be applied at 31 December is \$12.7m which included a further claim of \$0.4m.

Operating payments of \$9.2m for the quarter against \$10.1m last quarter. The reduction in operating payments were largely driven by:

- Seasonality - the quarter was the shoulder season, which typically sees lower activity and reduced costs compared to the summer/winter peak season, leading to a decrease in cash payments
- Funding pipeline commitments - LPE continued to fund the Site Conversion Costs (\$0.4m) from Working Capital during the quarter (revenue to be recognised in future periods).
- The previous quarter included prepayments for certain costs and some extraordinary expenses, which inflated the cash payments in that period and are not recurring in the current quarter.

LPE made an early debt repayment of \$1.1m which represents the borrowings associated with the AP2U acquisition as part of our ongoing strategy to strengthen our Balance Sheet, with LPE's borrowings reduced from \$3.3m to \$2.2m.

Payments to related parties as shown in the accompanying Appendix 4C were for LPE directors' fees, remuneration and superannuation.

Bundaberg BioHub

On the 30 September 2024, the Company varied its agreement with the Bundaberg BioHub Pty Ltd, extending the repayment date to 31 March 2025. We confirm the BioHub have made interest payments during the quarter with the balance of payments not paid compounding at 22.5% interest as per the agreement.

Share Buyback

LPE commenced the share buyback as announced in the previous quarter, and continued in the December quarter. Future amounts and timing will be dependent on market conditions, including LPE's share price, and at this time the Buyback continues to be funded by cashflow and cash reserves.

Authorised by the Board.

For further information:

David Jarjoura
Executive Chair

investors@localityenergy.com.au

1300 443 735

ENDS

About LPE

LPE is a growing energy provider to strata communities focused on the core Embedded Network business. LPE delivers renewable solutions for strata living, creating shareholder value through long term supply agreements that provide strong recurring revenue.

Currently LPE predominantly services the Queensland energy market, providing electricity, hot water, solar and battery systems to strata communities. Supporting those living in strata communities to reduce their carbon footprint and energy bills with no upfront cost.

Our Customer Value Proposition continues to evolve as we work with partners, communities and customers to find new solutions to take us into the future.

If you have any questions on this announcement or any past LPE announcements, visit our Investor Hub. Like, comment or ask a question on our announcements. You can find this through the following link or scanning the QR code: investorhub.localityenergy.com.au or email us on investors@localityenergy.com.au



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 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (.....months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,920	2,257
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	(7,307)	(15,104)
(c) advertising and marketing	(23)	(40)
(d) leased assets	(91)	(180)
(e) staff costs	(1,302)	(2,504)
(f) administration and corporate costs	(481)	(1,464)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	401	903
1.5 Interest and other costs of finance paid	(69)	(202)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (Government Cost of Living Rebate)	361	29,644
1.9 Net cash from / (used in) operating activities	(5,591)	13,310
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	(0)	(18)
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	0	0
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from / (used in) investing activities	0	(18)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	(110)	(140)
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings	0	0
3.6	Repayment of borrowings	(1,082)	(1,802)
3.7	Transaction costs related to loans and borrowings	(2)	(10)
3.8	Dividends paid	0	0
3.9	Other (provide details if material)	0	0
3.10	Net cash from / (used in) financing activities	(1,194)	(1,952)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	21,602	3,478
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,591)	13,310
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(0)	(18)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,194)	(1,952)
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	14,817	14,817

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	3,817	3,602
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (Term Deposits)	11,000	18,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	14,817	21,602

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	123
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0
<i>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.</i>		

7.	Financing facilities <i>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.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	10,000	2,250
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities	10,000	2,250
7.5	Unused financing facilities available at quarter end		7,750
7.6	<p>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.</p> <p>The Company has access to a \$10m loan facility to grow its embedded network business with Roadnight Capital Pty Ltd, maturing December 2025 (Growth Facility). \$2.332m of the Growth Facility has been utilised. Interest is calculated at 8% per annum plus an annualised adjustment based on the 30-day BBSW and is paid monthly.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(5,591)
8.2	Cash and cash equivalents at quarter end (item 4.6)	14,817
8.3	Unused finance facilities available at quarter end (item 7.5)	7,750
8.4	Total available funding (item 8.2 + item 8.3)	22,567
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	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: N/A	
8.6.2	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: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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 January 2025

Authorised by: The Board
(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.