



LOCALITY PLANNING
ENERGY

ASX ANNOUNCEMENT QUARTERLY UPDATE & APPENDIX 4C

Locality Planning Energy Holdings Limited (ASX: LPE) (the Company) is pleased to present its Appendix 4C cash flow report for the quarter and six months ended 31 December 2016.

Please refer to the 'Appendix 4C' attached for cash flows for the second quarter ended 31 December 2016.

Highlights

- Cash receipts from customers reached \$2.1m , an increase of 95% on the previous quarter
- Cash receipts from customers reached \$3.22m for the half year
- Increase of 19.81 GWh under management for the quarter, an increase of 26.89% on the previous quarter
- \$2m loan facility from Directors to be utilised for capital expenditure
- Highly advanced in the process with top four Australian bank regarding rolling loan facility which will allow completion of business plan to 450GWh

Finance and Corporate Overview

The quarter resulted in cash receipts of \$2.1m, a significant increase on the previous quarter, again reflecting the underlying strength in the Company's ability to continue to implement its growth strategy. Importantly, our operating cash flow is approaching breakeven with customer receipts increasing in proportion to GWh under management (UM). The average timeframe for this conversion is approximately 16 weeks. Once a community is UM, the company initiates the supply of electricity to the community. The average timeframe from supply of electricity to payment of our account is approximately 6 weeks.

LPE's strong second quarter saw receipts from customers increase by 95% whilst continuing to add GWh under management at a rate of ~10% per month. The quarter also saw a \$2m loan facility from the directors, which is a major vote in confidence for the company. The company also continued to its advanced qualification process with a top four Australian Bank for a rolling loan facility. The company will continue to update the market regarding this significant financing arrangement that once implemented, will allow the company to be fully funded to 450GWh.

Ends

About Locality Planning Energy Holdings Limited (LPE)

LPE's wholly owned subsidiary Locality Planning Energy Pty Ltd, holds an Australian Energy Regulator (AER) Authority to sell electricity and utility services to residential, commercial and industrial customers throughout the National Energy Market. LPE specialises in electricity sales to strata communities, both existing and new developments; generating significant savings on electricity delivered to strata communities.

LPE's unique purchasing model is matched against 5 to 10-year supply contracts providing LPE with consistent recurring revenues. LPE is transforming the electricity supply industry by providing an intelligent solution to help its customers reduce high electricity costs, with no risk and no upfront cost. LPE is at the forefront of innovative electricity supply with a commitment to the integration of technology to provide the highest savings and consumer advocacy to its customers.

For further information, contact:

Charles Furness
CFO and Company Secretary
Locality Planning Energy Holdings Limited
P: +61 1800 040 168

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Locality Planning Energy Holdings Ltd

ABN

90 147 867 301

Quarter ended ("current quarter")

December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,128	3,220
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(1,568)	(2,698)
(c) advertising and marketing	(13)	(42)
(d) leased assets	(4)	(8)
(e) staff costs	(486)	(1,087)
(f) administration, corporate costs & GST	(516)	(766)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	21
1.5 Interest and other costs of finance paid	(51)	(57)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	115
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(503)	(1,302)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(119)	(193)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(d) intellectual property	-	-
	(e) other non-current assets	(917)	(1,515)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	138	138
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(898)	(1,570)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	1,000	1,000
3.6	Repayment of borrowings	(86)	(105)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	914	895

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,141	2,631
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(503)	(1,302)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(898)	(1,570)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	914	895

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	654	654

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	654	141
5.2	Call deposits	-	1,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	654	1,141

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
137
Nil

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
Nil
Nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,173	2,173
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

During the quarter the Company terminated the loan agreements with Armada Capital and secured on more favourable terms a \$2 million loan facility with Chairman Andrew Pierce and co-founder Ben Chester. \$1 million of this new loan facility was utilised at the end of the quarter.

The above loan facility is secured and the interest rate is 12% pa.

The other borrowings are unsecured and the interest rate is 12% pa

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	2,237
9.3 Advertising and marketing	10
9.4 Leased assets	-
9.5 Staff costs	715
9.6 Administration and corporate costs	184
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	3,146

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	NIL	NIL
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

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.

Sign here:
(Company secretary)

Date: 31/11/17

Print name: Charles Furness

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.