



AGM ANNOUNCEMENT

Locality Planning Energy Holdings Limited (ASX: LPE) (the Company or LPE) is pleased to present an updated Investor Presentation. The update is included for the AGM that will occur at 12:00 Noon AEST on 20 November 2018 at the LPE head office Tower 1, Suite 306, 55 Plaza Parade, Maroochydore.

Anyone wishing to view the AGM may do so by clicking the link below and then following the instruction to view the live stream.

<https://attend.zoho.com/lpe>

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, providing significant savings to its customers on electricity delivered.

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.

LPE's growth is financially backed by BlackRock, the world's largest investment manager.



INVESTOR PRESENTATION

**Update November
2018**





2. DISCLAIMER

This presentation contains summary information about Locality Planning Energy Holdings Limited (LPE) and is current as of 19 November 2018. The information in this presentation is general background information and does not purport to be complete.

This presentation is not investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. The information contained in this presentation has been prepared without taking into account the objectives, financial situation or needs of individuals. Investors should obtain their own advice before making any investment decision.

LPE has prepared this document based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this presentation.

This presentation contains certain “forward-looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “should”, “could”, “may”, “predict”, “plan”, “will”, “believe”, “forecast”, “estimate”, “target” and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This presentation contains statements that are subject to risk factors associated with LPE. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially.

LPE disclaim any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events and results or otherwise.

To the maximum extent permitted by law, LPE, their related bodies corporate (as that term is defined in the Corporations Act 2001 (Cth)) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the presentation or its contents or otherwise arising in connection with it.



3. INVESTMENT SUMMARY



LPE is a high-growth, small-cap Australian listed energy retailer. Its business is focused on providing electricity and utility services to strata communities.



Revenues have grown at a rate of 100% year on year over the last 3 years. Management expects growth to remain strong. The company has introduced a Direct Market Access product to compliment its Embedded Network and other utility service solutions.



For strata communities 30 units and larger, LPE's Embedded Network offering results in consumer savings of 25-35%. Leveraging its sales force and market goodwill, LPE has introduced a Direct Market Customer product, nearly tripling the company's addressable market.



LPE's business model is secure, scalable and profitable. As it builds out its network during this high-growth phase, a working capital deficit results from a payables/receivables mismatch and making instalment sales of Embedded Networks.



The company has a secured strategic debt partnership with BlackRock.



Brought online new high volume product offerings.



4. CAPITAL STRUCTURE

Capital Structure November 2018

ASX Code	LPE
Total shares on issue	2,510.54 M
Share price	\$0.019
Market Capitalisation – Fully Diluted	\$47.7M



Held by Founders and Management

1,444,311,583

57.53 %



Held in top 40
(excluding Founders and Management)

568,636,492

22.65 %



Others
(excluding Founders and Management)

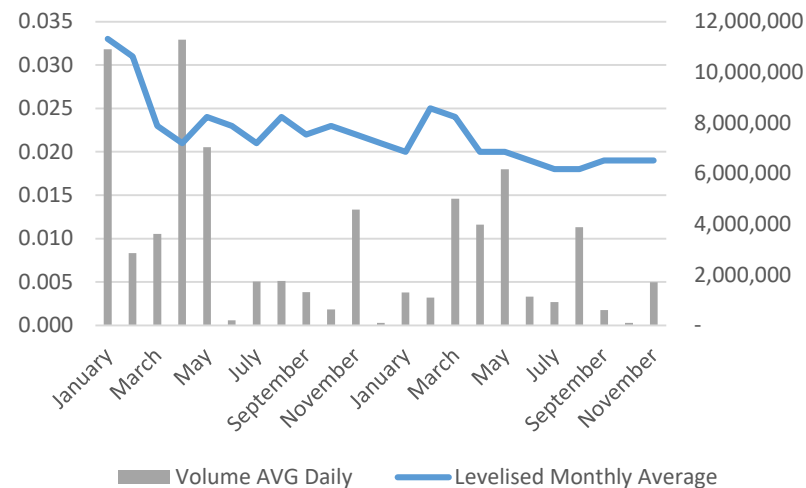
436,331,224

17.38 %

Executive Directors – Shares in Escrow

On 14 February 2018, CEO Damien Glanville and COO Ben Chester placed 91% of their holdings, or 800M shares, into Voluntary Escrow for 12 months.

2 Year share performance



Top 10 Holders June 2018

LUMBER CO PTY LTD (MR BEN JAMES CHESTER)	16.78%
MR DAMIEN IAN GLANVILLE	16.78%
PETTETT PTY LTD	16.50%
JARWILL PTY LTD	7.44%
NATIONAL NOMINEES LIMITED	4.11%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3.05%
DEFENDER EQUITIES PTY LTD	2.75%
WOODVILLE SUPER PTY LIMITED	1.24%
MR STEVEN KRITICOS	1.04%
BNP PARIBAS NOMINEES	1.02%



5. ABOUT LPE

LPE is an Australian energy retailer specialising in the strata community sector, providing a compelling low cost and service-based energy solution.

Embedded Networks in strata communities have been LPE's core offering. From this core, attractive opportunities have arisen in Direct Market Customer arrangements as well as product expansion to other utility services essential to strata communities, including gas service, hot water and air-conditioning.

In it's market, LPE has quickly established itself as the industry leader in utility services to strata communities through delivering a simplified approach to the sale and supply of electricity and essential services.

Solid Foundation

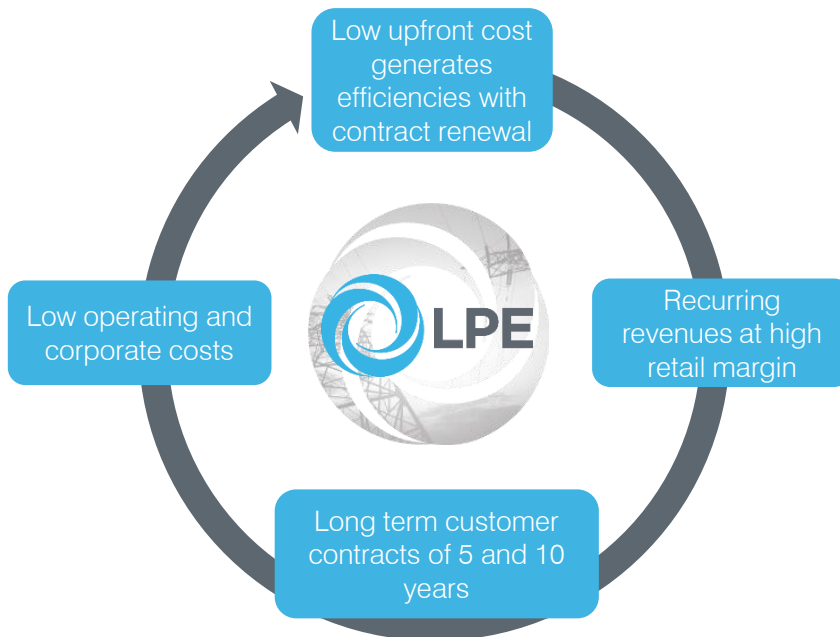
LPE has been contributing to the electricity landscape since 2012 with its first community commencing in December 2014.

Currently servicing over 250+ communities throughout SE Queensland and Northern NSW with customers growing rapidly.

Expanded consumer products to 6 fully fledged utility offerings.

Consistently maintained customer contracts out to 7.2 Years

Low Risk Business Model



Funding

LPE was privately funded by the founders from inception through to becoming a publicly listed company on the Australian Stock Exchange (ASX) on 4th January 2016. After a capital raise of \$6M, rapid growth found the need for a further funding round of \$6M in February 2017. LPE also had \$2M made available via loans from directors.

Employees

LPE employs over 30 staff across Queensland and Northern NSW, with an in-house, local call centre at our head office, as well as satellite sales and field operations throughout the state servicing over 250 strata communities. Only modest requirements for additional employees to fund projected growth.



6. CORE PRODUCT OFFERING

LPE OFFERS 6 PRODUCTS FOR STRATA COMMUNITIES

Electricity Services

Embedded Networks are the most efficient way for medium and large strata communities to save on electricity costs.

- Depending on size, savings range from 25-35% below any Direct Market Customer arrangement. This represents a minimum saving of \$250 per annum per consumer versus any other supply method.
- LPE is the leader in supplying electricity through an Embedded Network and provides the safest consumer service available.
- **LPE currently has over 250+ strata communities representing ~230GWh of annual electricity sales.**
- **The company expects a minimum annual growth of 100GWh per annum for the next 3 years.**

Direct Market Customers are the normal supply mechanism for the supply of electricity to individual lots in the market. They are standard retail offerings that are available to all consumers and do not require any infrastructure build-out.

- The difference in LPE's Direct Market Customer (DMC) offering is that it is a specialist in strata communities. Its agreements, terms and services are tailored for strata communities, thus delivering a specialist service at the best price.
- DMC's have a faster and simpler sales cycle, with negligible upfront costs for new customers. Unlike other retailers who employ a one-to-one sales strategy in this segment, LPE will maintain its one-to-many sales cycle by targeting only (smaller) strata customers.
- The company projects an estimate of 27,000 service points by end of 2020.
- DMC margins to LPE are similar to Embedded Networks, but customers have lower switching costs and the average customer life may be shorter.

LPE's Community Solar Product is a unique offering which enables strata communities to take advantage of renewable energy with no consumer outlay for equipment, installation or maintenance.

- The solar electricity generated can then directly supply any occupant who elects to utilise it at around 45% below typical market rates.
- Future proofed for battery technology when it becomes financially viable.
- Supply chain is controlled through the whole value chain, delivering better consumer outcomes and higher profits.

Utility Services

Serviced Hot water | Gas Service Supply | Central Air-conditioning

LPE has provided these other serviced utilities from inception. Growth in these segments is accelerating as geographic and customer bases expand, with an ever-growing high demand for these services. These utility services maintain margins equal to electricity. With LPE's current operational platform there is no additional core operational expenditure requirements to service these opportunities.

- The company anticipates strong additions to the base revenue from these service offerings.
- Utility services augment contract lengths with operational plant contracts extending to 10 years.
- Hiring of key technical skilled employees to deliver higher volumes of these products

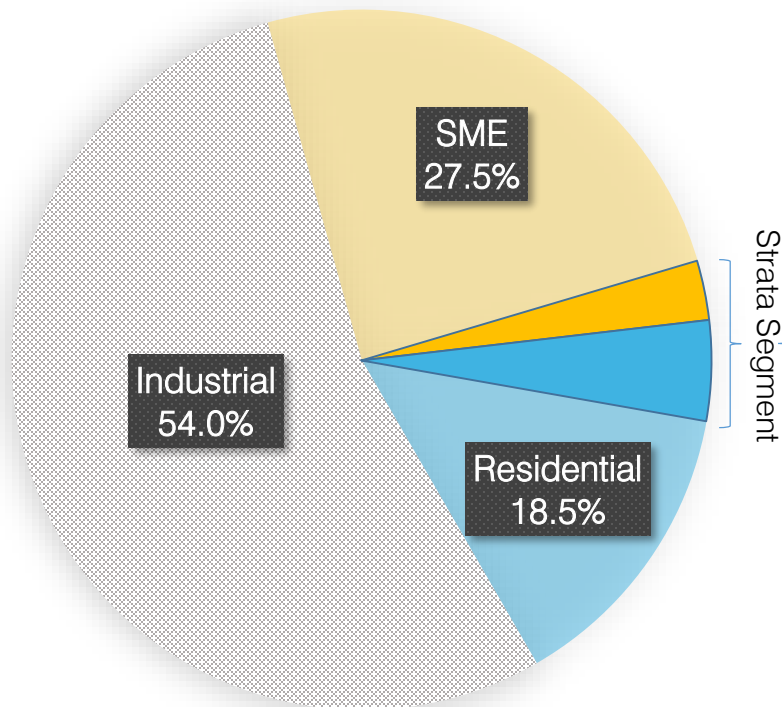


7. LARGE TARGET MARKET OF \$2.6 BILLION

LPE's focus market is medium and high density strata residential communities. Ultimately LPE sells electricity and in response to customer demand the company has broadened its market from Embedded Networks to include Direct Market Customers in strata communities.

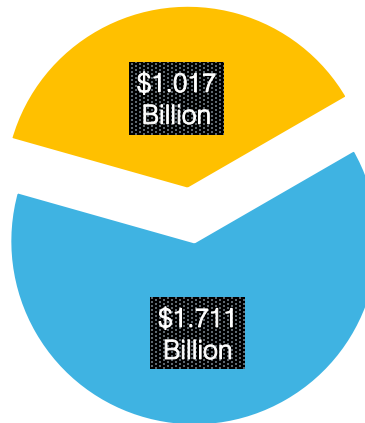
Australian Energy Market

Is worth \$37 Billion annually



SME

\$1 Billion worth of SME electricity sales are inside Strata or Density Buildings

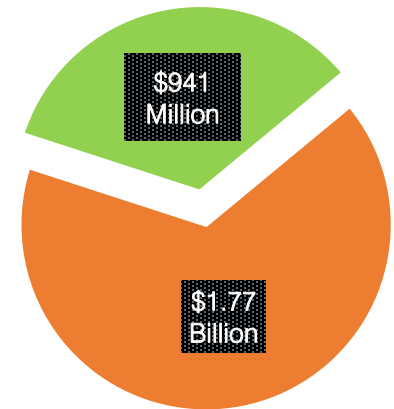


Residential

\$1.7 Billion worth of Residential electricity sales are inside Strata

Embedded Networks

\$941 Million worth of electricity sales are inside properties, both residential and commercial, that have or are eligible for an Embedded Network.

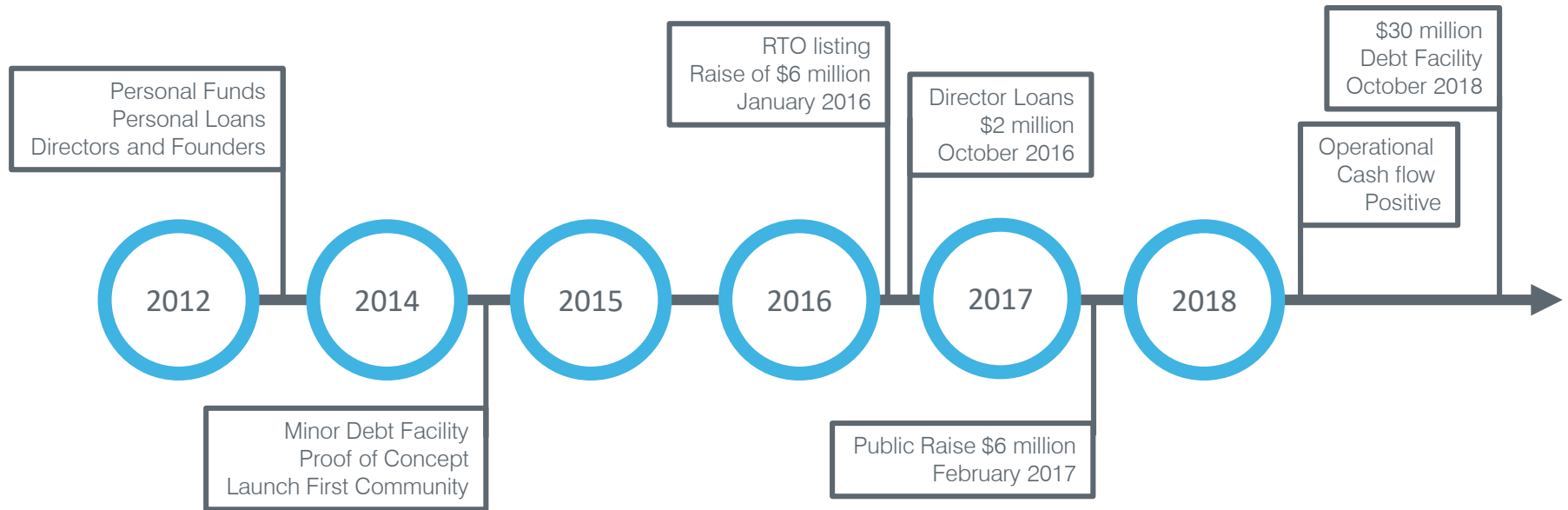


Direct Market Customers

There are \$1.77 Billion worth of electricity opportunities inside Strata, both residential and commercial, that are not specifically serviced.



8. CORPORATE TIMELINE

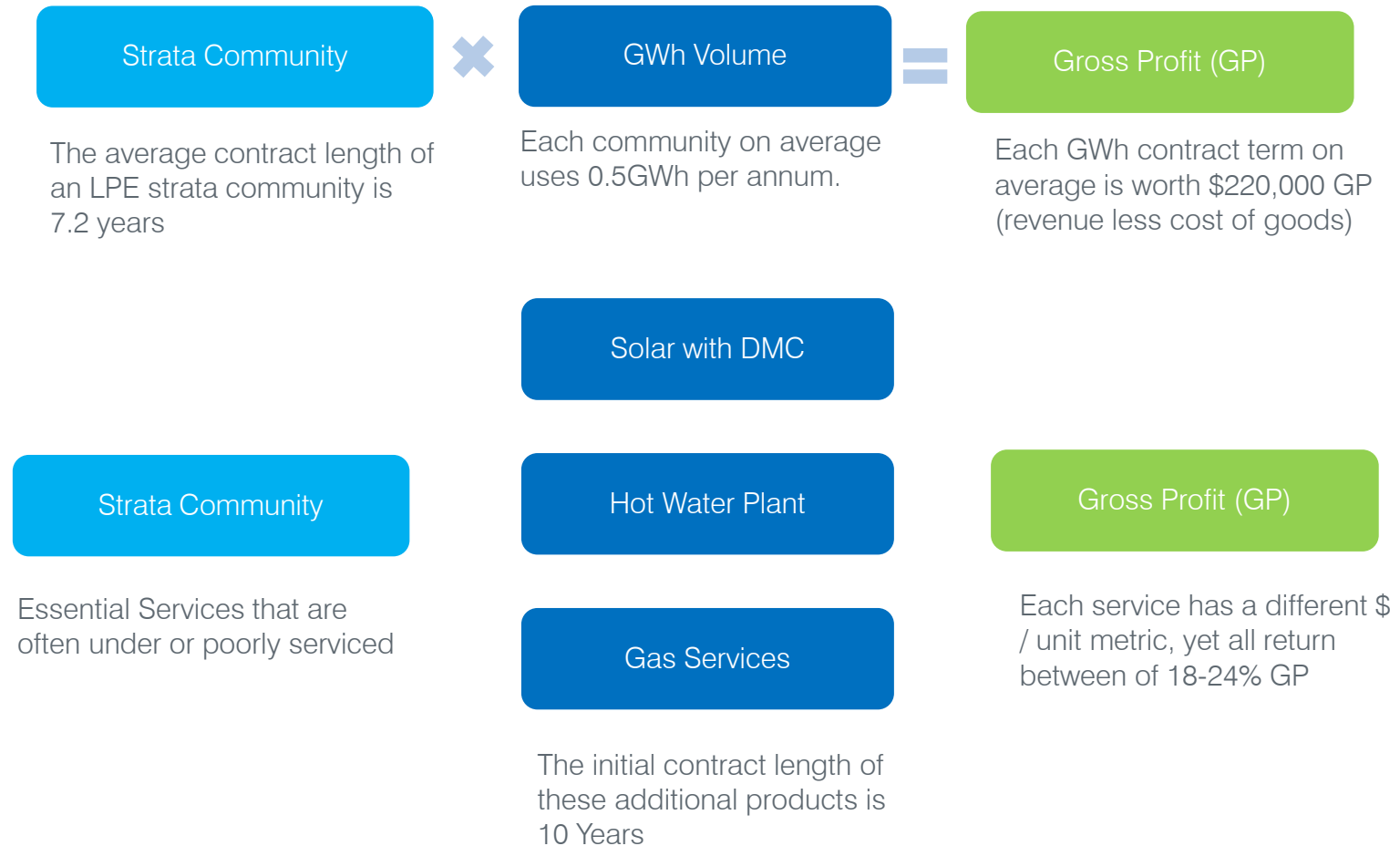


- LPE continue to build operational credibility having serviced the strata market for over 4 years
- Revenue and customer trajectory modelled to more than double in the coming years based on current growth rates only
- Operational team in place and costs steady as only minimal additions to personnel required to achieve 450GWh of energy under management target
- LPE well positioned to take advantage of any value adding acquisitions to accelerate growth



9. CONSISTENT RECURRING REVENUE GROWTH

- Compounding volume is added each year.
- Each of LPEs products designed for positive long-term consumer outcomes in turn require a long term contract.

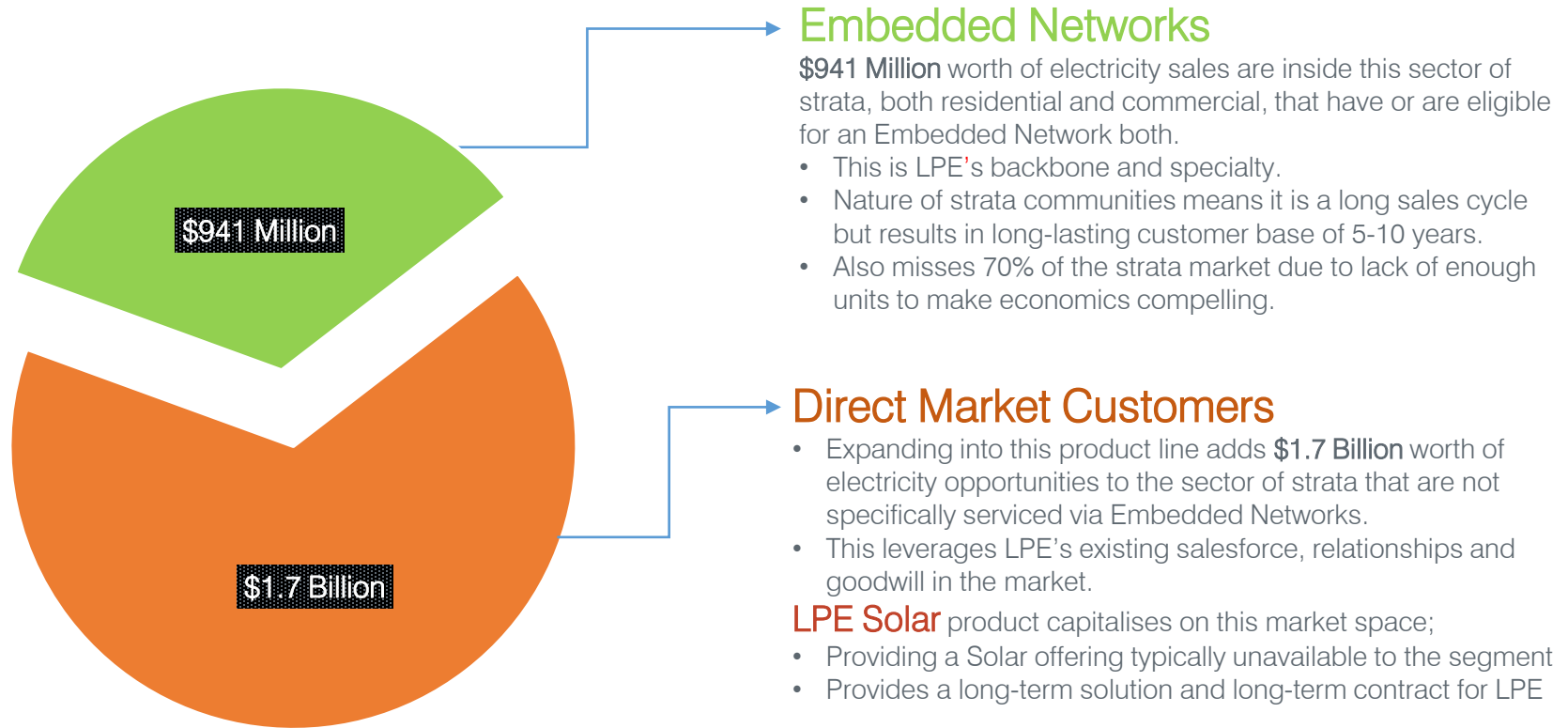




10. DIRECT MARKET CUSTOMERS LEVERAGE STRATA FOCUS AND TRIPLE ADDRESSABLE MARKET

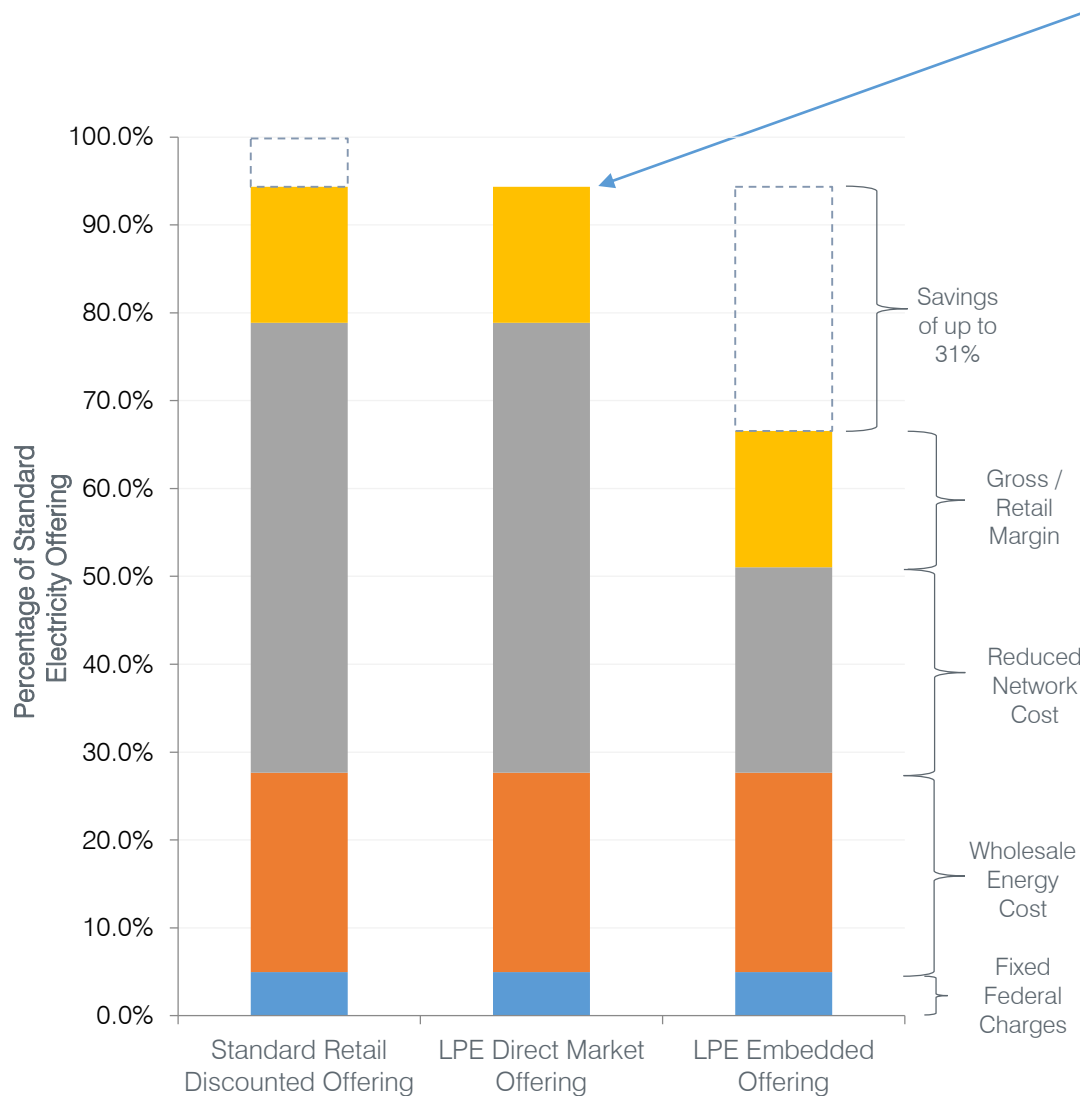
Without moving from its key 'niche' marketplace, LPE is expanding its reach with an additional product lines which will maintain its leading position and the first mover advantage it has developed in this sector. Simply adding an additional product line increases LPE's addressable market by \$1.7billion or 180%.

Currently LPE has secured 4.2% of the embedded market.





11. COMPELLING CONSUMER PROPOSITION



■ Environmental Polices ■ Wholesale ■ Regulated Networks ■ Retail Margin

Direct Market Customers

- Expanding this product line into a consumer direct base adds **\$1.7 billion** worth of electricity opportunities to the sector of strata where Embedded Networks are not viable.
- LPE provides a flat rate and not an inflated value that is discounted.
- Dedicated service capabilities for strata.
- Retail gross margins to LPE are similar to those received from Embedded Networks at ~18-20%.

Embedded Networks

- LPE's specialty and driver of growth so far.
- **\$941 Million** worth of electricity sales are inside this sector of strata, both residential and commercial, that have or are eligible for an Embedded Network.
- LPE provides a flat rate, with 100% of the network cost reduction providing the consumer savings.
- Retail Margins are consistent at ~18-20%.



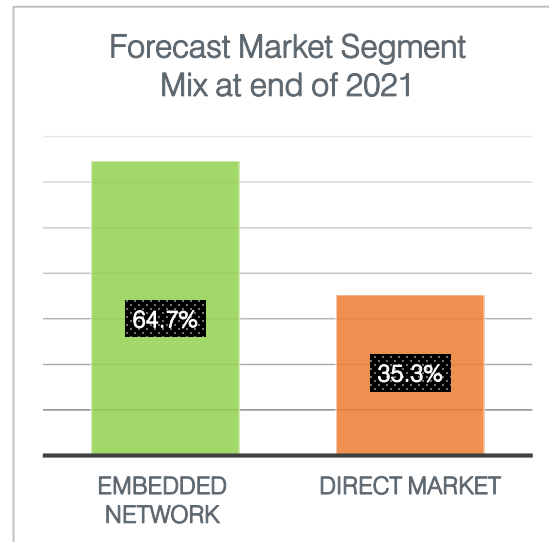
12. PRODUCT EXPANSION REVENUE FORECAST

Embedded Networks

LPE sees very strong and continual growth in the Embedded Network product space. The past 12 months has seen consistent increases of 6.65 GWh per month. Gross profit is forecast at \$40,000 per GWh per year.

Direct Market Customers

LPE is taking a conservative approach to forecasting uptake in the Direct Market Customer product with estimated net growth of 4GWh per month.



Difference in Customers

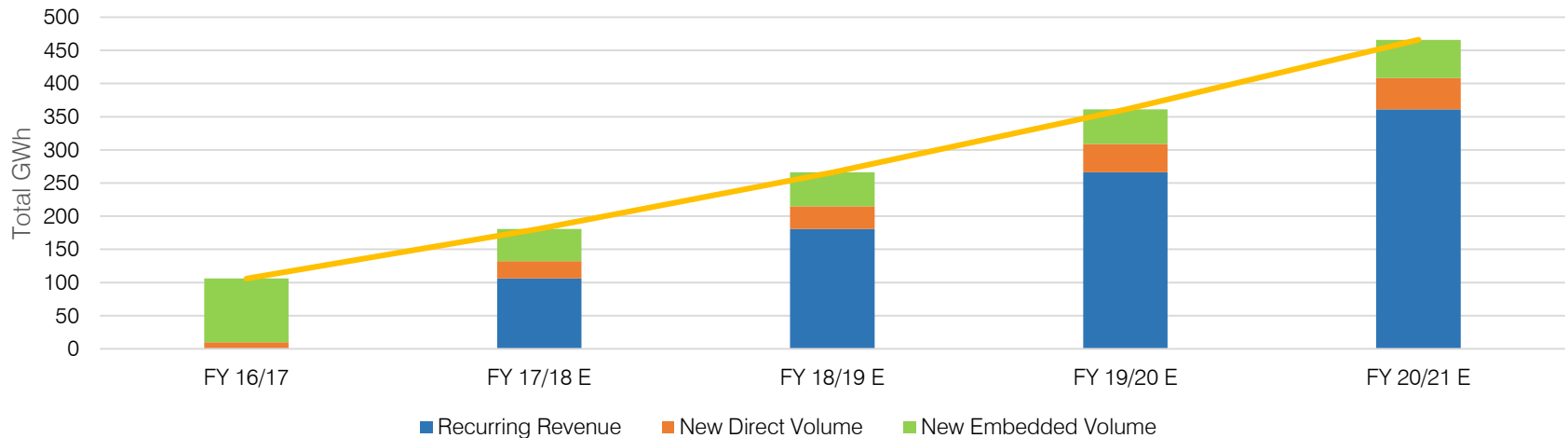
Once a customer is with LPE there is no difference in the service they receive.

The Embedded Network platform creates a longer-term customer benefit and longer contract life.

Direct Market Customer acquisition is low time and cost per customer.

Both customer groups represent similar value in per customer revenue and margin.

Forecast Product Mix





13. BLACKROCK METRICS

BLACKROCK®

Facility Detail

BlackRock are a global asset management behemoth. The debt facility was provided through BlackRock Private Credit and is the first investment by any BlackRock fund into Australia of this type in 7 years, which comes as a significant endorsement of LPE's potential. The facility is provided to see LPE through what is to be a period of dramatic growth and is designed to support all facets of the business and future business opportunities. BlackRock is trusted to manage more money than any other investment manager in the world and currently has US\$6.3 trillion worth of assets under management.

Facility Detail

- The facility is for AUD \$30 million
- Interest rate is 10%.
- Security is standard to any lending of this nature to a listed company.
- Ongoing term of 4 years.
- Equity upside for BlackRock on share price performance

Debt Overview

- The debt facility is to be utilised for capital asset deployment, operational expenditure and billing receivables (to support market growth).
- Utilisation of this facility will have a positive effect on the cash position.
- This facility provides LPE with an uncapped forward runway and will create an environment for accelerated rate of delivery and major commercial expansion.

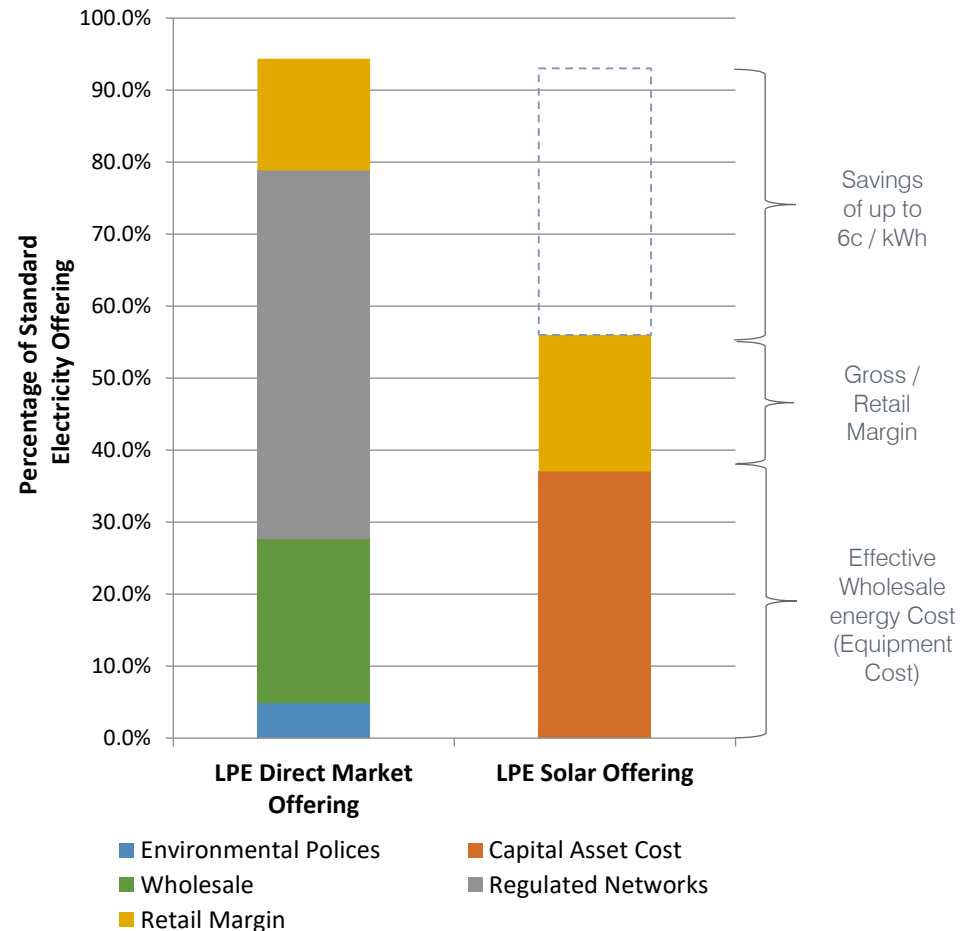
Equity Upside

- BlackRock has been granted equity upside in the performance of the shares of the Company, consisting of the appreciation over 2 cents per share on 250,000,000 shares of the Company over a 5-year period. The Equity Upside may, at LPEs discretion, be paid in cash or shares at the then-current market price.
- This equity mechanism creates a genuine partnership between BlackRock and LPE where the alignment in share prices and company performance is mutually beneficial.



14. SOLAR OFFERING

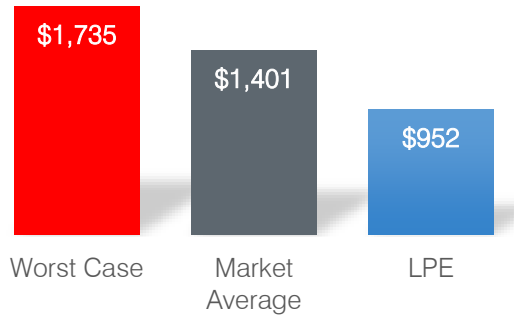
- LPE install a solar power system at no cost to the Body Corporate.
- The solar electricity generated will then directly supply the any consumer who elects to utilise it.
- When battery technology becomes financially viable, the community will be ready to take advantage of this and become more self-sufficient.
- The asset is owned by LPE
- The supply term is for 10 years
- The equipment cost amortises to the Customer over the term.
- The break even on the Solar Equipment is on average 3.4 years.





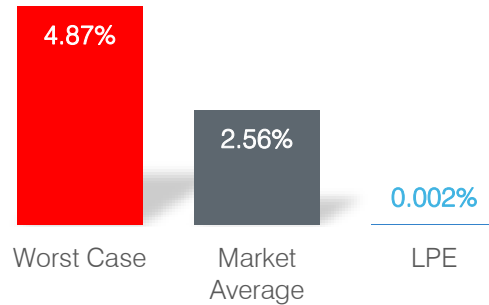
15. LPE COMPARES FAVOURABLY TO INDUSTRY BENCHMARKS

Energy Affordability
Annual Electricity Bill



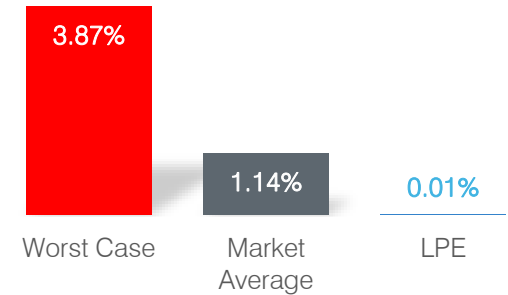
This indicates LPE has the best value proposition in the market.

Debt Levels -
Customers Repaying Debt



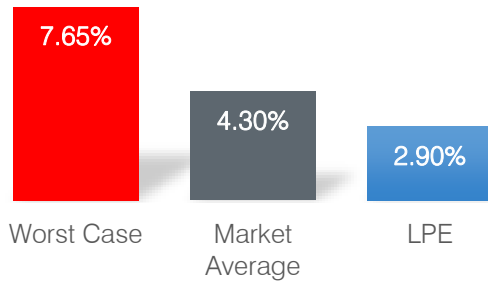
Due to LPE maintaining low costs to consumers we have lower debt levels.

Disconnections
for Non-payment



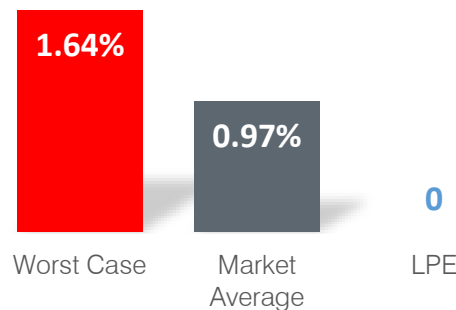
Due to LPE maintaining low costs to consumers we have an almost zero disconnection rate.

Bills as Percentage of Income
(Based on low income median)



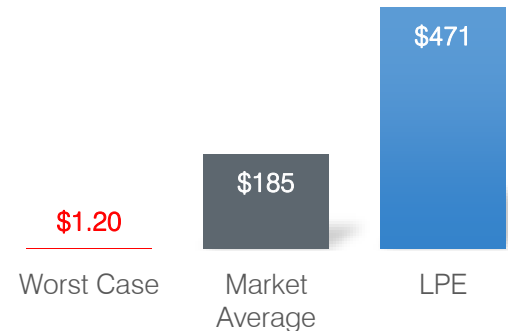
This indicator is highly relevant as LPE's core market is in lower or fixed income range demographic.

Customers in Hardship Plans



LPE has never had the requirement to enter a customer into the Hardship Plan due to the lower cost service.

Savings over Standard Market
Energy Offers



A clear indication of the market comparison in absolute amounts of the LPE Value Proposition.



16. EXPERIENCED EXECUTIVE TEAM



Chairman

Andrew Pierce

Mr Pierce is an accomplished and highly regarded chartered accountant and director, having served on the boards of Variety The Children's Charity (NSW), Guide Dogs NSW/ACT, Royal Guide Dogs Australia and Centre For Eye Health Limited. He is highly skilled in the areas of financial reporting, and company regulatory and governance areas.

Appointed 17 March 2014



CEO / Director

Damien Glanville

Damien is a co-founder and architect of designing the electricity retail model that successfully enabled LPE to obtain their Australian Energy Regulator Authorisation. He is also listed as the Chief Executive Officer for the Management components of the Australian Energy Regulators authorisation to retail electricity.

Appointed 11 December 2015



COO / Director

Ben Chester

Ben is a co-founder and architect of designing the electricity retail model that successfully enabled LPE to obtain their Australian Energy Regulator Authorisation. He is also listed as the Chief Operating Officer for the functional and compliance components of the Australian Energy Regulators authorisation to retail electricity.

Appointed 11 December 2015



CFO

Melissa Farrell

Melissa has over 15 years experience working in accounting and finance. She has worked in various sectors, including banking and mining, both in Australia and overseas, for publicly listed companies.

Appointed 31 May 2017



Company Secretary

Bill Lyne

Mr Lyne is the principal of Australian Company Secretary Service, providing company secretarial, compliance and governance services to public companies. He is currently secretary of 4 other listed companies and has a wealth of experience in corporate governance principles and practice.

Appointed 31 May 2017



17. CONTACT US

Phone: 1800 040 168

Email: info@localityenergy.com.au

Address:

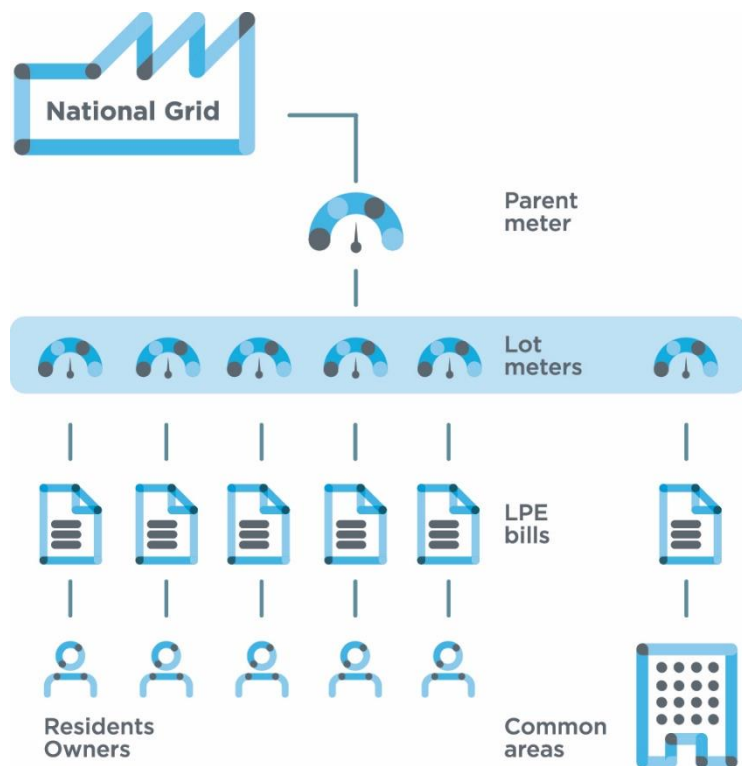
Suite 306, Tower 1,
55 Plaza Parade, Maroochydore
Queensland 4558, Australia





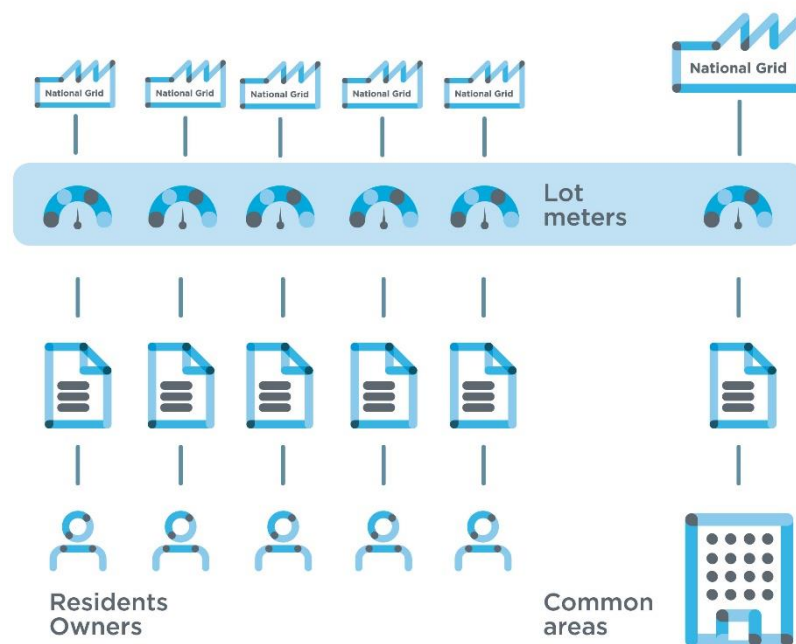
ANNEXURE A – CONNECTION TYPE FUNDAMENTALS

Embedded Network



Embedded Networks create a single point of connection to an entire community behind a single point (Parent Meter). This aggregation of network connections is how the network saving benefit is provided.

Direct Market Customers



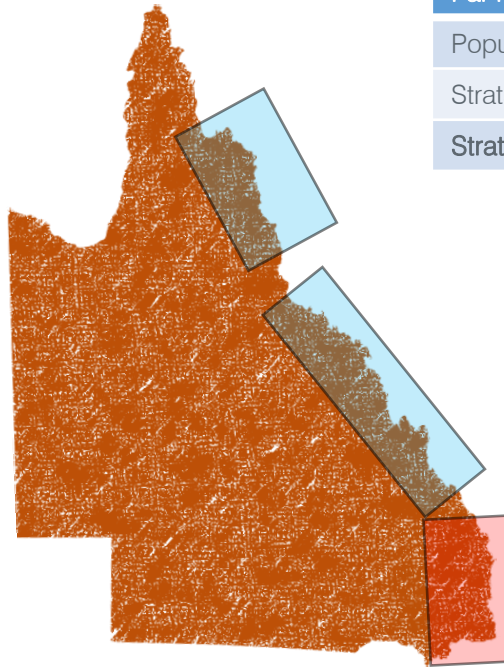
Direct Market Customers sells electricity directly to each lot. This is the normal supply mechanism for the majority of electricity supply.



ANNEXURE B – GEOGRAPHIC RANGE

Queensland
Population: 4,558,312
Total Households: 1,656,837
Strata Communities: 75,642
Strata Households: 351,249

New South Wales
Population: 7,480,228
Total Households: 2,590,171
Strata Communities: 159,224
Strata Households: 836,641



Far North (Cairns, Townsville)
Population: 496,800
Strata Communities: 8,244
Strata Households: 38,887

Mid North (Mackay, Rockhampton, Bundaberg)
Population: 717,000
Strata Communities: 11,898
Strata Households: 56,123

South East (Harvey Bay to NSW Border)
Population: 3,344,512
Strata Communities: 55,500
Strata Households: 261,792

Northern Rivers / North Coast
Population: 1,351,700
Strata Communities: 28,732
Strata Households: 88,930

Greater Sydney
Population: 4,666,928
Strata Communities: 99,200
Strata Households: 307,042

South Coast (Wollongong to Border)
Population: 536,100
Strata Communities: 11,395
Strata Households: 35,271

Map not to scale and is indicative of areas only.
Source ABS – Housing Data - Urban Centres and Localities (UCLs) and Significant Urban Areas (SUAs)
*Note NSW figures exclude some regional areas



ANNEXURE C - NATIONAL ENERGY MARKET

