



MARKET ANNOUNCEMENT
QUARTERLY 4C REPORT

- 12% increase in customers over the quarter to 21,555
- 21,555 customers representing \$40 million annualised recurring revenue
- Investment and deployment of sales team responsible for increase growth
- Positive cash flow quarter

Locality Planning Energy Holdings Limited (ASX: LPE) (the Company or LPE) is pleased to present its cash flow statement appendix 4C for the quarter ending 30 June 2019.

Customer growth has remained strong with 2,166 new customers joining LPE in the quarter, raising our total customer number to 21,555, exceeding the Company’s forecast of 21,000. The increase in customer accounts is largely attributed to the new sales team who were fully operational from June onwards.

- Residential customers increased 8% (from 1,494 to 20,165)
- SME customers saw a strong increase of 94% (from 672 to 1,390)

The average revenue from customers remains consistent to previous guidance;

- Residential customer average revenue per year: \$1,300
- SME customer average revenue per year: \$10,500

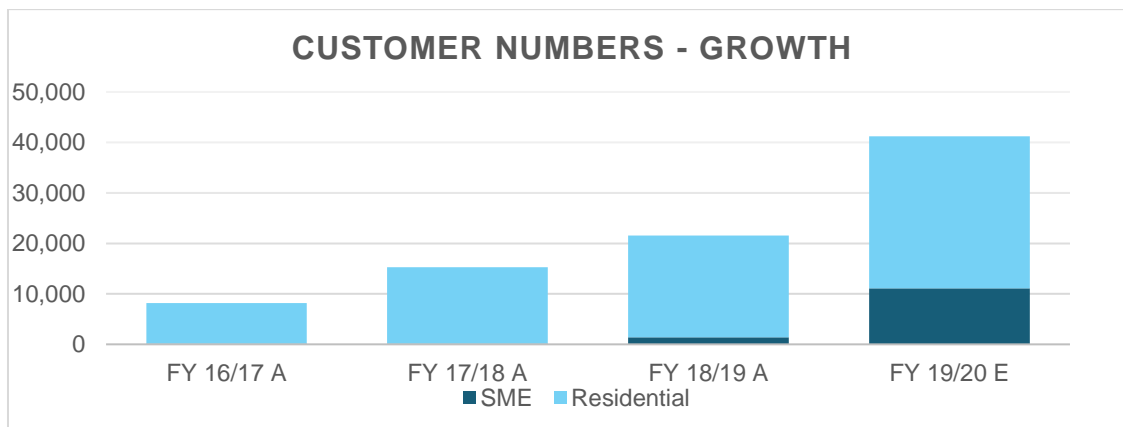
Customer receipts for the June quarter were \$8.275 million, slightly down from the March quarter (\$8.456 million). This was evidenced by the reduction in our cost of goods for the same period. The improvement in sales occurred towards the end of the quarter, following the time to train and deploy the expanded LPE sales team.

Cash receipts for the quarter were slightly behind forecast due to the increased percentage of customers that have now migrated to the industry standard of quarterly billing. The impact of quarterly billing has resulted in approximately \$850 thousand in billables to be received in the next quarter.

Close to \$1 million was invested in the sales team and was primarily reflected in staff costs within the enclosed appendix 4C. This has already seen a positive result in customer number growth.

Management has forecasted an additional 20,000 customers in FY19/20, taking our total customer numbers to approximately 41,500.

With the current sales focus, we anticipate the new customer mix will be 30% SME and 70% Residential for the next quarter.





The Company remains well capitalised and drew down a further \$1 million from the BlackRock facility with a further ~\$23million available. Cash at the end of the quarter was \$3.306 million.

“Management is confident in the development of the new sales team, who have been responsible for the substantial increase in customer numbers, generating an annualised revenue of approximately \$40 million.

“This is a great achievement given the full deployment was only completed in the final month of the quarter. We are excited to continue the growth and capability of our team and strive to deliver the best outcomes for our loyal customers from a locally owned Australian Electricity retailer,” said Damien Glanville, CEO of LPE.

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 SMEs, residents and strata communities, both existing and new developments, providing significant savings to its customers on electricity delivered.

LPE’s unique purchasing model is matched against five 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. BlackRock is trusted to manage more money than any other investment manager in the world and manages approximately US\$6.44 trillion in assets on behalf of investors worldwide (as of September 30, 2018).

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")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,275	30,156
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(5,402)	(20,544)
(c) advertising and marketing	(87)	(339)
(d) leased assets	-	-
(e) staff costs	(1,282)	(3,893)
(f) administration, corporate costs & GST	(1,363)	(5,420)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	(136)	(400)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	6	(435)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(50)	(300)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	(288)	(1,148)
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(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	(338)	(1,448)

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	6,878
3.6 Repayment of borrowings	(22)	(2,020)
3.7 Transaction costs related to loans and borrowings	(8)	(1,033)
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	970	3,825

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	2,668	1,364
4.2 Net cash from / (used in) operating activities (item 1.9 above)	6	(435)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(338)	(1,448)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	970	3,825

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	3,306	3,306

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	2,856	2,218
5.2	Call deposits	20	20
5.3	Bank overdrafts	-	-
5.4	Other (Bank guarantee)	430	430
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,306	2,668

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
224
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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

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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	30,111	6,210
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.		

The company has a \$30 million loan facility with Blackrock. This facility is secured and the interest rate is 10% p.a.

In addition to the above loan facility, the company has a secured motor vehicles loan with Westpac at 4.81%p.a.,.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	12,417
9.3 Advertising and marketing	148
9.4 Leased assets	
9.5 Staff costs	2,025
9.6 Administration and corporate costs	1,589
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	16,179

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: Date:
(Company secretary)

Print name: Bill Lyne

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.