



### **FIRST POSITIVE OPERATING CASH FLOW QUARTER**

- Cash flow positive for the quarter ending 31 December 2017
- Cash balance at end of quarter \$2.647 million
- Consistent growth and steady operational costs.
- Positive cash flow expected to improve in coming quarters.
- Debt facility in advanced stages of finalisation

**Locality Planning Energy Holdings Limited** (ASX: LPE) (the Company or LPE) is pleased to announce it has achieved positive operating cash flow for the quarter ending 31 December 2017.

The positive net cash from operations for the quarter were modest, yet management is pleased with the result when considering one off unbudgeted business expenses of ~\$40K that added capacity through the Embedded Network Manager (ENM) opportunity via the establishment of Locality Embedded Networks Pty Ltd (LEN). An additional amount of ~\$160K was partly un-receipted but would normally be paid during the quarter and partly due to metering adjustments. This was a migration problem with AEMO (Australian Energy Market Operator) reforms that caused some meter data and meter adjustment issues as of 1<sup>st</sup> December 2017. These are one off occurrences.

Without these one off items, LPE would in effect have had a material cash flow positive quarter.

LPE's CEO Damien Glanville stated "Our operating performance in achieving cash flow positivity for the quarter was in line with management expectations despite the costs in LEN and some metering adjustments that were unavoidable. We continue to see our strong cash flows being able to support expansion and improved product offerings. We look forward to better supporting strata communities and improving profitability."

The Board has deemed it an unnecessary burden on management to provide monthly updates on GWh due to the complexity and time in getting an accurate reconciliation to the market. The Company will continue to make ASX announcements in line with its continuous disclosure obligations, and will also be providing appropriate investor updates outside of quarterly reporting. Management are working to provide an operational update for GWh to close out the FY half year encompassing November and December, the metering issues to date have not made confirmation of these volumes possible.

LPE is nearing the finalisation of its debt facility. The Company anticipates updating the market soon with regards to the details of the debt facility and the Company funding structure.

## Appendix 4C cash flow additional commentary

Cash at the end of the quarter of \$2,647M a decrease in accordance with activities for capital infrastructure against the prior quarter (\$3,225M at 30 September 2017) with investing cash outflows adjusted to operating cash flows and cash flows from financing activities.

The Company had costs of \$1,325M for operating activities during the Quarter. An increase in receipts of \$690K from the prior quarter with an operating cost decrease against the previous quarter is testimony to the solid business planning and stable administration being able to absorb the increased activity levels in the business.

Investing cash outflows of \$576K in incurred costs for site conversions as a normal part of the LPE product offering, is up by \$118K from last quarter, primarily due to increased delivery. This is pleasing due to the volume of new customer's as the Company also continues to find cost efficiency in delivery of communities. New communities under management has progressively increased through the FY to date.

Summary of Appendix 4C Cash flows from operating activities for the last four quarters:

Cashflows from operating activities	Qtr ended 31 March 2017 \$'000	Qtr ended 30 June 2017 \$'000	Qtr ended 30 Sept 2017 \$'000	Qtr ended 31 Dec 2017 \$'000	FY YTD (6 months)
Receipts from customers	3,294	3,782	4,003	4,693	8,696
Payments for :					
Staff costs	(645)	(676)	(735)	(686)	(1421)
Administration and other costs	(868)	(538)	(843)	(639)	(1482)
Interest (net)	(42)	(2)	(26)	(36)	(62)
Net operating cash flows	(687)	(65)	(285)	23	(262)
Debt	1,314	1,304	1,294	1,285	1,285
Cash balances	4,682	3,978	3,225	2,647	2,647

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 its customers.

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, please visit: [www.localityenergy.com.au](http://www.localityenergy.com.au)