



FOCUS YOUR ENERGY

Market Update & presentation to Investors

14 June 2023



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Presenting Today



ADAM BLOOMER

**Managing Director and
Chief Executive Officer**

Founded LGI in 2009, with decades of experience developing projects in the waste, landfill and renewable energy sectors.



DEAN WILKINSON

Chief Financial Officer

CFO with over 20 years' of experience across energy generation, distribution, retail and trading, both in listed and large private companies.



JARRYD DORAN

Chief Operating Officer

Over 15 years of engineering and multi-stakeholder project management experience in the local Government, waste and renewable energy industry.

Renewable Electricity and Carbon Abatement

Saving the planet one landfill at a time - what we do at LGI

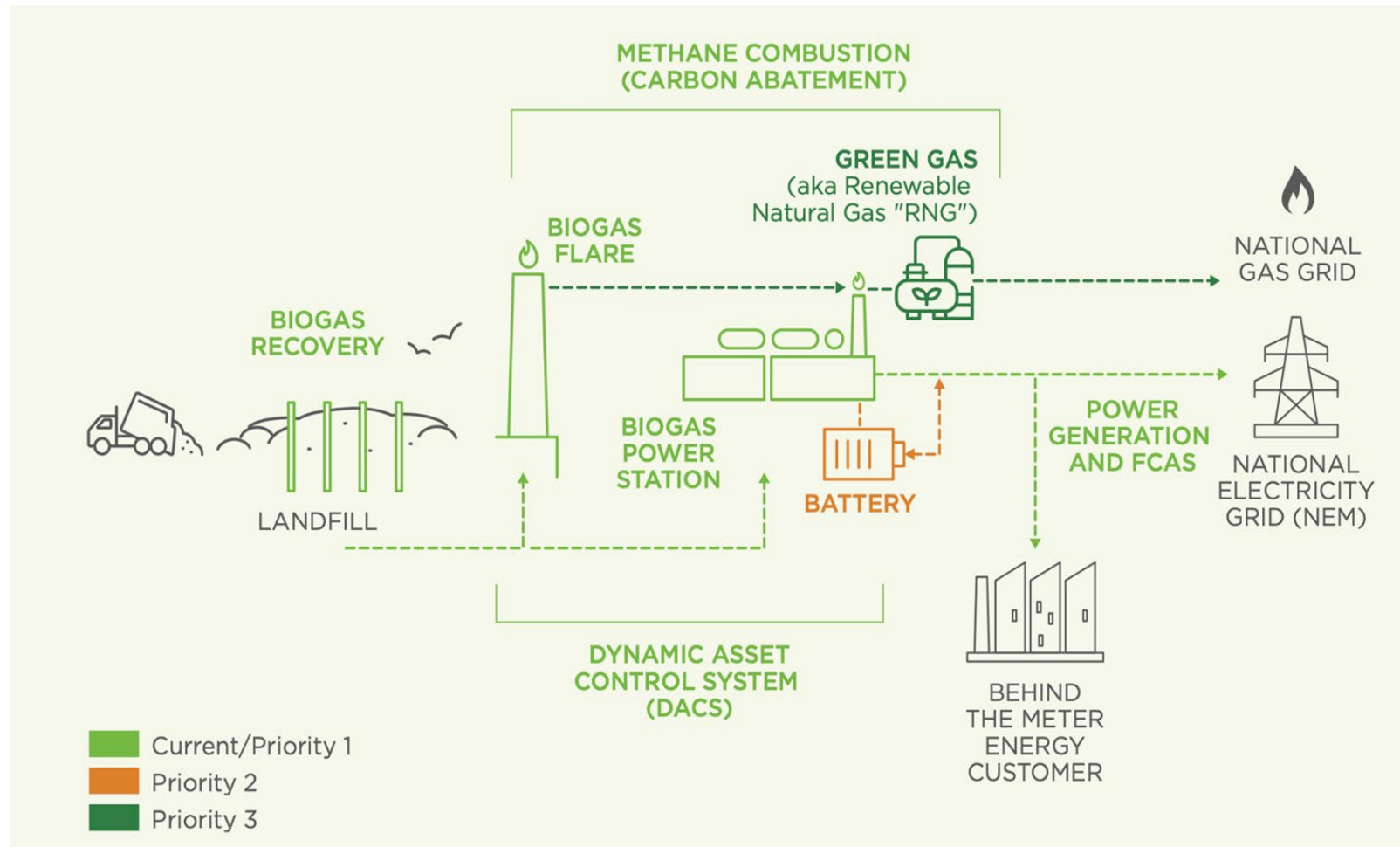


Diagram of LGI activities

Design, install and operate biogas recovery systems
Design, install and operate biogas flares
Design, install and operate biogas to electricity plants



The role of biogas in the energy transition and carbon abatement

Dispatchable Renewable energy from biogas



Connected to the distribution currently from 1MW to <5MW

Biogas offers dispatchable, flexible generation

A beneficial use of a previously harmful by-product

Reliable, affordable renewable energy

Enhance distribution grid system strength where the demand is located

Emissions abatement and community benefit



Deploying more flaring units across the country

Helping Council's and waste operators with their emissions

Continue exploring options to develop generations sites

New landfill gas management contract

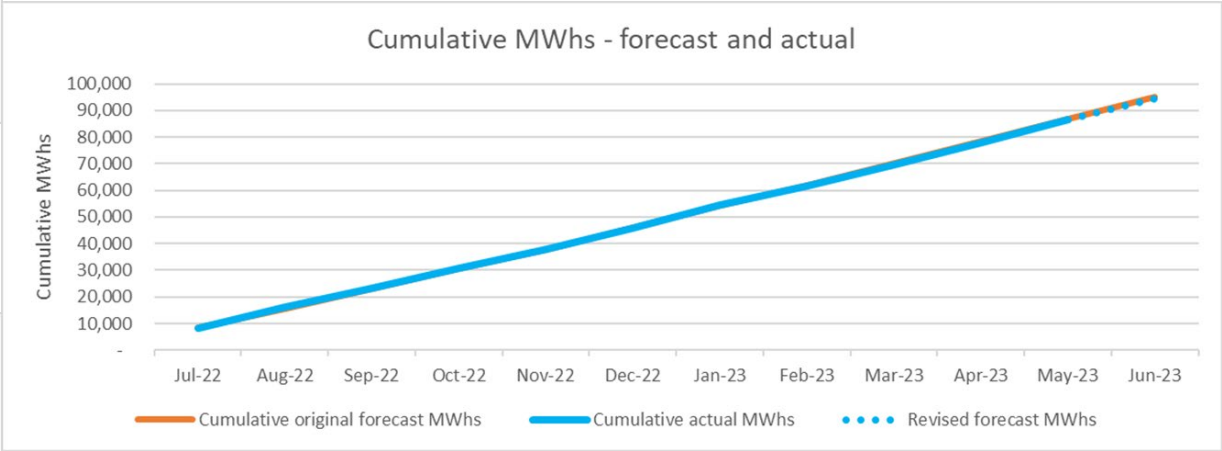
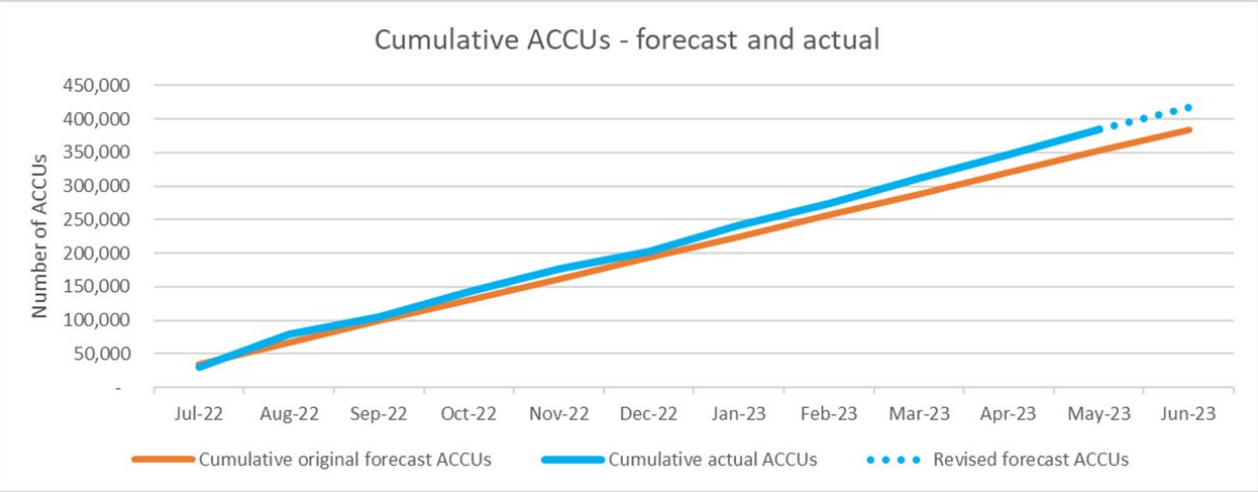
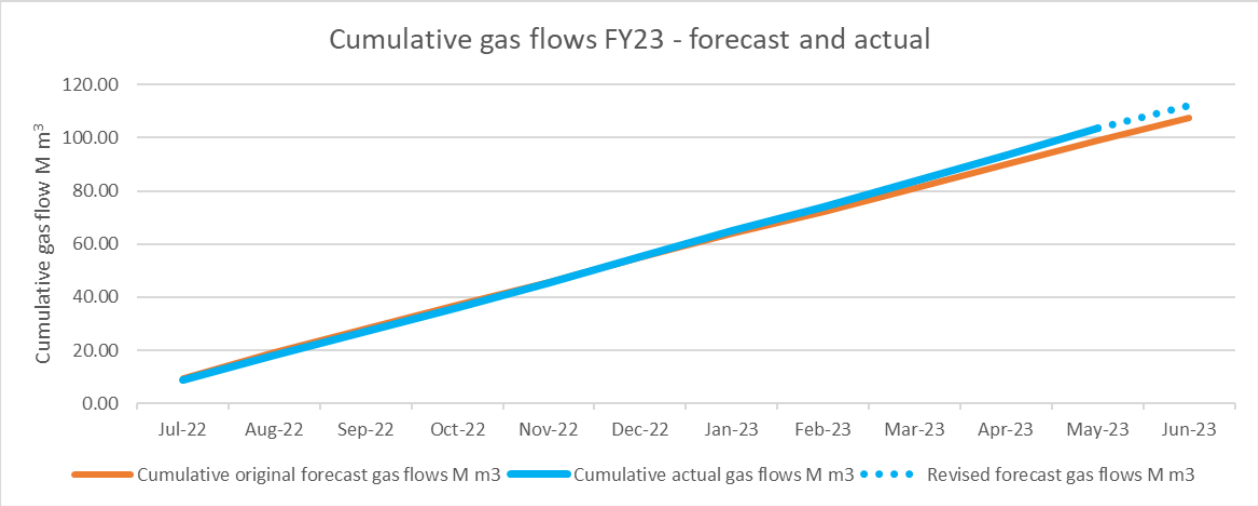
Earlier in June, LGI has agreed a new landfill gas management contract with the Somerset Regional Council.

This agreement is to manage the landfill gas that their Esk site which is northwest of Brisbane. The Esk landfill is an open landfill and there has been no previous landfill gas management on this site. The agreement was arranged through a new channel to market.



Trading Update for FY2023

Operational Performance



Market – Dynamics

Market Dynamics as noted by the Clean Energy Regulator March 23 Quarterly summary of the environmental markets.

ACCU's

- Demand for ACCUs is expected to rise materially as facilities covered by the [Safeguard Mechanism \(Crediting\) Amendment Act 2023](#) prepare to meet their future obligations.
- Safeguard entities must reduce emissions by over 200 million tonnes to 2030.
- The trading volume in Q1 2023 reached a new record with 13 million ACCUs transacted in the secondary market. The average transaction parcel size was up 61% compared to Q1 2022.

<https://www.cleanenergyregulator.gov.au/Infohub/Markets/Pages/qcmr/march-quarter-2023/Australian-Carbon-Credit-Units.aspx>

LGC's

- Voluntary LGC cancellations reached a new Q1 record of 1.2 million LGCs and we expect a new record for non-Renewable Energy Target (RET) demand will be set this year
- Near-term (2023 - 2025) forward prices have also seen increases suggesting the market is still pricing in the future scarcity of certificates
- One key factor at play is ongoing shortfall charge taken and expected shortfall charge redemption (see [Q4 2022 QCMR](#) for an in-depth discussion) and the effective 15.5 million LGC deficit. The other important demand side factor is increasing voluntary surrender of LGCs to prove use of renewable energy.

<https://www.cleanenergyregulator.gov.au/Infohub/Markets/Pages/qcmr/march-quarter-2023/Large-scale-generation-certificates.aspx>

Update to FY23 guidance

LGI Limited (ASX:LGI) is pleased to provide a revenue and EBITDA trading update for FY23.

LGI is providing unaudited underlying EBITDA guidance for FY23 between \$13.9 and \$14.5 million, representing an increase between 5.9% and 10.8% on earlier guidance of \$13.1 million provided in the Prospectus. This represents EBITDA growth of between 10.2% and 15.3% on prior comparison period. Unaudited underlying revenue guidance for FY23 is between \$32.2 million and \$32.8 million, representing between 3.0% and 4.9% increase on earlier guidance of \$31.3 million.

Key contributors to FY23 EBITDA:

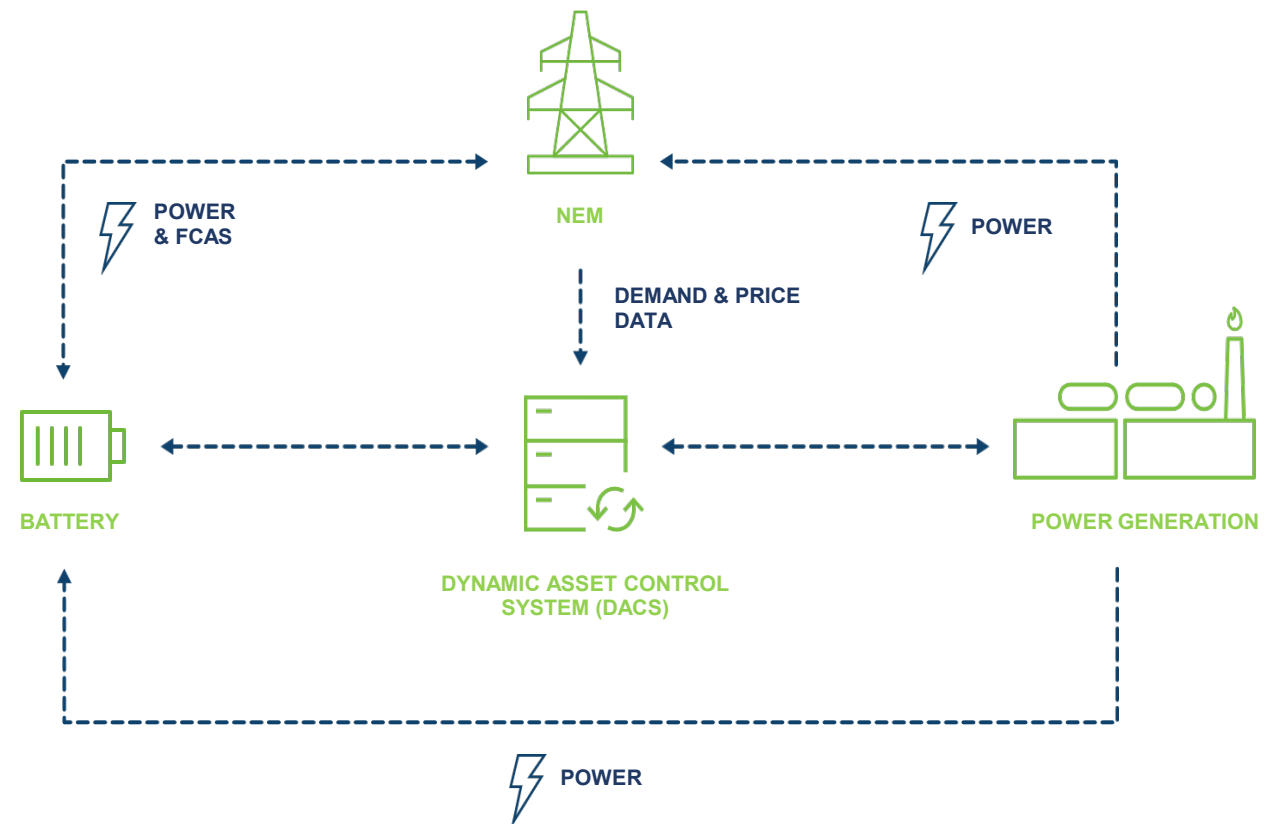
- Higher gas flows
- Higher volume of ACCUs
- Higher profit margin on construction work
- ACCU spot pricing higher than guidance
- LGC spot pricing higher than guidance

Dynamic Asset Control System (DACs)

DACS is an automated operating system designed and developed by LGI, which takes inputs from the biogas collection system, and the Australian Energy Market Operator (AEMO) to determine the optimal operation mode of our renewable energy generators. Operating 24 hours a day, these calculations are made without the need for manual instructions or intervention.

Pilot operation through May on one site was successful:

- Avoided 85% of negative price intervals
- Achieved a 5% premium on the weighted average price, compared to baseline operation¹
- Rollout to broader sites over June, minor adjustments made to the system
- Battery function operating in simulation mode, with back testing to review theoretical results



1. Pilot operated over second half of May, elevated wholesale pricing limited testing

Bunya 1.9MW Hybrid Upgrade

The site at Bunya to be extended from 0.6MW capacity of reciprocating biogas gas fired, to 1.9MW of dispatchable hybrid generation (0.6MW engines plus approximately 1.3MW of battery storage)

Key milestones achieved towards expansion of the facility:

- Negotiating an upgraded network connection agreement with the network authority. First time in Australia that these type of generating technology have been paired
- Complete front end engineering designs (FEED)¹
- Civil works onsite to prepare for equipment installation late June 2023
- Working through approval to commence commissioning upgraded plant through first half FY24 ²

1. FEED has been developed for ease of replication across broader portfolio
2. Pending network authority approval for energisation of battery system



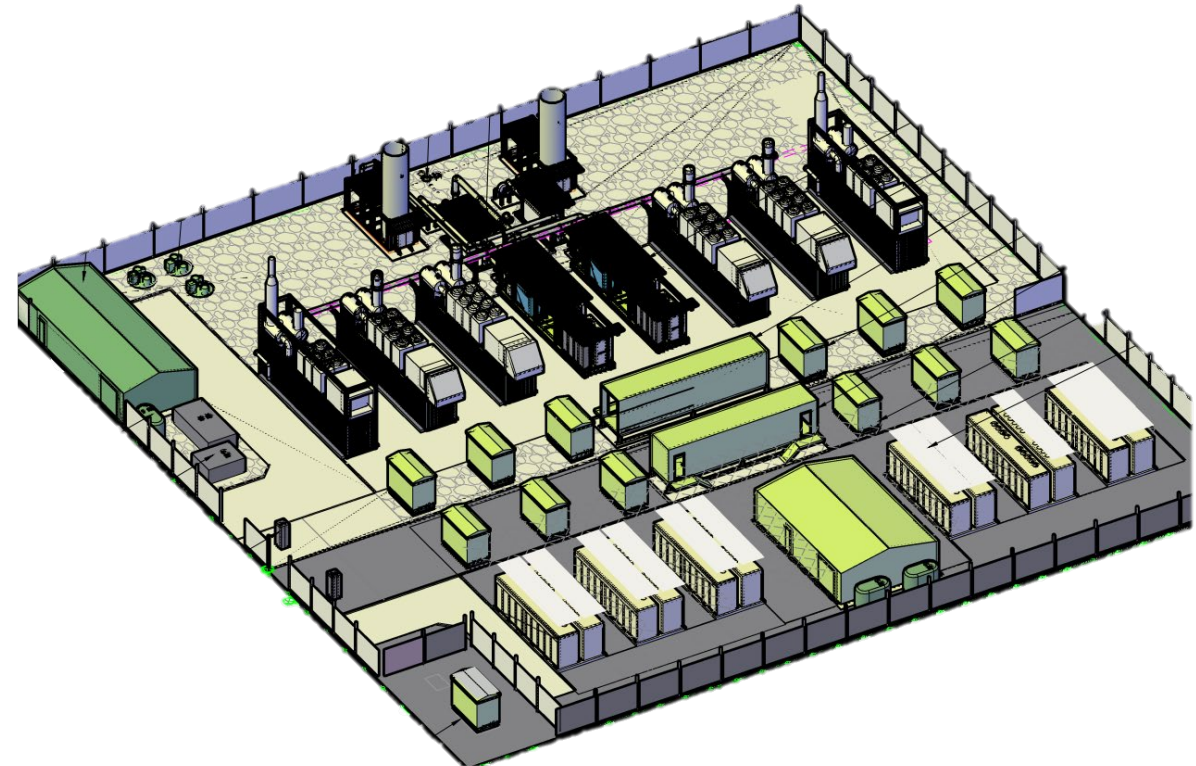
Bunya Power Station – May 2023

Mugga Lane 20MW Hybrid Upgrade

The site in Canberra to be extended from 4.2MW capacity of reciprocating biogas fired engines to 20MW of dispatchable hybrid generation (6.4MW engines plus approximately 13MW of battery storage)

Key milestones achieved towards expansion of the facility:

- Ordered the two additional engines. Currently being shipped to Australia and will be in Q1 FY24
- Securing a network connection agreement with the distribution. 20MW connection available through Q3 FY24
- Placed orders for long lead time equipment, in particular the high voltage equipment and transformers, due Q3 FY24
- Improved lead times to battery systems, now 12-18months vs 24months quoted in early 2023



Render of LGI's 20MW Hybrid Upgrade



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Questions?

