



FOCUS YOUR ENERGY

Half-Year Financial Report

31 December 2023



Appendix 4D

LGI Limited

ABN 49 138 085 551

Results for announcement to the market for the half-year ended 31 December 2023

Financial Performance	Up / Down	Change %	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue from ordinary activities (excluding interest income)	Down	(2.9%)	15,851	16,318
Statutory EBITDA	Up	15.6%	7,048	6,098
Statutory Profit before income tax	Up	25.1%	4,143	3,313
Statutory Profit after income tax	Up	24.7%	3,099	2,485
Underlying EBITDA¹	Down	(1.2%)	7,048	7,134

Net Tangible Asset Backing	Up / Down	Change %	31 Dec 2023 \$	30 Jun 2023 \$
Net tangible asset backing per share	Up	4.6%	0.54	0.52

Dividends	Amount per share (cents)	Tax rate for franking credit
Interim dividend per share for the half-year ended 31 December 2023 fully franked	1.2	25%
Final dividend per share for the year ended 30 June 2023 fully franked	1.2	25%
Interim dividend per share for the half-year ended 31 December 2022 fully franked	1.113	25%

1. Underlying EBITDA results (non IFRS measure, unaudited)

Underlying EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation, a non IFRS measure) reflects statutory EBITDA adjusted to reflect the Directors' assessment of the result for the ongoing business activities. The items adjusted for HY23 were expenses in relation to LGI's IPO, in prior periods was referred to as 'Pro forma'. The presentation of non IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner. These numbers have not been audited.

2. Record date for determining entitlements to the interim dividend:

20th March 2024 and payable 27th March 2024.

This information should be read in conjunction with the 2023 Annual Report. Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the financial statements for the half-year ended 31 December 2023 which have been reviewed.

People engineering a zero carbon, **clean** energy **future**

Contents

Results at a Glance	4
Operating and Financial Review	5
Directors' Report	8
Auditor's Independence Declaration	10
Statement of Profit or Loss and other Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the Financial Statements	15
Director's Declaration	23
Independent Auditor's Review Report	24

Results at a Glance

FINANCIAL PERFORMANCE

\$15.9m

Revenue

Decrease of 2.9%¹

\$11.5m

Gross Profit

Increase of 1.9%¹

\$7.0m

Statutory EBITDA

Increase of 15.6%¹

\$3.1m

Statutory NPAT

Increase of 24.7%¹

\$7.0m

Underlying EBITDA

Decrease of 1.2%¹

44%

Underlying EBITDA margin²

Steady

\$7.6m

Cashflow from operations

Increase of 100.1%¹

KEY PERFORMANCE METRICS

30

Sites under contract*

*as at the date of this report

Increase of 7.1%³

57.1

Million Cubic Metres

Biogas Flows

Increase of 3.4%¹

212,888

Australian Carbon Credit Units

Creation of carbon units

Increase of 4.9%¹

46.7

GigaWatt Hours

Renewable electricity generation

Increase of 1.8%¹

97%

Generation fleet availability

Percentage of time the renewable power stations are available for generation. Fleet target is 95%.

¹Compared to the prior corresponding period

²Underlying EBITDA margin uses Net revenue

³Compared to 30 June 2023

Operating and Financial Review

Our Business

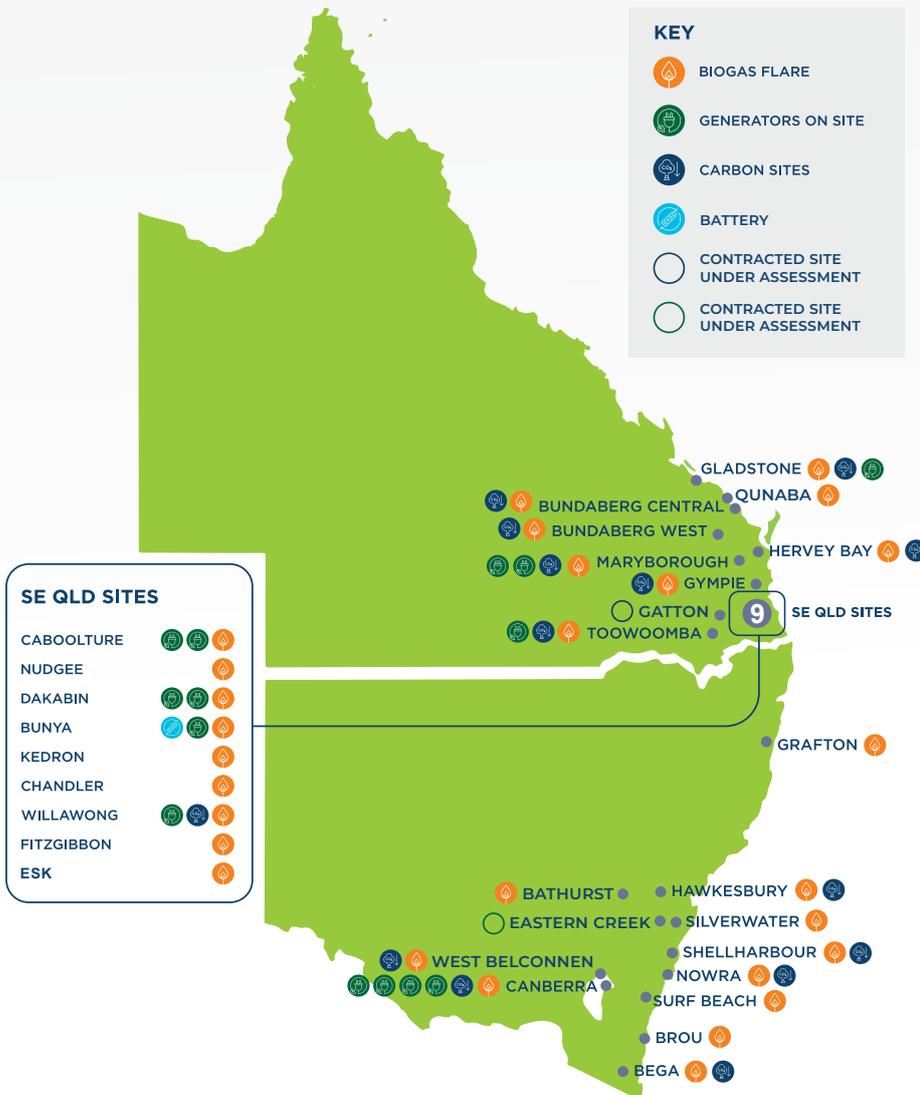
LGI Company Profile

LGI is an established domestic market leader in the recovery of biogas from landfill, and the subsequent conversion into renewable electricity and saleable environmental products.

LGI has a vertically integrated, end-to-end business model which specialises in the capture and beneficial use of biogas from landfills and offers a full suite of services to generate value throughout each stage of the landfill lifecycle. The capture and treatment of biogas from landfills underpin LGI's business strategy and growth.

LGI has a diversified revenue stream that is generated from three key sources:

- Renewable electricity: Installation of power generation systems on landfills. LGI's agreements for this type of activity include long terms, often over 15 years, and with governments' rights to recover and beneficially reuse the biogas, and build-own-operate power facilities. LGI's revenue is derived from the sale of electricity, LGC's and ACCUs.
- Greenhouse gas abatement: Installation of flaring systems on landfills at LGI's option for the creation of ACCUs. Under these long-term (10+ year) arrangements, LGI has rights to recover and beneficially reuse the biogas.
- Site infrastructure and management: Installation, operation and maintenance of biogas extraction infrastructure and flaring systems for landfill owners. This type of service agreement does not involve LGI having rights to the biogas and its beneficial reuse. LGI's revenue is derived from charging a fee based on the work requested by the client.



LGI has added to the number of landfill sites under management. As at 22 February 2023, LGI's portfolio is 30 contracted sites across Queensland, New South Wales and the Australian Capital Territory.

Operating and Financial Review

LGI produced solid results for HY24 which are broadly comparable to the previous corresponding period (pcp).

HY24 EBITDA was affected by weaker electricity and ACCU prices. Prices have improved since HY24, particularly ACCUs which increased by 15% since November 2023. Underlying EBITDA of \$7.0M was lower than the pcp by 1%.



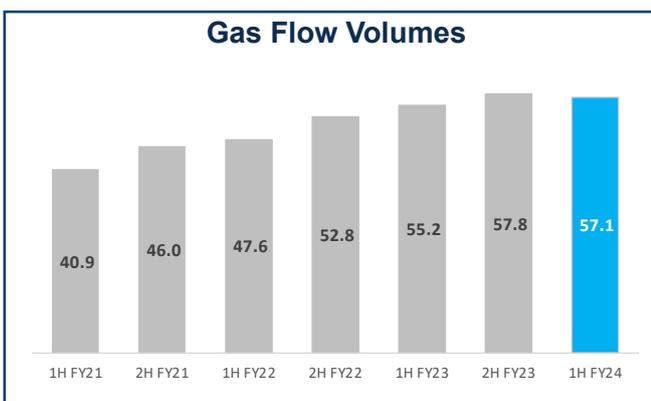
Biogas Capture

Despite rainfall being lower pcp, gas flows of 57.1 million cubic meters in HY24 were 3.4% higher pcp. These 1H gas flows were impacted by the dry months in Spring, when rainfall was down on previous years. Gas flows have been higher in the second half of the financial year for the last 3 years and are expected to continue in FY24.

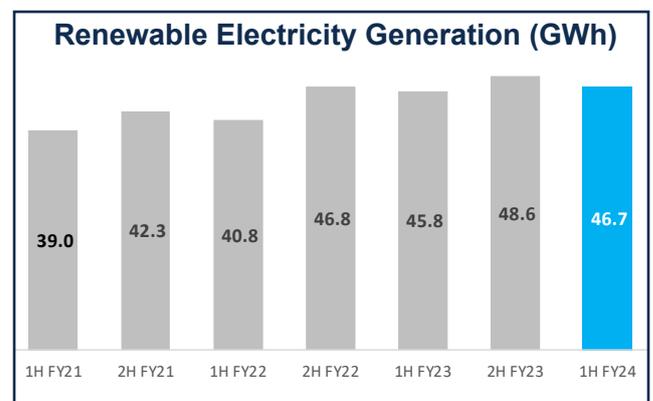
Renewable Electricity Generation

Electricity generation of 46.7 GigaWatt hours (GWh) was almost 2% higher pcp. HY24 renewable generation fleet availability was 97% ahead of LGI's target of 95%. This was achieved by regular and thorough maintenance and increasing spare parts inventory.

Gas Flow Volumes

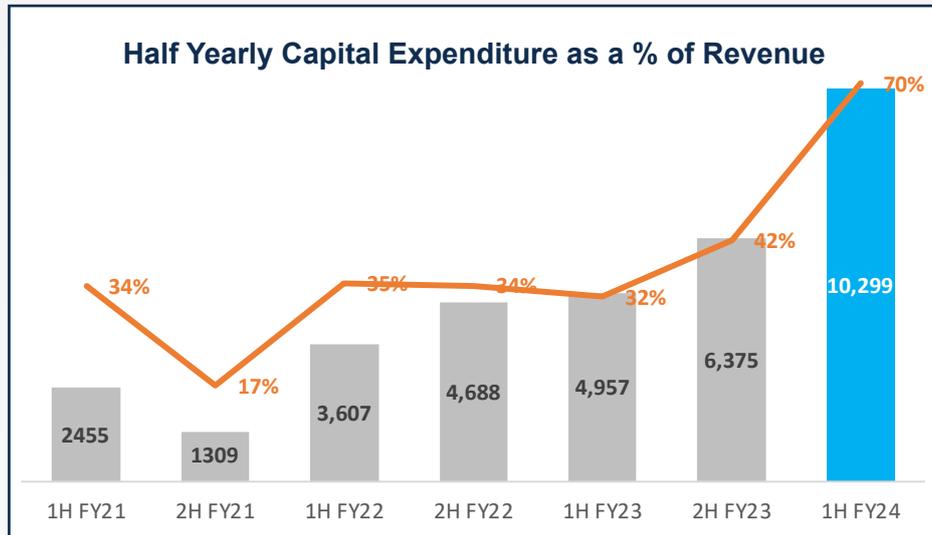


Renewable Electricity Generation (GWh)



Capital Expenditure

There was significant capital expenditure during HY24. LGI funded this capital expenditure with a mix of debt and working capital. In late December 2023, LGI drew down debt and sold ACCU's in preparation for anticipated capital expenditure in 2HFY24 which resulted in a larger cash balance at 31 December 2023.



Debt Position and Debt Ratios

	as at 31 Dec 2023 \$'000	as at 30 June 2023 \$'000
Leases ¹	1,690	1,299
Balance of debt facility	13,200	1,500
Gross debt	14,890	2,799
Cash and cash equivalents	7,680	52
Net debt	7,210	2,747
Net debt to underlying EBITDA ratio (times)	1.0	0.2
Interest cover ratio	8.4	9.2

¹ For the purposes of this table leases are considered amounts payable to banks (excludes right of use liabilities for land or premises).

Directors' Report

The Directors present their report together with the financial statements on LGI Limited (referred to hereafter as “the Company” or “LGI”), for the half year ended 31 December 2023.

Directors in Office

The following Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Vik Bansal

Non-Executive Director and Chair

Adam Bloomer

Managing Director

Jessica North

Executive Director and Chief Executive Officer

Timothy McGavin

Non-Executive Director

Andrew Peters

Non-Executive Director

Abigail Cheadle

Non-Executive Director

Principal Activity

The principal activities of LGI are the recovery of biogas from landfill, and the subsequent conversion into renewable electricity and saleable environmental products. LGI's vertically integrated operations cover the engineering and management of landfill gas infrastructure, whilst providing solutions to create opportunities for the generation of renewable electricity and carbon abatement.

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the financial period.

Review of Operations

The Directors' review of LGI's operations during the half-year and the results of those operations are set out in the Operating & Financial Review commencing

on page 5. The Operating & Financial Review forms part of this Directors' Report.

The profit for the Company for the half-year ended 31 December 2023 after providing for income tax amounted to \$3.099m (31 December 2022 \$2.485m).

Dividends

During the half-year a final dividend of \$1.060m was paid for the financial year ended 30 June 2023 of 1.2 cents per share (1.0 cent per share for the financial year ended 30 June 2022).

On the 21st February 2024, the Directors declared an interim dividend of 1.2 cents per share, fully franked for the half-year ended 31 December 2023 (31 December 2022 1.113 cents). The dividend is payable 27th March 2024.

Subsequent Events

On the 4th February 2024, LGI entered into a 15 year Landfill Gas Rights Agreement with BINGO Industries covering the Eastern Creek Landfill site in Western Sydney. The agreement entitles LGI to install landfill gas extraction infrastructure and install, operate and own a 4-megawatt renewable power station. Installation and commissioning of the power station is planned for late 2024 to early 2025.

Effective Friday, 1 March 2024 Jarryd Doran has been appointed as the new Chief Executive Officer of LGI. Jarryd, who has been with LGI since 2014 served as the Company's Chief Operating Officer since May 2016. This appointment is part of a planned leadership succession. Outgoing CEO, Dr. Jessica North, who has served as CEO since 2017 will remain within the Company as Executive Director and in her new role as Chief Sustainability Officer.

Rounding of amounts

LGI is an entity to which ASIC Legislative Instrument 2016/191, applies and, in accordance with that Instrument, amounts in the half-year financial report have been rounded to the nearest thousand dollars unless otherwise stated.

Reconciliation of profit after income tax (audited) to EBITDA and Underlying EBITDA (unaudited):	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Profit after income tax expense	3,099	2,485
Depreciation and amortisation	2,524	2,275
Finance costs	448	547
Interest income	(67)	(37)
Income tax expense	1,044	828
EBITDA	7,048	6,098
Transaction costs in relation to the IPO	-	1,036
Underlying EBITDA	7,048	7,134

Underlying EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation, a non IFRS measure) reflects statutory EBITDA adjusted to reflect the Directors' assessment of the result for the ongoing business activities. The items adjusted for HY23 were expenses in relation to LGI's IPO, in prior periods was referred to as 'Pro forma'. The presentation of non IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner. These numbers have not been audited.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under s 307C of the Corporations Act 2001 is set out on page 10.

No officer of LGI is or has been a partner/director of the auditor of the Company.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director

Dated this 22nd day of February 2024



Independent Auditor's Declaration



Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 10, 12 Creek Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF LGI LIMITED

As lead auditor for the review of LGI Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'R M Swaby', written in a cursive style.

R M Swaby
Director

BDO Audit Pty Ltd

Brisbane, 21 February 2024

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2023

Revenue	Notes	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue from contracts with customers	3	8,197	8,104
Environmental Certificates income	3	7,601	8,213
Other income	3	121	37
Expenses			
Cost of Goods Sold		(4,289)	(5,022)
Employee benefits expense		(3,083)	(2,997)
Depreciation and amortisation expense		(2,524)	(2,275)
Capital raise expenses		-	(1,020)
Finance costs		(448)	(547)
Professional fees		(425)	(355)
Insurance expense		(350)	(269)
Occupancy expenses		(99)	(78)
Other expenses		(558)	(478)
Profit before income tax		4,143	3,313
Income tax expense		(1,044)	(828)
Profit after income tax for the half-year		3,099	2,485
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Net change in the fair value of cash flow hedges		339	10,832
Income tax relating to cashflow hedges		(85)	(2,708)
Other comprehensive income for the year, net of tax		254	8,124
Total comprehensive income for the half-year attributable to the shareholders of LGI Limited		3,353	10,609
Earnings per share			
		Cents	Cents
Basic earnings per share		3.5	3.1
Diluted earnings per share		3.5	2.8

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2023

Assets	Notes	31 Dec 2023 \$'000	30 June 2023 \$'000
Current Assets			
Cash and cash equivalents		7,680	52
Trade and other receivables		1,535	1,157
Environmental Certificates	6	8,925	12,403
Derivative financial instruments	11	1,169	1,140
Other assets	5	2,129	1,246
Total Current Assets		21,438	15,998
Non-Current Assets			
Property, plant and equipment	7	50,694	42,377
Intangible assets	8	3,977	3,506
Derivative financial instruments	11	310	-
Other assets	5	1,493	1,482
Total Non-Current Assets		56,474	47,365
Total Assets		77,912	63,363
Liabilities			
Current Liabilities			
Trade and other payables	9	2,329	2,984
Borrowings	10	2,291	661
Provisions		407	384
Current tax liabilities		758	-
Total Current Liabilities		5,785	4,029
Non-Current Liabilities			
Borrowings	10	15,751	5,422
Provisions		187	145
Deferred tax liabilities		4,503	4,392
Total Non-Current Liabilities		20,441	9,959
Total Liabilities		26,226	13,988
Net Assets		51,686	49,375
Equity			
Issued capital		31,928	31,928
Reserves		1,893	1,621
Retained earnings		17,865	15,826
Total Equity		51,686	49,375

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the half year ended 31 December 2023

	Notes	Issued share capital \$'000	Retained earnings \$'000	Share based payment reserve \$'000	Hedge reserve \$'000	Total Equity \$'000
Balance at 1 July 2023		31,928	15,826	766	855	49,375
Comprehensive income						
Profit after income tax for the half year		-	3,099	-	-	3,099
Net gain on cashflow hedge (net of tax)		-	-	-	254	254
Total comprehensive income for the half year		-	3,099	-	254	3,353
Transactions with owners, in their capacity as owners						
Share based payments		-	-	18	-	18
Dividends paid	4	-	(1,060)	-	-	(1,060)
Transactions with owners, in their capacity as owners		-	(1,060)	18	-	(1,042)
Balance at 31 December 2023		31,928	17,865	784	1,109	51,686
Balance at 1 July 2022						
Balance at 1 July 2022		7,417	11,080	766	(5,970)	13,293
Comprehensive income						
Profit after income tax for the half year		-	2,485	-	-	2,485
Cashflow hedge (net of tax)		-	-	-	8,124	8,124
Total comprehensive income for the half year		-	2,485	-	8,124	10,609
Transactions with owners, in their capacity as owners						
Shares issued during the period (net of costs)		24,612	-	-	-	24,612
Dividends paid	4	-	(712)	-	-	(712)
Transactions with owners, in their capacity as owners		24,612	(712)	-	-	23,900
Balance at 31 December 2022		32,029	12,853	766	2,154	47,802

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the half year ended 31 December 2023

	Notes	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Cash Flows From Operating Activities			
Receipts from customers inclusive of GST		18,785	17,602
Payments to suppliers and employees inclusive of GST		(10,500)	(13,267)
Interest received and other income		34	15
Interest paid		(448)	(547)
Income tax paid or received		(259)	-
Net cash provided by operating activities		7,612	3,803
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(9,632)	(4,531)
Proceeds from property, plant and equipment		-	7
Purchase of intangible assets		(666)	(426)
Term deposits held as security		(29)	66
Net cash used in investing activities		(10,327)	(4,884)
Cash Flows From Financing Activities			
Proceeds from issue of shares (net of cost)		-	23,148
Payment of dividends	4	(1,060)	(712)
Proceeds from borrowings		15,792	26
Repayment of borrowings		(4,000)	(19,860)
Principal lease payments		(389)	(306)
Net cash provided by financing activities		10,343	2,296
Cash and cash equivalents at the beginning of the half- year		52	889
Net increase in cash held		7,628	1,215
Cash and cash equivalents at the end of the half-year		7,680	2,104

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the half year ended 31 December 2023.

Note 1. Significant Accounting Policies

LGI Limited is a company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

Basis of preparation

The half-year financial report is a general purpose financial report for the period ended 31 December 2023. The report has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

The half-year financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, these financial statements should be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with continuous disclosure requirements of Corporations Act 2001.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for 30 June 2023.

New accounting standards and interpretations

LGI has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new and amended Accounting Standards and Interpretations did not have a material impact on the financial statements. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Rounding of Amounts

LGI is an entity to which ASIC Legislative Instrument 2016/191, applies and, in accordance with that Instrument, amounts in the half-year

financial report have been rounded to the nearest thousand dollars unless otherwise stated.

Note 2: Operating Segments

Identification of operating segments

LGI has identified its operating segments based on the internal monthly reports that are reviewed and used by the Executive team and the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. LGI has identified Operating Segments based on the three revenue streams generated from its business activities. LGI's identified operating segments are described as follows:

- **Renewable energy**
LGI's renewable power stations generate revenue from the sale of renewable electricity and Large Scale Generation Certificates (LGCs).
- **Carbon abatement**
Revenue is derived from the acquisition, creation and sale of Australian Carbon Credit Units (ACCUs).
- **Infrastructure construction and management**
LGI generates revenue from the engagement with landfill owners including landfill infrastructure construction projects, site management services and consulting.

Operating segments financial results

Operating segments are presented using the "management approach" whereby the information presented is on the same basis as the internal reports provided to the CODM's. The CODM's review Revenue and Gross Profit on a monthly basis. The accounting policies adopted for internal reporting to the CODM's are consistent with those adopted in the financial statements.

Operating segments financial results	Renewable Energy \$'000	Carbon abatement \$'000	Infrastructure construction & management \$'000	Unallocated \$'000	Total \$'000
31 December 2023 Revenue					
Sales to external customers	8,248	6,165	1,289	96	15,798
Cost of goods sold	(2,326)	(1,189)	(773)	(1)	(4,289)
Gross Profit	5,922	4,976	516	95	11,509
Total other income and expenses				(4,461)	(4,461)
EBITDA*				(4,366)	7,048
Depreciation & amortisation				(2,524)	(2,524)
Interest income				67	67
Finance costs				(448)	(448)
Profit/(loss) before income tax expense				(7,271)	4,143
Income tax expense				(1,044)	(1,044)
Profit/(loss) after income tax expense				(8,315)	3,099
31 December 2022 Revenue					
Sales to external customers	8,385	6,579	1,353	-	16,317
Cost of goods sold	(2,432)	(1,720)	(870)	-	(5,022)
Gross profit	5,953	4,859	483	-	11,295
Total other income and expenses				(5,197)	(5,197)
EBITDA*				6,098	6,098
Depreciation & amortisation				(2,275)	(2,275)
Interest income				37	37
Finance costs				(547)	(547)
Profit/(loss) before income tax expense				3,313	3,313
Income tax expense				(828)	(828)
Profit/(loss) after income tax expense				(8,810)	2,485

* EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) a non IFRS measure, reflects statutory EBITDA. The presentation of non IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner.

Note 3: Revenue and Other Income

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue from contracts with customers		
Electricity and related services - over time	3,414	8,213
Net gain/(loss) on electricity derivative financial instruments	3,398	(1,461)
Infrastructure construction – point in time	1,035	1,022
Biogas management services – over time	254	311
Other revenue – over time	96	19
Total revenue from contracts with customers	8,197	8,104
Environmental Certificates income		
Large-scale generation certificates (LGCs)	1,436	1,634
Australian carbon credit units (ACCUs)	6,165	6,579
Total Environmental Certificates income	7,601	8,213
Other Income		
Interest and other income	121	37
Total revenue and other income	15,919	16,354

Note 4: Dividends

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Dividends paid during the financial half-year		
Final dividend paid for the year ended 30 June 2023 of 1.2 cents per share fully franked (1.0 cent per share for the year ended 30 June 2022)	1,060	712
Dividends declared after the financial half-year and not recognised		
Since the end of the reporting period, the Directors have declared an interim dividend of 1.2 cents per share fully franked (31 December 2022 1.113 cents per share)	1,060	983

Note 5: Other Assets

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current		
Prepayments	647	216
Accrued income	398	426
Shareholder loans ¹	126	139
Other current assets	958	465
Total Current Other Assets	2,129	1,246
Non-Current		
Shareholder loans ¹	593	610
Security deposits	900	872
Total Non-Current Other Assets	1,493	1,482
Total Other Assets	3,622	2,728

¹The loans are to purchase shares in LGI as a result of employees exercising share options under the Employee Share Option Plan.

Note 6: Environmental Certificates

	31 Dec 2023 \$'000	30 June 2023 \$'000
Current Environmental Certificates		
Australian carbon credit units (ACCU's)	8,470	11,402
Large scale generation certificates (LGC's)	455	1,001
Total Current Environmental Certificates	8,925	12,403

Note 7: Property, Plant and Equipment

	Plant & equipment \$'000	Plant & equipment under lease \$'000	Right of use land & buildings \$'000	Projects under construction \$'000	Total \$'000
31 December 2023					
Cost	43,385	2,546	3,461	20,367	69,759
Accumulated depreciation	(17,423)	(965)	(677)	-	(19,065)
Net carrying amount	25,962	1,581	2,784	20,367	50,694
30 June 2023					
Cost	41,974	1,972	3,461	11,709	59,116
Accumulated depreciation	(15,475)	(753)	(511)	-	(16,739)
Net carrying amount	26,499	1,219	2,950	11,709	42,377
Movements in carrying amounts					
Balance at 1 July 2023	26,499	1,219	2,950	11,709	42,377
Additions	755	614	-	9,570	10,939
Disposals	-	-	-	-	-
Depreciation & amortisation	(1,915)	(246)	(166)	-	(2,327)
Transfers in/(out) of work in progress	623	(6)	-	(617)	-
Transfer to expense	-	-	-	(295)	(295)
Balance at 31 December 2023	25,962	1,581	2,784	20,367	50,694

Note 8: Intangible Assets

	Goodwill \$'000	Licences \$'000	Total \$'000
Net carrying amounts 31 December 2023			
Cost	314	4,738	5,052
Accumulated amortisation and impairment	-	(1,075)	(1,075)
Net carrying amount	314	3,663	3,977
30 June 2023			
Cost	314	4,071	4,385
Accumulated amortisation and impairment	-	(879)	(879)
Net carrying amount	314	3,192	3,506
Movements in carrying amounts			
Balance at 1 July 2023	314	3,192	3,506
Additions	-	667	667
Amortisation expense	-	(196)	(196)
Balance at 31 December 2023	314	3,663	3,977

Impairment testing for the period ended 31 Dec 2023

During the period, LGI recognised no impairment of property, plant and equipment, intangible assets or goodwill.

Note 9: Trade and Other Payables

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current		
Trade payables	325	935
Payroll liabilities	233	207
Accrued royalties and other expenses	1,771	1,842
Total Current trade and other payables	2,329	2,984

Note 10: Borrowings

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current		
Bank loans	1,500	-
Lease liability	570	935
Right of use liability	227	218
Less: Borrowing costs	(6)	(6)
Total Current Borrowings	2,291	661
Non-Current		
Bank loans	11,700	1,500
Lease liability	1,120	850
Right of use liability	2,931	3,078
Less: Borrowing costs	-	(6)
Total Non-Current Borrowings	15,751	5,422
Total Borrowings	18,042	6,083

Bank loans comprise the following CBA facility:

Facility	Total Facility '000	Utilised		Average Interest rate	
		31 Dec 2023 \$'000	30 June 2023 \$'000	31 Dec 2023 %	30 June 2023 %
Project Loans	27,350	13,200	1,500	6.93	7.65
Overdraft	500	-	-	7.50	7.50
Contingent liability	100	85	85	1.75	1.75

Note 11: Financial Instruments

Fair value measurements

The fair value measurement principals adopted in this report are consistent with those applied in the annual financial report for 30 June 2023. The derivative financial instruments carried at fair value are over the counter instruments and have been classified as level 2 in the fair value hierarchy. Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

The significant valuation techniques and

processes used to value derivative financial instruments categorised within level 2 are:

Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

The significant inputs used in this valuation technique are:

Exchange traded market prices, market volatilities, forecast generation and electricity settled prices.

Derivative financial instruments

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current derivative financial assets		
Electricity price swaps – cash flow hedges	1,169	1,140
Non-Current financial assets		
Electricity price swaps - cash flow hedges	310	-
Hedge reserve (Cash flow hedges net of tax)		
Electricity price swaps – cash flow hedges	1,109	855

Note 12: Commitments and Contingencies

LGI has provided bank guarantees to the value of \$0.985 million at 31 Dec 2023 (30 Jun 2023: \$0.956 million) including a \$750,000 security obligation under the ACT Mugga Lane landfill gas contract.

As at 31 December 2023, LGI had commitments for the acquisition of power generation plant & equipment of \$1.73 million (30 June 2023: \$1.2 million).

Note 13: Events Subsequent to reporting date

On the 4th February 2024, LGI entered into a 15 year Landfill Gas Rights Agreement with BINGO

Industries covering the Eastern Creek Landfill site in Western Sydney. The agreement entitles LGI to install landfill gas extraction infrastructure and install, operate and own a 4-megawatt renewable power station. Installation and commissioning of the power station is planned for late 2024 to early 2025.

Effective Friday, 1 March 2024 Jarryd Doran has been appointed as the new Chief Executive Officer of LGI. Jarryd, who has been with LGI since 2014 served as the Company's Chief Operating Officer since May 2016. This appointment is part of a planned leadership succession. Outgoing CEO, Dr. Jessica North, who has served as CEO since 2017 will remain within the Company as Executive Director and in her new role as Chief Sustainability Officer.

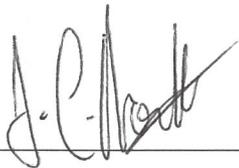
Directors Declaration

The directors of LGI Limited declare that, in their opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors,



Director

Dated this 22nd day of February 2024



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of LGI Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of LGI Limited (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Company does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Company's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'R M Swaby', is written over a faint, larger 'BDO' watermark.

R M Swaby

Director

Brisbane, 21 February 2024