



**PEOPLE ENGINEERING  
A ZERO CARBON, CLEAN  
ENERGY FUTURE.**

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## **ASX Announcement**

**20 November 2024**

### **LGI LIMITED – FY24 ANNUAL GENERAL MEETING CHAIRMAN'S ADDRESS**

LGI is a unique company which stands at the convergence of waste and energy, with both sectors offering vast opportunities for agile organisations and leadership at both management and board level.

Your company and management has again reported a strong set of financial results and continues to deliver on commitments that were made two years ago at the time of our initial public offering.

LGI's performance is driven by its diverse revenue across growing volumes of Australian carbon credit units, flexible electricity generation assets, and large scale generation certificates, while it continues to lay the groundwork for long term growth.

In Australia we still have a significant number of landfills across the country which continue to emit environmentally degrading gas which will need to be managed. This offers LGI an opportunity to grow organically by capturing more gas which can be utilised to create a continuous source of distributed clean power for the future.

LGI's offering continues to appeal to landfill owners as a compelling investment, but also a productive use case in adequately managing the assets and associated environmental issues. Throughout FY24, LGI successfully added new customers and I expect the company to continue to do so.

Notwithstanding some of our successes, the Australian Energy Market Operator, AEMO, along with many market commentators, expressed the view that investment in new renewable energy supply is not keeping pace with the 2030 energy targets. AEMO also stated that investment in firming technologies is critically required to manage the intermittent capability of wind and solar generation.

LGI's expanding portfolio of dispatchable, renewable energy generation provides us with a scalable opportunity to provide firming solution.

With the addition of battery technology, as demonstrated at our Bunya site, LGI is well placed to leverage the market opportunities identified by AEMO.

While the overall operating environment for LGI across renewable energy and carbon abatement will continue to evolve, macro factors will continue to create positive tailwinds for LGI.

From changing government policy to achieving net zero by 2050, through to reduced carbon emissions and the strengthening of the safeguard mechanism, I'm confident in the future opportunity set for our business.

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*Saving the planet one landfill, one megawatt, one solar panel, one battery at a time*

LGI supports the Government's intent to improve the integrity of ACCUs, following recommendations from The Independent Review of Australian Carbon Credit Units (ACCUs), led by Professor Chubb in 2022.

For the Landfill Gas methodology, this is likely to involve higher, and annually increasing, baselines for all landfill gas to power projects and some existing flaring projects.

LGI has been involved as an industry participant in discussions with the Department of Climate Change, Energy, the Environment and Water.

We hope and understand that the enabling legislation for improved integrity in the landfill gas method will be signed by the Minister this calendar year.

Large industrial organisations will have to commit to combination of significant capital expenditure and carbon credits as they deliver to their own promise of Goal Zero.

This, combined with the anticipated improved integrity reforms from the Federal Government should lead to premium pricing for verifiable carbon credits, ones which are created by LGI.

Your company has a very successful track record of designing, building and commissioning biogas capture, carbon abatement and power generation assets. LGI has a young fleet of generation units and batteries – the average life of our plant is less than 10 years. We have also designed and developed our own automated operating system that allows us to optimise electricity revenue, while enabling the seamless integration of batteries into our portfolio.

The LGI management team has done an excellent job throughout the year growing the business while maintaining a focus on existing customers and the market.

I would like to thank all our staff and my fellow directors for another strong performance this year; Likewise, their success in growing the business while maintaining their focus and sense of service to all stakeholders.

Equally, thank you to all our shareholders for your continued support for the company and our mission to save the planet, one landfill at a time.

## **LGI LIMITED – FY24 ANNUAL GENERAL MEETING**

### **MANAGING DIRECTOR'S ADDRESS**

During the 2024 financial year, we continued to grow the business and invest in our strategy to expand our electricity and carbon abatement offering. The commissioning of our first battery combined with our proprietary control system enables LGI to develop projects that offer 24-hour fast response, dispatchable electricity, feeding directly into the grid. Looking ahead, we have a number of committed projects to expand upon our premium electricity offering.

In January 2024, we began operation of the Bunya renewable hybrid by combining a new battery unit with the existing landfill gas-to-power generator. By all measures this has proven to be a successful project. The addition of the battery allows LGI to respond to the demands of the grid,

by absorbing low cost or negatively priced electricity from the grid AND the generation unit throughout the day. This in turn provides extra electricity in the evening when needed most. We are not only shifting electricity from the middle of the day to the evening, but also providing rapid response to individual 5-minute grid requirements, no matter the time of day. The result is that the battery is capable of full charge and discharging known as a "cycle", multiple times a day. Since commencing operation, the battery has either imported or exported, on average, around 10 hours a day. Resulting in a high utilisation of this asset.

Bunya has achieved 70 % uplift in revenue with the battery when compared to the generator only since commissioning in January 2024.

LGI's proprietary dynamic asset control system (DACS), has been developed inhouse by our team. Collecting data inputs from our biogas collection systems, generators, battery and market data from AEMO to create an optimised dispatch signal for each element of the site's equipment. DACS is capable of responding to grid needs in less than a second. This fast respond is provided as a service to AEMO, known as frequency control ancillary service – FCAS. LGI is paid for FCAS, providing an additional revenue stream for the business. Continuous incremental improvements of the DACS system have allowed LGI to fine tune the system and the equipment to maximise performance of the site.

The successful commissioning of the battery is confirmation of LGI's strategy to focus on premium electricity offering. It has given LGI the confidence to roll out batteries across a number of our existing sites, starting with the Mugga Lane Facility in Canberra.

The Mugga Lane Facility connection has been successfully upgraded to 20 Megawatt. Two new Jenbacher generation units have been commissioned in November increasing the site's generating capacity by 50% from 4.2 to 6.3 Megawatt.

During FY24, LGI entered into a long-term agreement with Bingo Industries providing exclusive gas rights to the Eastern Creek site, west of Sydney. LGI has been installing additional gas capture infrastructure and is developing an initial 4.2 Megawatt power station. As part of the agreement LGI will sell renewable electricity to Bingo LGI is on track to have the power station completed this financial year. Once online our portfolio generating capacity will have increased by 42% over FY25 from 14 Megawatt to 20 Megawatt.

It is pleasing to be recognised for our innovative and quality projects at Toowoomba and Bunya at the recent Institute of Public Works Engineering Australasia awards evening. LGI received 3 awards including the overall "Public Works Project of the Year" with our Toowoomba power station project.

LGI has recently contracted a series of new landfill sites along the east coast including Gatton QLD, Tumut NSW, Taree NSW, and Tuncurry NSW. Initial works have commenced assessing Gatton which is expected to be a carbon site. Installation of pipe work was completed in July at Tumut which has started producing Australian carbon credit units.

This growth sees our geographic footprint increase to 32 sites, at FY24 year end.

Looking at outlook for FY25:

***LGI updates its guidance, Underlying EBITDA is expected to grow by 12% to 15% versus FY24, subject to market dynamics, and timing issues outside the control of the Company.***

In closing, I would like to highlight that LGI's performance in FY24 would not have been possible without the hard work and dedication of our team. I count myself lucky to be surrounded by this talented group.

Thank you to our Board for their guidance throughout the year and finally thank you to all our customers and shareholders that continue to support LGI.

-- ENDS --

Approved by the Board of Directors of Directors of LGI Limited

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**About LGI (ASX: LGI)**

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'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. LGI is addressing an inherent environmental issue for waste disposal sites.

LGI operates a portfolio of 32 projects across Queensland, New South Wales and the Australian Capital Territory, generating dispatchable, renewable energy and abating carbon to generate revenue through electricity sales, LGCs and ACCUs. These projects contribute towards LGI's vision of engineering a zero carbon, clean energy future.