



FOCUS YOUR ENERGY

LGI LIMITED

ABN 49 138 085 551

People engineering a clean energy, zero carbon future

1H FY24 Results Presentation
22 February 2024



Disclaimer



This document has been prepared by LGI Limited ACN 138 085 551 (LGI or the Company) to provide summary information about the Company and its associated entities. This document is issued on a confidential basis and for information purposes only. The information in this document remains subject to change without notice. The Company has no obligation to update or correct this document.

This document is intended only for those persons to whom it is delivered personally by or on behalf of the Company. Specifically, this document is provided to you as a person who is either:

- a holder of an Australian financial services licence or an authorised representative of such a licensee, and are also either a “professional investor” or “sophisticated investor” (as those terms are defined in sections 709(11) and 708(8) respectively of the Corporations Act 2001 (Cth) (Corporations Act)) and in each case who is also a “wholesale investor” (as defined in section 761A of the Corporations Act), to whom a prospectus is not required to be given under Chapter 6D of the Corporations Act; or
- if you are outside Australia, you are a person to whom the provision of the information in this document is permitted by laws of the jurisdiction in which you are situated without the need for registration, lodgement or approval of a formal disclosure document or any other filing or formality in accordance with the laws of that foreign jurisdiction.

If you are not such a person, you are not entitled to receive this document, and you must promptly return all materials received from the Company (including this document) without retaining any copies. By receiving this document you warrant that you are an investor within the scope of the above paragraphs and that you accept this document on the basis set out in this document.

Confidentiality

This document, its contents and any information provided or discussed in connection with it are strictly private and confidential and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, quoted or referred to, in whole or in part, for any purpose, without the prior written consent of the Company. Distribution of this document may be restricted or prohibited by law. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

Acceptance of delivery (whether electronically or otherwise) of any part of this document by you constitutes unconditional acceptance of the terms and conditions of this document.

Not an offer document

This document does not constitute and should not be considered as an offer to sell, or a solicitation of any offer to buy, or an invitation or recommendation to subscribe for or purchase, or to make any commitments for or in respect of, any securities or any other investment products in the Company in any jurisdiction. Neither this document nor anything contained in it forms the basis of any contract or commitment and no agreement to subscribe for securities will be entered into on the basis of this document. Securities of the Company have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, any such securities may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the U.S. Securities Act (which the Company has no obligation to do or procure) or are offered and sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.

This document is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or under any other law. It does not contain all of the information necessary to make an investment decision or that would be required to be disclosed in a prospectus prepared in accordance with the Corporations Act. This document has not been and will not be filed with or approved by any regulatory authority in Australia, including Australian Securities and Investments Commission (ASIC), or any other jurisdiction.

No reliance

The information contained in this document is for informational purposes only and is not investment or financial product advice and is not intended to be relied upon as the basis for an investment decision, and is not, and should not be assumed to be, complete. It is provided for information purposes only. Any investment is subject to various risks, some of which may be outlined in this document. All such risks should be carefully considered by prospective investors before they make any investment decision. You are not entitled to rely on this document and neither the Company or any of its directors, officers, employees, partners, representatives, shareholders, members, related bodies corporate, agents or advisers (including, without limitation, none of the advisers nor their related bodies corporate (as defined in the Corporations Act), shareholders or affiliates, nor any of their respective officers, directors, employees, affiliates, partners, representatives, consultants, agents or advisers, (together the Advisers)) (each a Party) guarantees or makes any representations or warranties, express or implied, as to or takes responsibility for, the currency, accuracy, reliability, completeness or fairness of this document nor the information, opinions and conclusions contained in this document.

To the maximum extent permitted by law, each Party expressly disclaims any and all liability (whether direct, indirect, consequential or contingent), including, without limitation, any liability arising out of fault or negligence on the part of any person, for any expenses, damages, costs or loss arising from the use of information contained in this document including redemptions or warranties or in relation to the accuracy or completeness of the information, statements, opinions or matters, express or implied, contained in, arising out of or derived from, or for omissions from, this document including, without limitation, any financial information, any estimates or projections and any other financial information derived therefrom. The Company has not carried out due diligence investigations in connection with the preparation of this document, nor has it verified any of the contents of this document. You must consider your own financial situation, objectives and needs and conduct your own independent investigations, assessments and enquiries, including obtaining investment, legal, tax, accounting and other such advice as you consider necessary or appropriate. This document should not be relied on by the recipient in considering the merits of any particular transaction.

None of the Advisers have authorised, permitted or caused the issue or lodgement, submission, dispatch or provision of this document and there is no statement in this document which is based on any statement made by any of the Advisers. To the maximum extent permitted by law, each of the Advisers expressly disclaims all liabilities in respect of, and make no redemptions regarding, and take no responsibility for, any part of this document.

None of the Company nor any of the Parties act, or are responsible, as a fiduciary to you, your directors, officers, employees, affiliates, partners, representatives, consultants, agents, advisers, securityholders, creditors or any other person. You and each of the Company and the other Parties expressly disclaim any fiduciary relationship. The Company and the other Parties are relying on you complying with this important notice and disclaimer and on the truth and accuracy of the representations, warranties, undertakings and acknowledgments given by you.

Past performance information provided in this document may not be a reliable indication of future performance. Nothing contained in this document nor any information made available to you is or shall be relied upon as a promise, representation, warranty or guarantee as to the past, present, or future performance of the Company, or that any investment will or is likely to achieve profits or losses similar to those achieved in the past, or that significant losses will be avoided. Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of the Company. Such statements involve known and unknown risks, uncertainties and other factors, and undue reliance should not be placed thereon.

Forward looking statements

This document contains certain forward looking statements and comments about future events. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “goals”, “aims”, “target” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Forward-looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies, and other factors, many of which are outside the control of the Company, are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct, and which may cause the actual results or performance of the Company to be materially different from any results or performance expressed or implied by such forward-looking statements. As such, any forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance. No representation, warranty or undertaking is made that any projection, forecast, assumption or estimate contained in this document should or will be achieved. The Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this document to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

Certain economic and market information contained in this document has been obtained from published sources prepared by third parties and has not been verified by the Company and in certain cases has not been updated through to the date of this document.

Miscellaneous

No person, especially those who do not have professional experience in matters relating to investments, must rely on the contents of this document. If you are in any doubt as to the matters contained in this document you should seek independent advice and/or consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. It should be remembered that the price of securities and the income from them can go down as well as up.

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this document are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this document.

This document may contain trademarks and trade names of third parties, which are the property of their respective owners. Third party trademarks and trade names used in this presentation belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with the Company.

Distribution

The distribution of this document in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this document who are not in Australia, should seek advice on and observe any such restrictions before reading it. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. By receiving this document you are deemed to confirm, represent and warrant to the Parties that you agree to be bound by the limitations and conditions set out in this disclaimer.

Acknowledgments

In accessing, receiving or reviewing this document, you acknowledge and agree to the foregoing terms and conditions. Any failure to comply with such terms and conditions may constitute a violation of application securities laws.6

Presenting Today



ADAM BLOOMER
Managing Director

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



DR. JESSICA NORTH
Executive Director and Chief Executive Officer

Over 20 years' of experience in the waste industry, in particular carbon abatement and biogas management from landfills.



JARRYD DORAN
Chief Operating Officer and Chief Executive Officer elect

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



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.

Contents

- 1 Business highlights
- 2 Financial performance
- 3 Operational performance
- 4 Bunya Battery Project
- 5 Strategy, Growth and outlook

Appendix Reconciliation to statutory results

Business Highlights



LGI's Geographic Footprint

One of Australia's leading vertically integrated landfill gas companies

Number of sites under contract¹

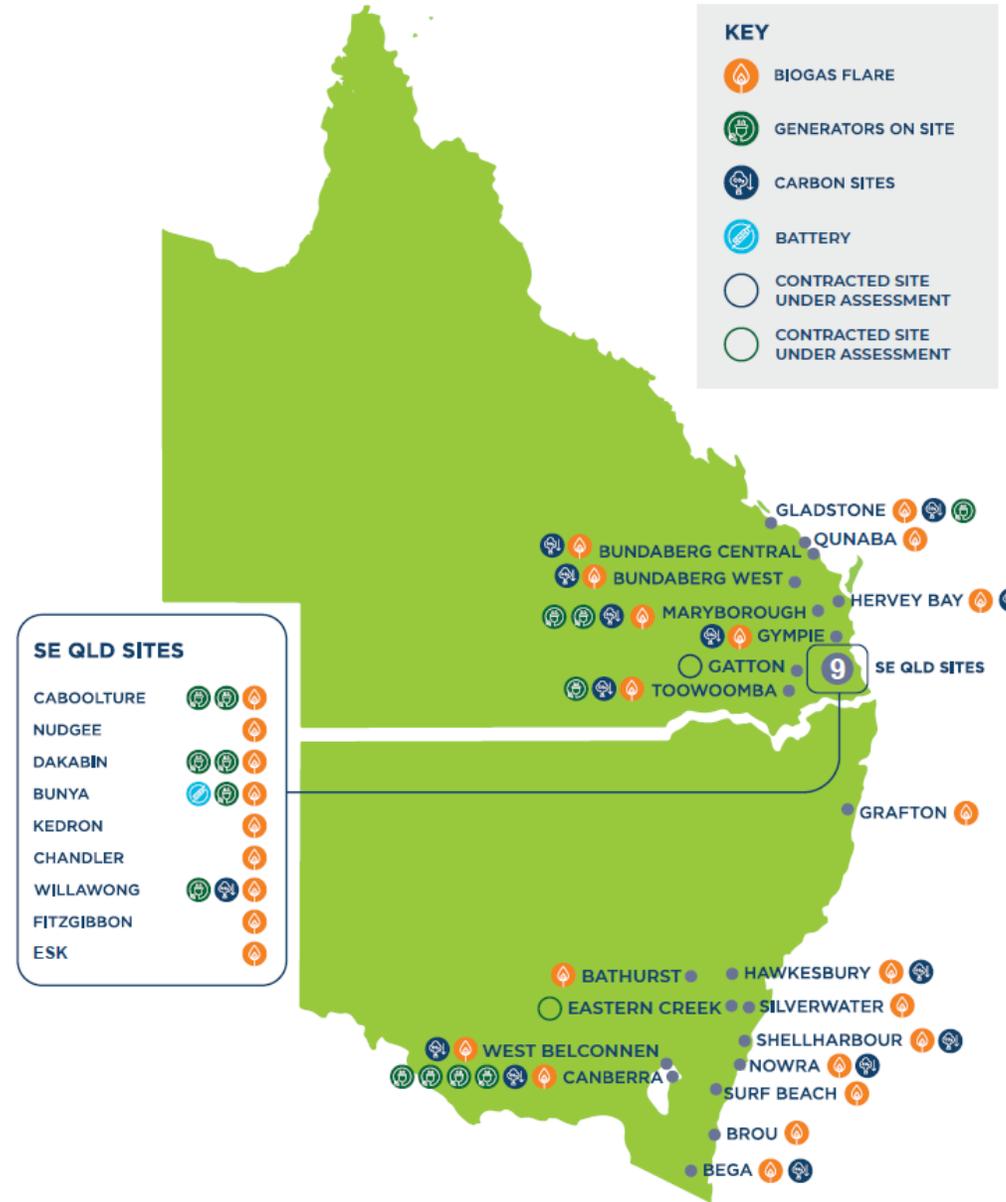
30

up 7.1% in the last 6 months

New contracted sites:

Sydney (BINGO)
Gatton (QLD)

¹ as at 22 February 24



1H FY24 Results Highlights

Six months ended 31 December 2023



Financial results compared to previous corresponding period (“pcp”)

Revenue¹

\$15.9m

Down 3%

Gross Margin¹

\$11.5m

Up 2%

Statutory EBITDA

\$7.0m

Up 16%

EBITDA¹ Margin

44%

Steady

Statutory NPAT

\$3.1m

Up 25%

Operating cashflow

\$7.6m

Up 100%

¹ Underlying operations excluding IPO costs and any significant items
² Work completed on sites where LGI has the beneficial rights to landfill gas
³ Numbers as at 22 February 2024 and total staff includes all Directors

People

Safety

1

Reported lost time injuries

41,069 hours worked by the team with
2 reportable incidents

LGI Team

10%

Increase in total staff ³

Operational compared to previous corresponding period (“pcp”)

Gas flows

57.1 Mm³

up 3%

Generation

46.7 GWh

up 2%

Financial Performance



Financial Snapshot

Six months ended 31 December 2023



A\$ '000	1H FY24 Statutory	1H FY23 Statutory	Change	1H FY24 Underlying ¹	1H FY23 Underlying ¹
Revenue	15,851	16,318	-3%	15,851	16,318
Gross Profit	11,562	11,295	2%	11,562	11,295
EBITDA	7,048	6,098	16%	7,048	7,134
EBITDA margin	44.5%	37.0%	+750bps	44%	43.72%
EBIT	4,524	3,824	18%	4,524	4,860
EBIT margin	28.5%	23.0%	+550bps	29%	30%
NPAT	3,099	2,485	25%	3,099	3,479
Underlying ¹	1H FY24	1H FY23	Change		
Operating cash flow ('000)	7,612	3,780	101%		
Cash conversion	108%	62%			
Net Debt / (Cash) to EBITDA	1.0	(0.1)			
ROIC	25%	32%			

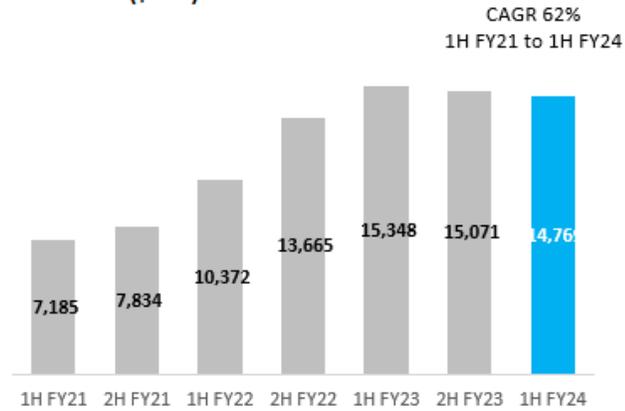
¹ Underlying numbers excluding IPO costs and any significant items

Key Financial Metrics

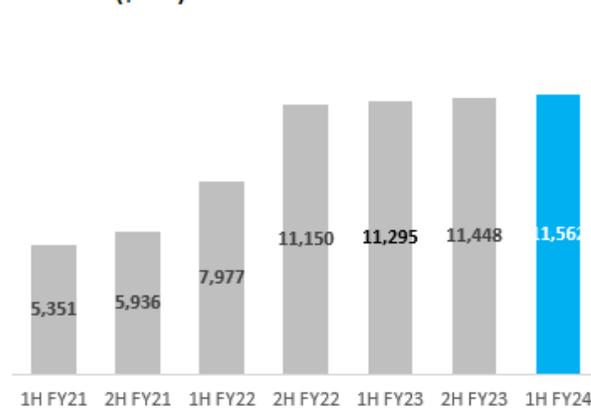
Historical earnings growth



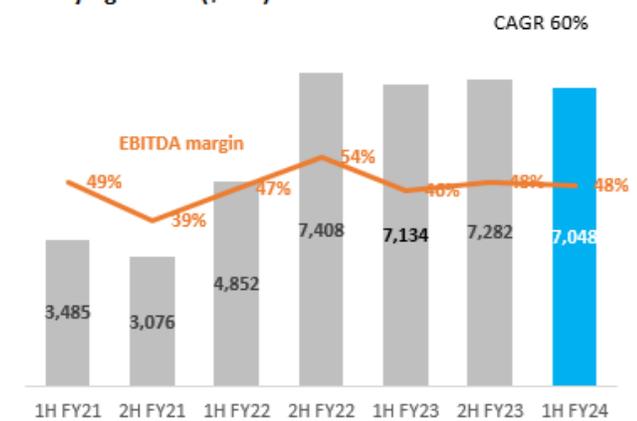
Net Revenue (\$'000)



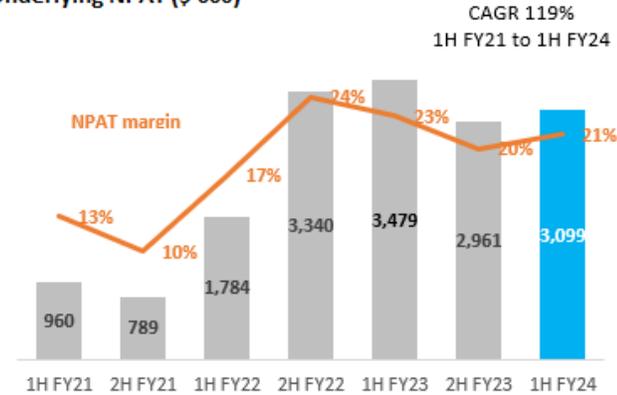
Gross Profit (\$'000)



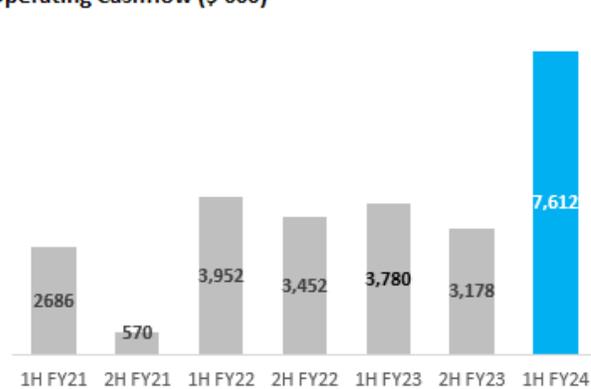
Underlying EBITDA (\$'000)



Underlying NPAT (\$'000)



Operating Cashflow (\$'000)



Underlying EBIT (\$'000)



1 Underlying numbers excluding IPO costs and any significant items

Balance Sheet

AS '000	31 Dec 2023	30 Jun 2023	31 Dec 2022
Assets			
Cash	7,680	52	2,104
Receivables	1,535	1,157	1,865
ACCU Environmental Certificates	8,470	11,401	9,051
LGC Environmental Certificates	455	1,001	947
Hedge receivable	1,479	1,140	-
Property, plant and equipment	50,694	42,377	38,266
Goodwill	314	314	314
Other assets	7,286	5,921	8,616
Total Assets	77,912	63,363	61,163
Liabilities			
Payables	2,329	2,984	2,724
Provisions	407	529	391
Hedge payable	-	-	-
Debt including lease liability	15,751	6,083	4,016
Other liabilities	7,739	4,392	6,230
Total Liabilities	26,226	13,988	13,361
Net Assets	51,686	49,375	47,802
Equity			
Issued shares	31,928	31,928	32,029
Reserves	1,893	1,621	2,920
Retained earnings	17,865	15,826	12,853
Total Equity	51,686	49,375	47,802

- Cash balance increased for anticipated capex in late December early January.
- The bulk of the ACCUs created in the six month to 31 December sold to partially fund capex
- Capex on projects resulting in increased property plan and equipment
- Increase in debt to partially fund capex

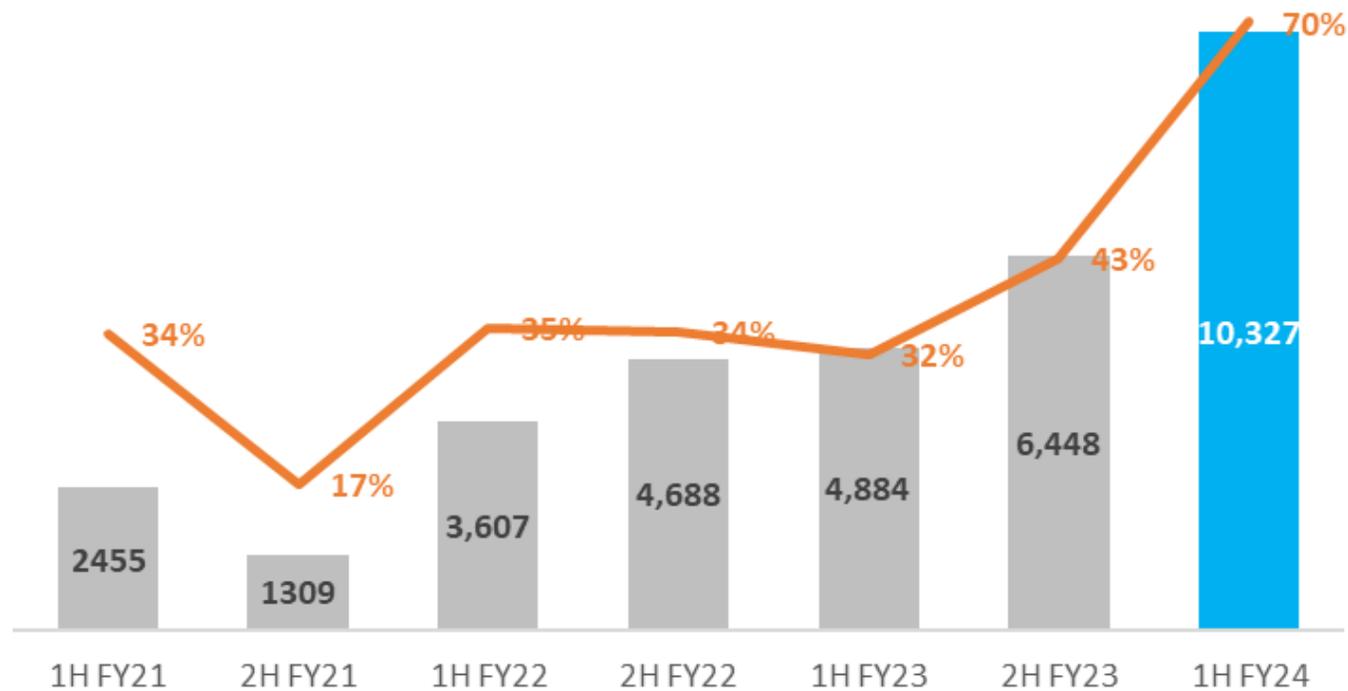


Capital Expenditure

Capital requirements reflective of pipeline growth opportunities

During first half LGI successfully completed an elevated capex program, including

- Final stage capex for Bunya battery projects
- Canberra network connection costs and power generation equipment costs
- Construction of flares for flaring projects



Canberra (Mugga Lane) facility with 2 new engines in situ



Bunya battery project during final stages of construction

Cash flow

Underlying		
A\$ '000	1H FY24	1H FY23
Underlying EBIT	4,524	4,860
Add depreciation and amortisation	2,524	2,275
Underlying EBITDA	7,048	7,134
Statutory Operating cash flow	7,612	3,780
Underlying adjustments in relation to the IPO	-	47
Underlying operating cash flow	7,612	3,827
Underlying EBITDA cash conversion	108%	54%
Underlying cash from operating activities	7,612	3,827
Underlying cash (used) in investing activities	(10,327)	(4,884)
Underlying cash from/(used) in financing activities	10,343	2,319
Net change in cash and cash equivalents	7,628	1,262
Statutory		
A\$ '000	1H FY24	1H FY23
Net cash from operating activities	7,612	3,780
Net cash used in investing activities	(10,327)	(4,884)
Net cash from/used in financing activities	10,343	2,319
Net change in cash and cash equivalents	7,628	1,215

- Underlying removes the cost associated with the IPO, the IPO funds and the repayment of the debt with the IPO funds.
- Cash conversion impacted by the sale of stock ACCUs in the six months to 31 December 2023
- Cash drawn from the debt facility to fund capex.
- Cash drawn down in December in anticipation of capex in late December and early January.

Debt and facilities

	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).

- During 1H FY24, LGI's focus on expanding its capabilities in Brisbane (Bunya) and Canberra (Mugga Lane) resulting in a significant step up in capex
- Each of these projects will be EBITDA accretive immediately upon commissioning
- For the first time, LGI has spent more than \$10 million in a six-month period
- This capex was funded partly by selling a portion of the environmental products inventory, and in drawing down available debt
- An elevated cash position which is being used to fund capex spend in the early part of calendar year 2024

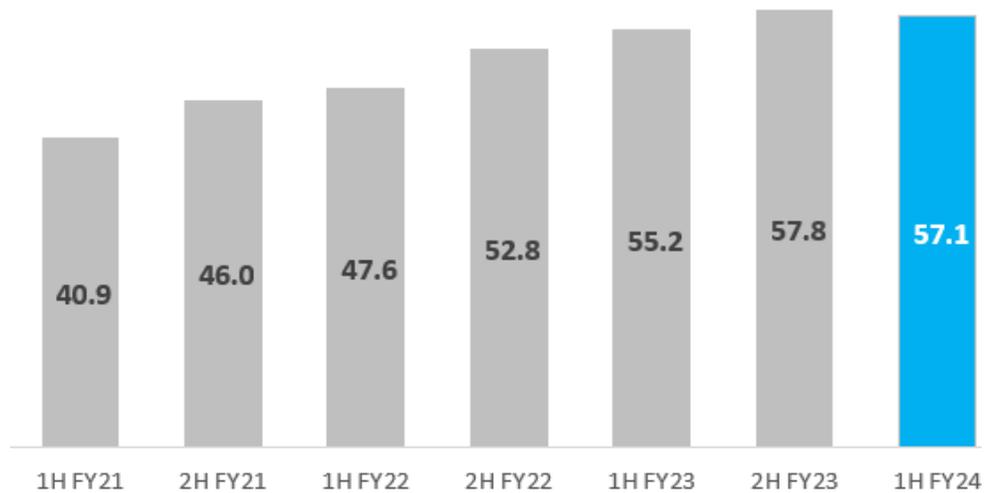
Operational Performance and Key Project Update



Recovered Biogas

Sustained gas flow

Recovered biogas (Mm³)



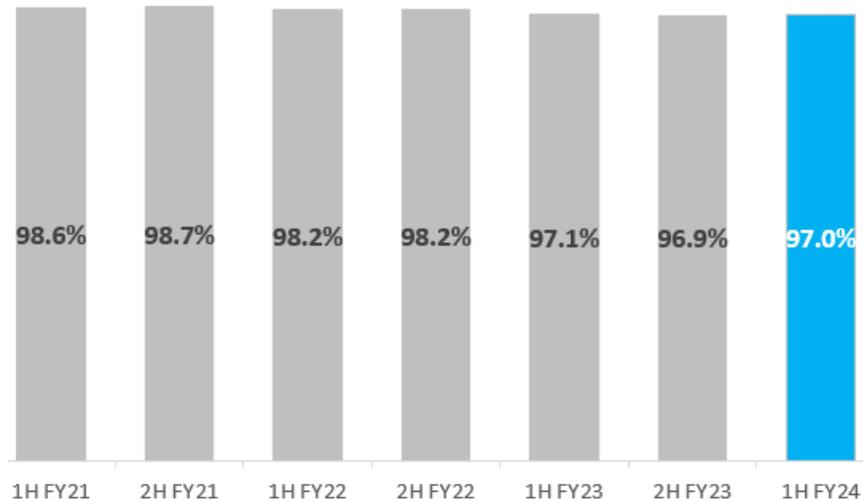
- Gas flow growth 3% versus 1H FY23
- Increased focus on proactive planning with clients, allowing LGI to maximise biogas recovery



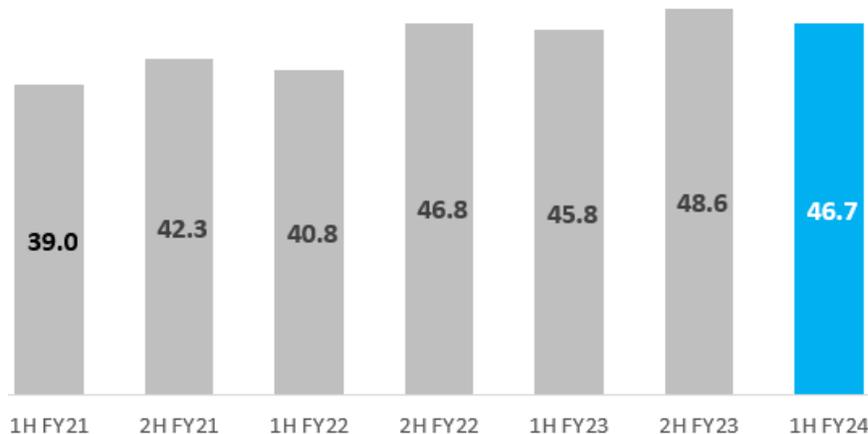
Energy Generation

Generation growth reflecting high levels of availability

Availability (% of period) LGI's Target 95%



Generation (GWhs)



Generator availability remained above internal target of 95%

- Continued industry-leading focus on gas conditioning, removing harmful contaminants prior to entering LGI engines (eg siloxane)
- Favourable outcomes include reduced maintenance costs and increased uptime and availability

Generation performance typically weighted to the second half of each financial year. Up 2% versus pcp

Key Project Updates

Battery in Brisbane (Bunya), Construction in Bathurst, Generation in Canberra

Operationally, LGI has maintained its focus on chasing the gas. LGI continued to drill wells, extend pipework and deliver flares. In addition, focusing on clean gas and generator maintenance has again enabled LGI to deliver on above target generator availability. A key project focus in 1H FY24 was the commissioning of the battery in Brisbane (Bunya), the contracting work at Bathurst and preparing for expansion at Canberra.

Bathurst

LGI won the tender to supply and install gas extraction equipment and a flare at the Bathurst landfill. This project was substantially completed in 1HFY24.



Installation of flare at Bathurst

Canberra

Work started in 1H FY24 in preparation for expansion, initially of 2 Jenbacher 1 MW engines, then 14 MWs of batteries.



Canberra (Mugga Lane) facility

Bunya

Refer added detail on slides 19-21

Bunya Battery Project





Bunya Battery Project



Through the deployment of battery technology at LGI existing sites - in conjunction with proprietary software used to dispatch energy - LGI enables enhanced operational performance alongside increased flexibility for key stakeholders in the management of electricity demands.

After two years in development, and a world first for this combination of equipment, this battery technology is setting up significant benefits for the grid, the local council and LGI. Where previously the generator could respond in minutes, with batteries the project can store and dispatch energy generated with landfill gas within seconds.

“Landfills are sizable emitters of harmful greenhouse gas. However, the Bunya Renewable Power Station significantly reduces the emission rate and the battery pack means we’ll be able to store power and export it more efficiently during high demand periods and when other renewable energy like solar are less available.”

City of Moreton Bay Mayor, Peter Flannery

Part of the large team at LGI working on getting the Bunya battery project finalised

Bunya Battery Project

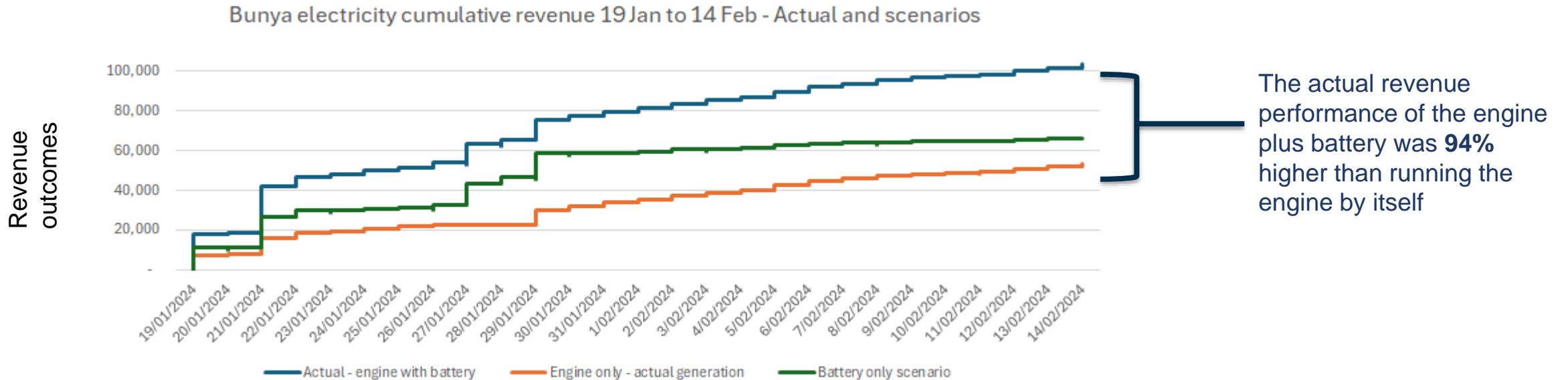


The Battery was installed and commenced operation on the 19th of January.

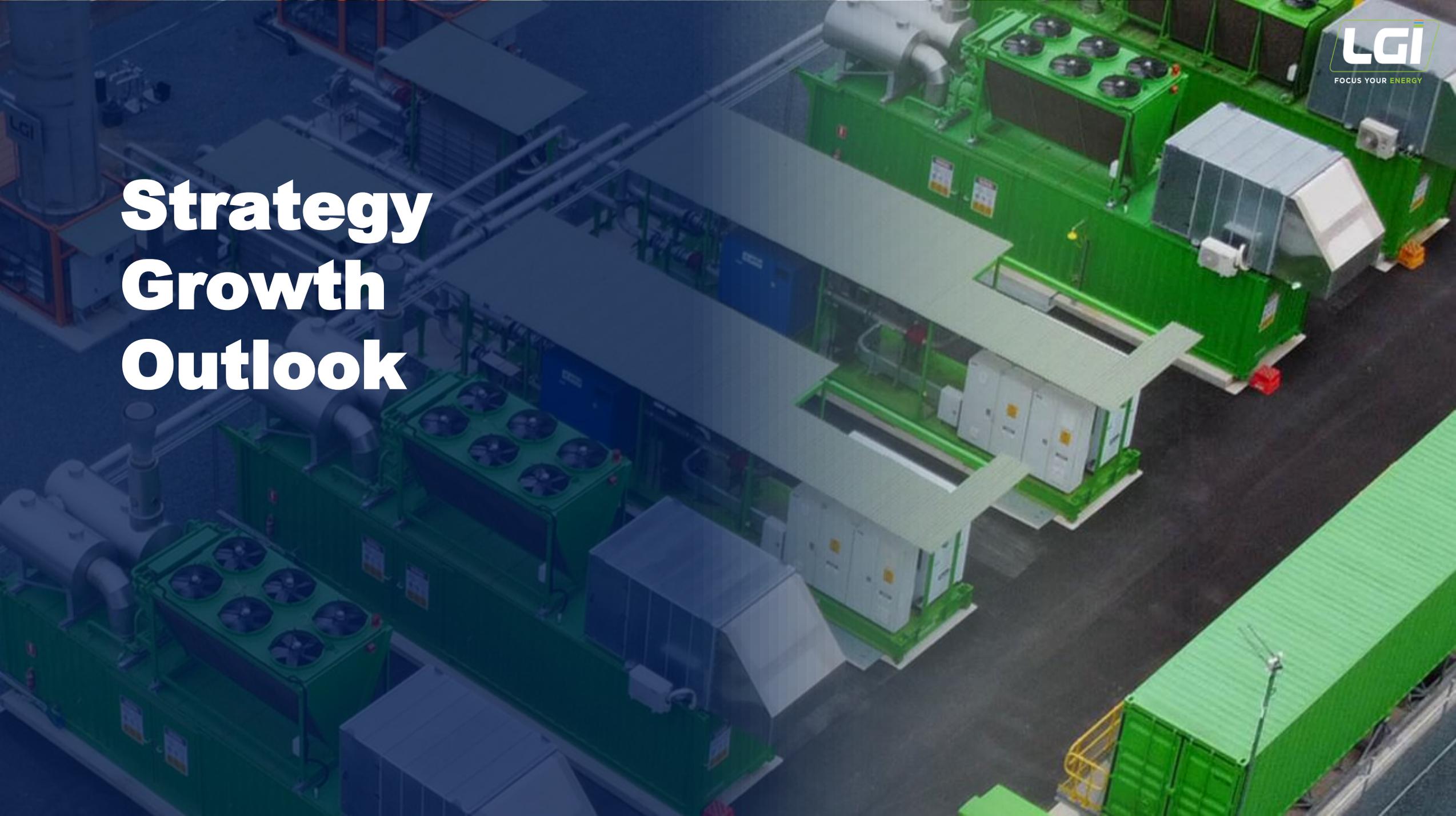
During the period 19 January to 14 February, engine and battery weighted average price received **\$355.75MWh** vs AEMO average of **\$181.22MWh** – **96%** above flat average.

LGI is highly encouraged by early observations and performance, providing increased confidence it can deliver significant benefits via the future deployment of this technology.

The financial results of how the combined power station compare to the alternative scenarios are represented on the graph below:



Strategy Growth Outlook



Contracted Projects Pipeline



MW LFGE



MW batteries



MW solar PV



ACCU

Sydney (BINGO) Project (phase 1 - 4MW generators)

- Design of gas field and power station commenced
- Finalising connection agreement
- See ASX announcement <https://lgi.com.au/for-investors/#announcements>

Canberra (Mugga Lane) 20MW generator and battery project

- Network authority has commenced construction of the interconnection
- LGI equipment located on site

Brisbane (Dakabin) Upgrade Project

- Network authority undertaking assessment of existing connection capacity

Nowra generator and battery project (MWs to be confirmed - feasibility stage)

- Network authority undertaking assessment, design and construct works
- FEED¹ complete

Carbon Abatement Projects (ACCUs)

- Assessment being carried out – Qunaba, Esk and Gatton

Dynamic Asset Control System (DACS)

- During 1H FY24 DACS commenced controlling all LGI generation sites
- In late January 2024 DACS started controlling the Bunya battery

Projects

Major projects near-term horizon

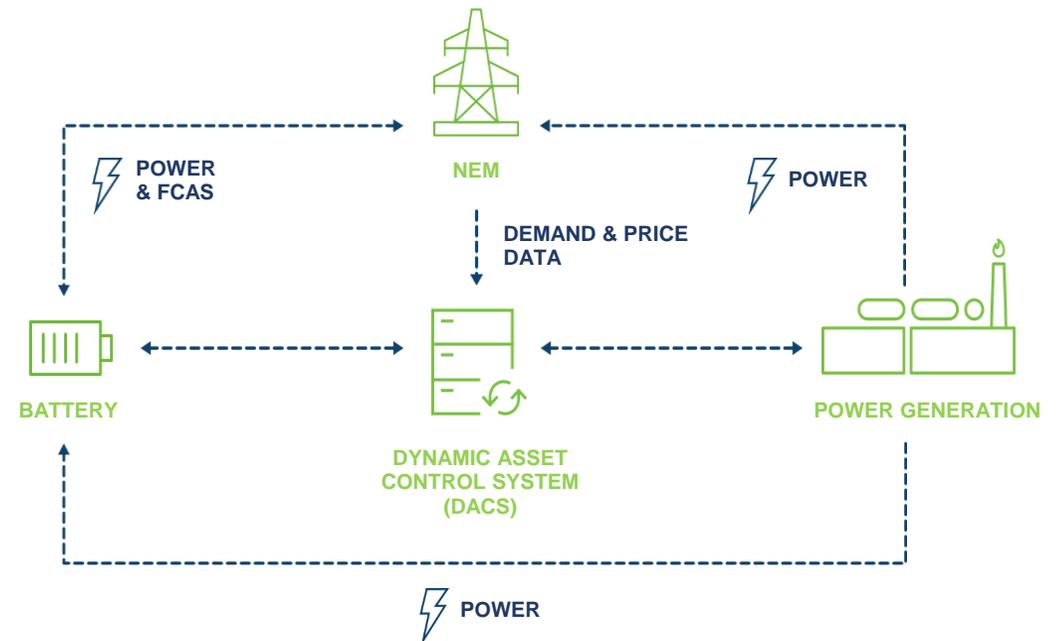
As LGI continues to expand projects, the Company is also focused on driving improved performance from existing assets and infrastructure, notably via the installation and deployment of batteries and its proprietary software system, Dynamic Asset Control System (DACS)

Expanding carbon abatement portfolio with new sites, and continuing to maximise biogas recovered from the existing sites

Material increase in MW biogas to energy capacity across portfolio

Deploying battery capacity across the portfolio

Sites with solar PV adjacent to existing biogas to energy plant including storage



FY24 Priorities and outlook

Growth and continued operational excellence

FY24 Priorities

- Continued focus on Health, Safety, Environment and Quality
- Deliver key near term projects, expansion of Canberra, BINGO and Nowra
- Explore the expansion of power stations on contracted sites
- Work on contracted landfill sites to expand the gas collection facilities
- Actively pursue new opportunities for landfill gas management

Outlook

LGI reconfirms its previously provided EBITDA guidance for FY24, from 29 August 2023, of an increase of between 6.0% and 14% from FY23, being between \$15.2 million to \$16.4 million.

Questions



Financial reconciliation to statutory results

A\$ '000	1H FY24			1H FY23		
	Statutory before Underlying items	Underlying items	After Underlying items	Statutory before Underlying	Underlying items	After Underlying items
Revenue	15,919	-	15,919	16,318	-	16,318
EBITDA	7,048	-	7,048	6,098	1,036	7,134
Depreciation and Amortisation	2,524	-	2,524	2,275	-	2,275
EBIT	4,524	-	4,524	3,824	1,036	4,860
Net Interest Expense	381	-	381	511	192	319
Income tax	1,044	-	1,044	828	(234)	1,062
Profit after tax	3,099	-	3,099	2,485	994	3,479