



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

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## **ASX Announcement**

**15 November 2023**

### **LGI LIMITED – FY23 ANNUAL GENERAL MEETING MANAGING DIRECTOR'S ADDRESS**

All of LGI's people are passionate about reducing the impacts of climate change. We share the same Vision and Values that guide our carbon abatement and renewable energy operations and support our growth ambitions. The team delivered a strong operating performance during the 2023 financial year, which led to an equally strong financial performance and enabled us to invest in some exciting growth projects.

Among the year's highlights, I am pleased to say that we are keeping our people safe. We increased total hours worked by 31% without any increase in lost time injuries. Our staff retention rate was more than 94%, and we expanded our team by 33% with a number of new people joining us.

Our operational results were based on a 12.6% year-on-year increase in gas flows, to 113 million cubic metres. This means we achieved our IPO forecast for gas flows one year early.

From that gas, we generated more than 94,000 MWhs of renewable power, which is an increase of 7.9%. Generator availability – the total amount of time our power stations are capable of generating energy – was above our internal target of 95% for the year.

Increased gas flows directly influenced the number of carbon credits we create, and we created 420,804 ACCUs which is a year-on-year increase of 4.6%.

On the back of the operating performance, we increased net revenue by 26.6% to \$30.4m. Our profit also increased, with pro forma EBITDA up 13.9% to \$14.4m, and statutory NPAT up 34.9% to \$6.4m.

One of the things that makes this such a strong financial result is that we achieved it despite the average spot prices for electricity and ACCUs dropping from FY22 levels.

We are very excited about all of our innovative new projects to expand generation capacity.

Our new Toowoomba power station is nearing its first anniversary, after commencing generation in December 2022. This is a showcase project for LGI and Toowoomba Regional Council, supplying 24/7 renewable electricity 'behind the meter' to power Council's major wastewater treatment plant.

During the later part of the financial year, we switched on our Dynamic Asset Control System (or DACS), to automate control of our power stations. The system has shown some positive preliminary results.

Caboolture is currently the best positioned of all our generators to take advantage of DACS. In June, that site avoided 95% of negative prices and generated prices 9.5% above the average.

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

As Vik mentioned, progress continues on strategically expanding instantaneous output capability on many of the LGI existing power generation sites.

We have received a connection agreement from Energy Queensland for our generation site at Bunya, and we are in the final stages of commissioning our first battery.

Integrating the Tesla Megapack battery will triple the instantaneous capacity of Bunya for export to the grid. Once the battery is commissioned, the power station will be able to respond to respond to the volatility in the 5 Minute pricing market. This allows LGI to export up to 1.8MW (instead of 0.6MW) at premium pricing periods, this provides a significant uplift in the price per MW achieved by the site. Keeping in mind that LGI has a 24/7 renewable energy source to recharge its batteries, this is a significant advantage over intermittent renewables such as wind and solar.

We are growing from 4.2MW to 20MW at our Canberra, Mugga lane site, with two new generation engines totaling 6.3MW of engine capacity and approximately 13.5MW of battery storage. We are forecasting output from the two new generator units in the second half of the current financial year.

The Business Development space has been busy. We reached agreement in June with Somerset Regional Council to manage biogas from their landfill at Esk, and work has begun. We have a contract to construct, operate and maintain a flaring project in Bathurst and will begin construction as soon as the Emissions Reduction Fund registration is in place. In addition to those projects, we are in advanced negotiations with a number of other landfill owners.

In FY24, we are working on a list of operating priorities.

We will continue to support our people, with investments in health and safety initiatives, training and career development.

We are expanding our power stations in Canberra, as well as Dakabin and Nowra.

We are working on upgrading network connections and rolling our DACS at all of our generation sites.

We are continuing to focus on chasing gas – increasing the volumes of biogas recovery to produce more electricity and ACCUs. Of the 18 sites where LGI has the rights to the biogas, 16 are open landfill which continue to receive new waste. Periodically, LGI installs additional wells and pipework to capture more biogas from this new waste. This provides LGI with contracted organic biogas growth.

FY23 has been a great year for LGI. We have kept everyone safe and built our team while we pursue our clean energy vision. Our network of gas recovery, carbon abatement and power generation sites performed very well, which delivered a strong financial performance in our first year as an ASX-listed company. We also built our growth momentum with some exciting new projects.

Looking at outlook for FY24:

***LGI reconfirms its guidance provided on 29 August 2023 of underlying EBITDA for FY24 to increase 6% to 14% on the pcp.***

I would like to thank all of the people of LGI for their energy, enthusiasm and hard work. The credit for our performance this year belongs to them.

I also want to thank the Board for their support and guidance during such a formative year for LGI.

Finally, thank you to our customers and shareholders for continuing to back LGI.

-- ENDS --

This announcement was authorised by the Board of LGI Limited.

**For further information please contact:**

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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 26 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.