

Half-Year Financial Report 31 December 2024

ABN 49 138 085 551

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Appendix 4D

LGI Limited

ABN 49 138 085 551

Results for announcement to the market for the half-year ended 31 December 2024

Financial Performance	Up / down	Change %	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Revenue from ordinary activities (excluding interest income)	up	6.7%	16,911	15,851
Statutory EBITDA	up	3.0%	7,260	7,048
Statutory Profit before income tax	down	22.2%	3,223	4,143
Statutory Profit after income tax	down	22.0%	2,402	3,099
Underlying EBITDA¹	up	3.0%	7,260	7,048

Net Tangible Asset Backing	Up / Down	Change %	31 Dec 2024 \$	30 Jun 2024 \$
Net tangible asset backing per share	Up	0.2%	0.549	0.548

Dividends	Amount per share (cents)	Tax rate for franking credit
Interim dividend per share for the half-year ended 31 December 2024 fully franked	1.2	25%
Final dividend per share for the year ended 30 June 2024 fully franked	1.3	25%
Interim dividend per share for the half-year ended 31 December 2023 fully franked	1.2	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. There were no items adjusted for in H1 FY25 or H1 FY24. The presentation of non IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner.

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

20th March 2025 and payable 27th March 2025.

This information should be read in conjunction with the 2024 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 2024 which have been reviewed.

People engineering a zero carbon, clean energy future

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Results at a Glance

FINANCIAL PERFORMANCE

\$15.6m

Net Revenue
Increase of 5.4%¹

\$12.3m

Gross Profit²
Increase of 6.2%¹

\$7.3m

EBITDA²
Increase of 3.0%¹

\$4.2m

EBIT²
Decrease of 6.8%¹

\$2.4m

NPAT
Decrease of 22.5%

47%

EBITDA margin³
Decrease 106 bcp¹

\$6.3m

Cashflow from operations²
Decrease of 17.7%¹

KEY PERFORMANCE METRICS

32 Sites under contract*

Increase of 0.0%⁴

*as at the date of this report

59.7 Million Cubic Metres

Biogas Flows
Increase of 4.5%¹

227,334 Australian Carbon Credit Units

Creation of carbon units
Increase of 6.8%¹

49.95 GigaWatt Hours

Renewable electricity generation
Increase of 7.0%¹

98%

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

¹ Compared to the prior corresponding period (pcp)

² There were no underlying adjustments to EBITDA, EBIT, Gross Profit or Cashflow from Operations during the period

³ EBITDA margin uses net revenue

⁴ Compared to 30 June 2024

Operating and Financial Review

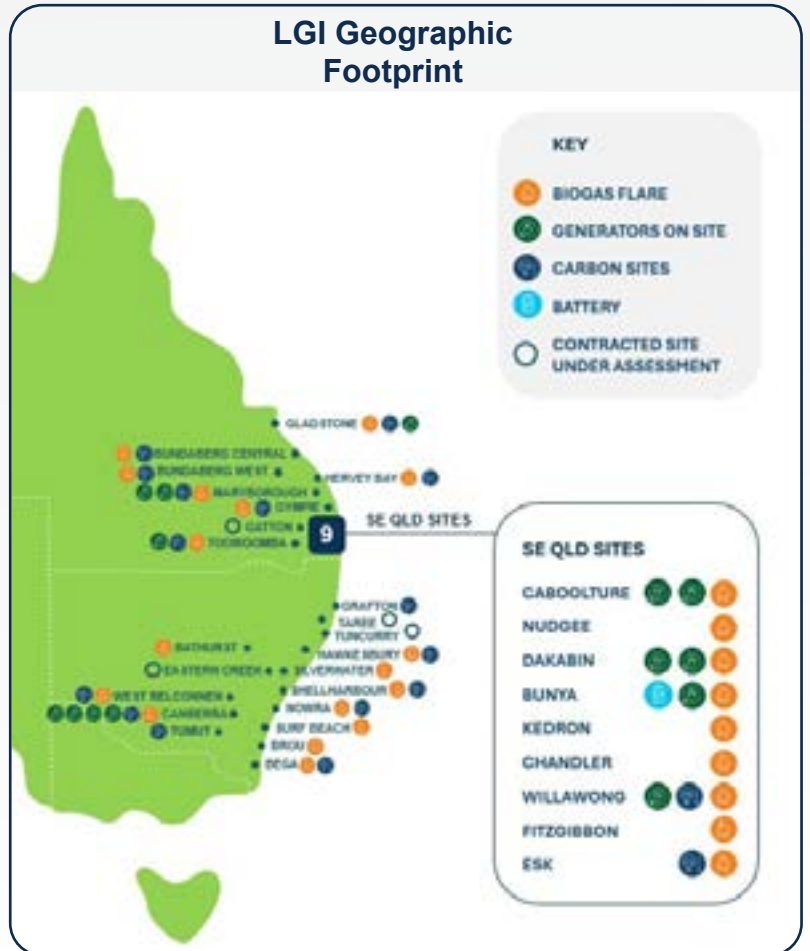
Our Business

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'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 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 rights to recover and beneficially reuse the biogas, and build-own-operate power facilities. LGI's revenue is derived from electricity, LGC's, Frequency Control Ancillary Service (FCAS) and ACCUs. LGI enhances electricity sales with a battery at it's Bunya site.
- **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.



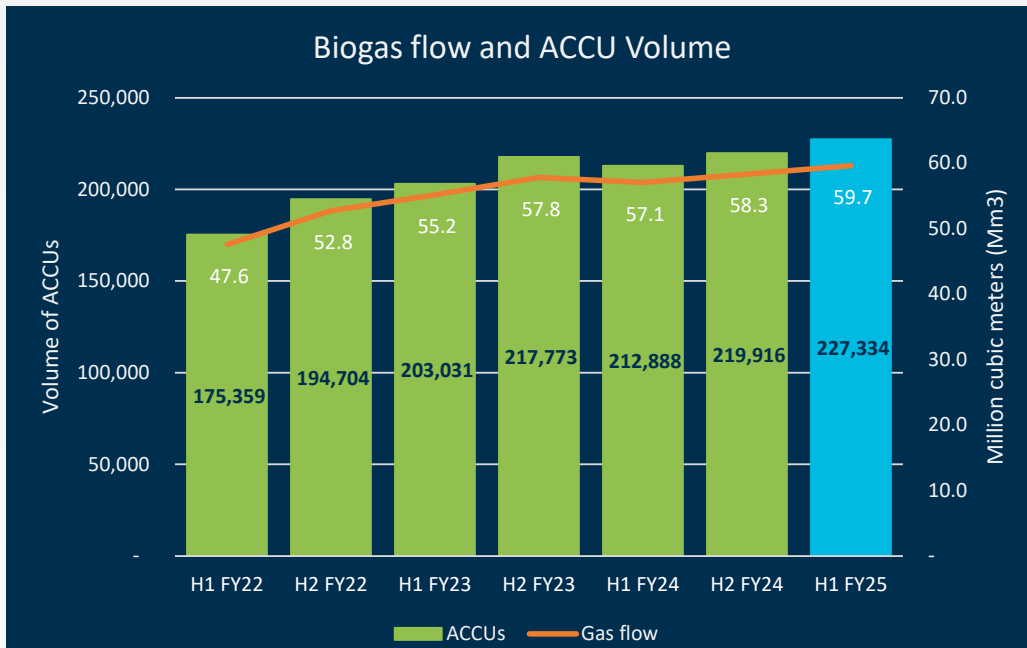
- **Site infrastructure and management:** Installation, operation and maintenance of biogas extraction infrastructure and flaring systems for landfill owners. This type of service agreement does not involve LGI having rights to the biogas and its beneficial reuse. LGI's revenue is derived from charging a fee based on the work requested by the client.

As at the date of this report, LGI has 32 contracted sites in Queensland, New South Wales and the Australian Capital Territory.

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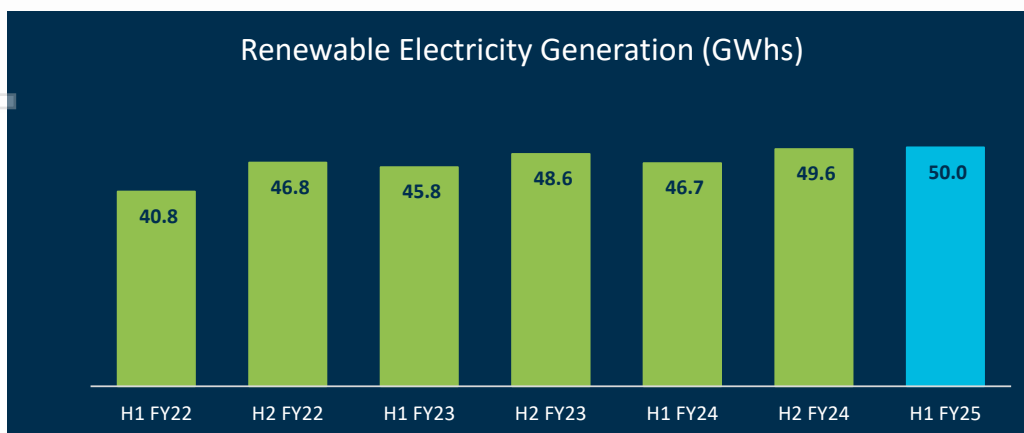
Operational Review

The majority of the landfills, where LGI is providing landfill biogas capture services, are open landfills receiving new waste periodically. With increased waste, there is increased biogas. LGI recognises this and invests in additional gas capture infrastructure at sites where LGI has the beneficial right to the biogas. Increased infrastructure results in increased biogas capture, correspondingly increased carbon abatement and the ability to increase renewable electricity generation.



In H1 FY25, LGI increased the biogas capture to 59.653 million cubic meters (M³m) of biogas from 57.063 M³m in H1 FY24, an increase of 4.5%.

LGI created 227,334 ACCUs in H1 FY25, compared to 212,888 in H1 FY24, representing an increase of 6.8% compared to the prior corresponding period (pcp).



The increase in biogas flows in H1 FY25 saw the renewable generation increase to 49,953 megawatt hours (MWhs) from 46,695 MWhs in H1 FY24 an increase of 7.0%. The commissioning of extra connection capacity and generation units at Canberra, late in the half, contributed to the increased MWh production in H1 FY25.

Renewable generation fleet availability was on average 97.5% for H1 FY25 (H1 FY24 97.0%) which is ahead of our target of 95%.

Financial Performance

As a result of the operational performance, total H1 FY25 statutory revenue and other income (excluding interest income) grew 6.7% versus pcp, to \$16.911 million while statutory EBITDA also grew 3.0% versus pcp, to \$7.260 million. Net profit after tax of \$2.402 million versus pcp \$3.099 million, a 22.5% decrease, was predominately a result of increased borrowing costs. Profitability remains strong with an Underlying EBITDA margin of 46.7%.

Summary Financial Performance

\$'000	HY25	HY24	Change %
Statutory Revenue and Other Income (excluding interest income)	16,911	15,851	6.7%
Net Revenue ²	15,560	14,769	5.4%
Statutory and underlying EBITDA¹	7,260	7,048	3.0%
Depreciation and amortisation	3,045	2,524	20.6%
Statutory and underlying EBIT¹	4,215	4,524	-6.8%
Net interest expense	992	381	160.4%
Income tax	821	1,044	-21.4%
Statutory and underlying net profit after tax (NPAT)¹	2,402	3,099	-22.5%

\$'000	HY25	HY24	Change %
Biogas flows ² (million cubic meters: mcm)	59.653	57.063	4.5%
MegaWatt hours (MWh) generated	49,953	46,695	7.0%
Generation fleet availability	97.5%	97.0%	
ACCUs created	227,334	212,888	6.8%
Net Revenue and Other Income (excluding interest income)	15,560	14,769	5.4%
Statutory and underlying EBITDA	7,260	7,048	3.0%
Underlying EBITDA margin ³	46.7%	47.7%	-106 bps
Statutory and underlying EBIT	4,215	4,524	-6.8%
Underlying EBIT margin ³	27.1%	30.6%	-354 bps

1. Underlying EBITDA, underlying EBIT and underlying net profit after tax are non IFRS measures that are reported to reflect the Directors' assessment of the underlying financial performance for ongoing business activities. These measures are unaudited. The presentation of non IFRS financial information provides stakeholders the ability to compare against prior periods in a consistent manner.

2. Net revenue is a non-IFRS measure that removes the value of the ACCUs provided to landfill owners as in-kind satisfaction of royalty payments.

3. Underlying EBITDA margin and underlying EBIT margin are based on Net Revenue

Business segment operational and financial results

Summary Segment Revenue and Gross Margin

\$'000	Revenue		Gross margin	
	HY25	HY24	HY25	HY24
Renewable generation - electricity, LGC's and other	7,242	8,337	5,089	6,011
Carbon Abatement - ACCUs	8,565	6,165	6,503	4,976
Infrastructure construction and site management	1,062	1,296	670	523
Other unallocated income (excluding interest)	42	-	21	(1)
Statutory reported gross margin results	16,911	15,798	12,283	11,509

Analysis of each segment is provided below. Gross Margin uses Cost of Sales and includes cost items directly relating to the generation of revenue including materials, fuel, equipment maintenance, freight, travel and vehicle expenses, profit sharing to the landfill owners and other costs.

Renewable Generation

First half renewable energy generation also increased 7.0% versus pcp, to 49,953 megawatt hours (MWh). The commissioning of extra connection capacity and generation units at Canberra, late in the half, contributed to the increased MWh production in H1 FY25.

Renewable Generation segment operational and financial results¹

	HY25	HY24	Change
Generation - Electricity and LGC's	Statutory	Statutory	%
Operating metrics			
Biogas flows ² (million cubic meters: mcm)	41.8	40.9	2.2%
MegaWatt hours (MWhs) generated	49,953	46,695	7.0%
Large Scale Generation Certificates (LGCs) created	49,186	46,118	6.7%
Profitability			
Electricity revenue (including hedge position and FCAS) (\$'000)	6,081	6,901	-11.9%
LGC revenue (\$'000)	1,162	1,436	-19.1%
Total revenue (\$'000)	7,242	8,337	-13.1%
Total revenue growth (%)	-13%		
Gross Margin (\$'000)	5,089	6,011	-15.3%
Gross Margin percentage (%)	70%	72%	-183 bps

1. The Renewable Generation segment includes all revenue and costs associated with the generation of electricity revenue, this will include all renewable generation sites. Where a site started generating electricity during the period, it is only included in the segment for the months after it started generating electricity.
2. Gas flows are included for all renewable generation sites. At a number of sites, both electricity generation and carbon abatement occur. The gas flows for these sites are included in both the Renewable Generation segment and the Carbon Abatement segment.

Carbon Abatement - ACCUs

Increase in biogas flows in H1 FY25 by 3.2% resulted in the growth of ACCUs being created. During the period, the first gas flows and ACCUs were created from the new Tumut and Esk sites.

Carbon Abatement segment operational and financial results¹

Carbon Abatement (\$'000)	HY25 Statutory	HY24 Statutory	Change %
Operating metrics			
Biogas flows ² (million cubic meters: mcm)	48.4	46.9	3.2%
ACCUs created or acquired	227,334	212,888	6.8%
Profitability			
ACCU revenue (\$'000)	8,565	6,165	38.9%
Total revenue growth (%)	39%		
Gross Margin (\$'000)	6,503	4,976	30.7%
Gross Margin percentage (%)	76%	81%	-479 bps

1. The Carbon Abatement segment includes all revenue and costs associated with the creation of ACCUs, this includes most generation sites and all flaring sites. Where a site starts abatement during the period, it is included in this segment from the month it starts creating ACCUs. Where a site finishes carbon abatement, it is included in the segment up to the month it finishes creating ACCUs.
2. Gas flows are included for all Carbon Abatement sites. At a number of sites, both electricity generation and carbon abatement occur. The gas flows for these sites are included in both the Renewable Generation segment and the Carbon Abatement segment.

Infrastructure Construction and Site Management

During H1 FY25, LGI's investment in gas capture infrastructure was focused at the sites where LGI has the beneficial right to the biogas. As a result, revenue from paid infrastructure construction jobs decreased in H1 FY25. The gross margins on paid infrastructure and site management revenue for H1 FY25 increased by 28.1% pcp.

Infrastructure Construction and Site Management financial results

Infrastructure & Site Management (\$'000)	HY25 Statutory	HY24 Statutory	Change %
Profitability			
Infrastructure construction revenue (\$'000)	707	1,035	-31.7%
Site Management revenue (\$'000)	355	261	36.0%
Total revenue (\$'000)	1,062	1,296	-18.1%
Total revenue growth (%)	-18%		
Gross Margin (\$'000)	670	523	28.1%
Gross Margin percentage (%)	63%	40%	2,275 bps

Cash flow

During H1 FY25 Cash flows in investing activities continued with the expansion of LGI's Canberra power station and the construction of the Eastern Creek power station in Sydney. These investments were primarily funded by operating cash flows and partly out of debt. LGI's H1 FY25 underlying operating cash flows of \$6.261 million decreased compared to H1 FY24 by 17.7%.

(\$'000)	HY25	HY24	Change %
Statutory and underlying EBITDA	7,260	7,048	3.1%
Statutory and underlying operating cash flow	6,261	7,612	-17.7%
Statutory and underlying EBITDA cash conversion	86.2%	108.0%	-20.2%
Statutory and underlying cash from operating activities	6,261	7,612	-17.7%
Statutory and underlying cash (used) in investing activities	(7,782)	(10,327)	-24.6%
Statutory and underlying cash from financing activities	1,019	10,343	-90.1%
Statutory and underlying net change in cash and cash equivalents	(502)	7,628	-106.6%

Underlying EBITDA and Underlying cash flows are non IFRS measures that are reported to reflect the Directors' assessment of the underlying financial performance for ongoing business activities. These measures are unaudited.

Debt position and debt ratios

The increase in net debt of \$2.9 million, was predominately used to fund power station construction. The Company has significant headroom in its primary debt facility of \$25.5 million.

(\$'000)	as at 31 Dec 2024	as at 30 Jun 2024
Leases ¹	2,271	2,492
Balance of debt facility	21,800	19,200
Gross debt	24,071	21,692
Cash and cash equivalents	1,936	2,438
Net debt	22,135	19,254
Net debt to EBITDA ratio (times) ²	1.5	1.4
Interest cover ratio ³	5.5	8.7

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

2. Ratio is calculated using annualised EBITDA for the period January 2024 to December 2024.

3. Ratio is calculated using annualised EBIT and finance costs for the period January 2024 to December 2024.

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 2024.

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 Sustainability 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 and storage 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 2024 after providing for income tax amounted to \$2.402m (31 December 2023 \$3.099m).

Dividends

During the half-year a final dividend of \$1.155m was paid for the financial year ended 30 June 2024 of 1.3 cents per share (\$1.060m at 1.2 cents per share paid for the financial year ended 30 June 2023).

On the 14th February 2025, the Directors declared an interim dividend of 1.2 cents per share, fully franked for the half-year ended 31 December 2024 (31 December 2023 1.2 cents). The dividend is payable 27th March 2025.

Subsequent Events

Other than the dividends declared subsequent to the reporting period there are no matters or circumstances that have arisen since 31 December 2024 that have significantly affected, or may significantly affect the operations of LGI, the results of those operations, or the state of affairs of LGI in the future.

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 2024 \$'000	31 Dec 2023 \$'000
Profit after income tax expense	2,402	3,099
Depreciation and amortisation	3,045	2,524
Finance costs	1,055	448
Interest income	(63)	(67)
Income tax expense	821	1,044
Statutory and Underlying EBITDA	7,260	7,048

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 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 13.

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 14th day of February 2025

Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY J W KNIGHT TO THE DIRECTORS OF LGI LIMITED

As lead auditor for the review of LGI Limited for the half-year ended 31 December 2024, 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 'J W Knight', is written over a light grey watermark that says 'For personal use only'.

J W Knight
Director

BDO Audit Pty Ltd

Brisbane, 14 February 2025

Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2024

Revenue	Notes	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Revenue from contracts with customers	3	7,173	8,197
Environmental Certificates income	3	9,727	7,601
Other income	3	74	121
Expenses			
Cost of Goods Sold		(4,628)	(4,289)
Employee benefits expense		(3,498)	(3,083)
Depreciation and amortisation expense		(3,045)	(2,524)
Finance costs		(1,055)	(448)
Professional fees		(410)	(425)
Insurance expense		(359)	(350)
Occupancy expenses		(102)	(99)
Other expenses		(654)	(558)
Profit before income tax		3,223	4,143
Income tax expense		(821)	(1,044)
Profit after income tax for the half-year		2,402	3,099
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss:			
Net change in the fair value of cash flow hedges		(319)	339
Income tax relating to cashflow hedges		80	(85)
Other comprehensive income for the year, net of tax		(239)	254
Total comprehensive income for the half-year attributable to the shareholders of LGI Limited		2,163	3,353
Earnings per share			
			Cents
Basic earnings per share		2.7	3.5
Diluted earnings per share		2.7	3.5

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 2024

Assets	Notes	31 Dec 2024 \$'000	30 June 2024 \$'000
Current Assets			
Cash and cash equivalents		1,936	2,438
Trade and other receivables		898	909
Environmental Certificates	6	14,906	14,992
Other assets	5	3,206	2,900
Total Current Assets		20,946	21,239
Non-Current Assets			
Property, plant and equipment	7	62,038	55,773
Intangible assets	8	5,165	4,203
Other assets	5	6,442	7,376
Total Non-Current Assets		73,645	67,352
Total Assets		94,591	88,591
Liabilities			
Current Liabilities			
Trade and other payables	9	4,799	3,753
Borrowings	10	1,158	1,044
Provisions		581	416
Current tax liabilities		2,199	1,139
Derivative financial instruments	11	1,141	868
Total Current Liabilities		9,878	7,220
Non-Current Liabilities			
Borrowings	10	26,124	23,621
Provisions		236	194
Deferred tax liabilities		4,435	4,753
Derivative financial instruments	11	8	-
Total Non-Current Liabilities		30,803	28,568
Total Liabilities		40,681	35,788
Net Assets		53,910	52,803
Equity			
Issued capital		32,352	32,231
Reserves		(79)	197
Retained earnings		21,637	20,375
Total Equity		53,910	52,803

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 2024

	Notes	Issued share capital \$'000	Retained earnings \$'000	Share based payment reserve \$'000	Hedge reserve \$'000	Total Equity \$'000
Balance at 1 July 2024		32,231	20,375	820	(623)	52,803
Comprehensive income						
Profit after income tax for the half year		-	2,402	-	-	2,402
Net gain on cashflow hedge (net of tax)		-	-	-	(239)	(239)
Total comprehensive income for the half year		-	2,402	-	(239)	2,163
Transactions with owners, in their capacity as owners						
Shares issued during the period (net of costs)		121	-	-	-	121
Share based payments		-	15	(37)	-	(22)
Dividends paid	4	-	(1,155)	-	-	(1,155)
Transactions with owners, in their capacity as owners		121	(1,140)	(37)	-	(1,056)
Balance at 31 December 2024		32,352	21,637	783	(862)	53,910
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
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

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 2024

	Notes	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Cash Flows From Operating Activities			
Receipts from customers inclusive of GST		16,924	18,785
Payments to suppliers and employees inclusive of GST		(9,697)	(10,500)
Interest received and other income		39	34
Interest paid		(1,005)	(448)
Income tax paid or received		-	(259)
Net cash provided by operating activities		6,261	7,612
Cash Flows From Investing Activities			
Purchase of property, plant and equipment		(7,859)	(9,632)
Proceeds from property, plant and equipment		127	-
Purchase of intangible assets		(950)	(666)
Term deposits held as security		900	(29)
Net cash used in investing activities		(7,782)	(10,327)
Cash Flows From Financing Activities			
Proceeds from issue of shares (net of cost)		92	-
Payment of dividends	4	(1,155)	(1,060)
Proceeds from borrowings		2,672	15,792
Repayment of borrowings		-	(4,000)
Principal lease payments		(590)	(389)
Net cash provided by financing activities		1,019	10,343
Cash and cash equivalents at the beginning of the half- year		2,438	52
Net increase (decrease) in cash held		(502)	7,628
Cash and cash equivalents at the end of the half-year		1,936	7,680

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 2024

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 2024. 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 2024 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 2024.

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 renewable electricity and Large Scale Generation Certificates (LGCs). Frequency Control Ancillary Service (FCAS) revenue derived from LGI's power station batteries is also included in this segment.
- **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 2024					
Sales to external customers	7,242	8,565	1,062	42	16,911
Cost of goods sold	(2,153)	(2,062)	(392)	(21)	(4,628)
Gross Profit	5,089	6,503	670	21	12,283
Total other income and expenses				(5,023)	(5,023)
EBITDA*				(5,002)	7,260
Depreciation & amortisation				(3,045)	(3,045)
Interest income				63	63
Finance costs				(1,055)	(1,055)
Profit/(loss) before income tax expense				(9,039)	3,223
Income tax expense				(821)	(821)
Profit/(loss) after income tax expense				(9,860)	2,402
31 December 2023					
Sales to external customers	8,337	6,165	1,296	-	15,798
Cost of goods sold	(2,326)	(1,189)	(773)	(1)	(4,289)
Gross profit	6,011	4,976	523	(1)	11,509
Total other income and expenses				(4,461)	(4,461)
EBITDA*				(4,462)	7,048
Depreciation & amortisation				(2,524)	(2,524)
Interest income				67	67
Finance costs				(448)	(448)
Profit/(loss) before income tax expense				(7,367)	4,143
Income tax expense				(1,044)	(1,044)
Profit/(loss) after income tax expense				(8,411)	3,099

* 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 2024 \$'000	31 Dec 2023 \$'000
Revenue from contracts with customers		
Electricity and related services - over time	6,369	3,414
Net gain/(loss) on electricity derivative financial instruments	(376)	3,398
Infrastructure construction – over time	707	1,035
Biogas management services – over time	314	254
Other revenue – point in time	159	96
Total revenue from contracts with customers	7,173	8,197
Environmental Certificates income		
Large-scale generation certificates (LGCs)	1,162	1,436
Australian carbon credit units (ACCUs)	8,565	6,165
Total Environmental Certificates income	9,727	7,601
Other Income		
Interest income	63	68
Sundry income	11	53
Total other income	74	121
Total revenue and other income	16,974	15,919

Note 4: Dividends

	31 Dec 2024 \$'000	31 Dec 2023 \$'000
Dividends paid during the financial half-year		
Final dividend paid for the year ended 30 June 2024 of 1.3 cents per share fully franked (1.2 cents per share for the year ended 30 June 2023)	1,155	1,060
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 2023 1.2 cents per share)	1,066	1,060

Note 5: Other Assets

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current		
Prepayments	772	255
Accrued income	803	861
Shareholder loans ¹	133	144
Other current assets	1,498	1,640
Total Current Other Assets	3,206	2,900
Non-Current		
Shareholder loans ¹	442	476
Security deposits ²	-	900
Other non-current assets	6,000	6,000
Total Non-Current Other Assets	6,442	7,376

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

²Security deposits held at 30 June 2024 were returned to cash at bank during the period. Previously, the security deposits supported \$0.9 million of bank guarantees provided by LGI. At 31 December 2024, \$0.985m of bank guarantees were supported by the \$1.0m bank Contingent Liability Facility (refer Note 10).

Note 6: Environmental Certificates

	31 Dec 2024 \$'000	30 June 2024 \$'000
Current Environmental Certificates		
Australian carbon credit units (ACCU's)	14,482	14,035
Large scale generation certificates (LGC's)	424	957
Total Current Environmental Certificates	14,906	14,992

Note 7: Property, Plant and Equipment

	Plant & equipment \$'000	Plant & equipment under lease \$'000	Right of use buildings, land & vehicles \$'000	Projects under construction \$'000	Total \$'000
Net carrying amounts					
31 December 2024					
Cost	61,092	3,859	3,868	17,562	86,381
Accumulated depreciation	(21,605)	(1,688)	(1,050)	-	(24,343)
Net carrying amount	39,487	2,171	2,818	17,562	62,038
30 June 2024					
Cost	47,952	3,651	3,461	22,377	77,441
Accumulated depreciation	(19,565)	(1,259)	(844)	-	(21,668)
Net carrying amount	28,387	2,392	2,617	22,377	55,773
Movements in carrying amounts					
Balance at 1 July 2024	28,387	2,392	2,617	22,377	55,773
Additions	2,247	163	407	6,328	9,145
Disposals	(103)	(12)	-	-	(115)
Depreciation & amortisation	(2,187)	(372)	(206)	-	(2,765)
Transfers in/(out) of work in progress	11,143	-	-	(11,143)	-
Balance at 31 December 2024	39,487	2,171	2,818	17,562	62,038

During the period, LGI recognised no impairment of property, plant and equipment.

Note 8: Intangible Assets

	Goodwill \$'000	Licences \$'000	Total \$'000
Net carrying amounts			
31 December 2024			
Cost	314	6,395	6,709
Accumulated amortisation and impairment	-	(1,544)	(1,544)
Net carrying amount	314	4,851	5,165
30 June 2024			
Cost	314	5,172	5,486
Accumulated amortisation and impairment	-	(1,283)	(1,283)
Net carrying amount	314	3,889	4,203
Movements in carrying amounts			
Balance at 1 July 2024	314	3,889	4,203
Additions	-	1,242	1,242¹
Amortisation expense	-	(280)	(280)

During the period, LGI recognised no impairment of intangible assets or goodwill.

Note 9: Trade and Other Payables

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current		
Trade payables	1,327	893
Payroll liabilities	228	68
Accrued royalties and other expenses	3,244	2,792
Total Current trade and other payables	4,799	3,753

Note 10: Borrowings

	31 Dec 2024 \$'000	30 Jun 2024 \$'000
Current		
Plant and equipment - lease liability	767	774
Land, buildings and vehicles - right of use lease liability	427	308
Less: Borrowing costs	(36)	(38)
Total Current Borrowings	1,158	1,044
Non-Current		
Bank loans	21,800	19,200
Plant and equipment - lease liability	1,504	1,718
Land, buildings and vehicles - right of use lease liability	2,868	2,768
Less: Borrowing costs	(48)	(65)
Total Non-Current Borrowings	26,124	23,621
Total Borrowings	27,282	24,665

Bank loans comprise the following CBA facility:

Facility	Total Facility '000	Utilised		Interest rate	
		31 Dec 2024 \$'000	30 Jun 2024 \$'000	31 Dec 2024 %	30 Jun 2024 %
Project Loans	47,350	21,800	19,200	6.97	7.00
Overdraft	500	nil	nil	10.12	10.12
Contingent liability	1,000	985	85	1.75	1.75

Note 11: Financial Instruments

Fair value measurements

The fair value measurement principles adopted in this report are consistent with those applied in the annual financial report for 30 June 2024. 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 2024 \$'000	30 Jun 2024 \$'000
Current derivative financial liabilities		
Electricity price swaps – cash flow hedges	1,141	831
Option premiums received in advance	-	37
Non-Current financial liabilities		
Electricity price swaps - cash flow hedges	8	-
Hedge reserve (Cash flow hedges net of tax)		
Electricity price swaps – cash flow hedges	(862)	(623)

Note 12: Capital Expenditure Commitments

At 31 December 2024, LGI had commitments for the acquisition of power generation and battery plant & equipment of \$11.1 million (30 June 2024: \$5.4 million).

Note 13: Events Subsequent to reporting date

Other than the dividends declared subsequent to the reporting period there are no matters or circumstances that have arisen since 31 December 2024 that have significantly affected, or may significantly affect the operations of LGI, the results of those operations, or the state of affairs of LGI in the future.

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 2024 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 14th day of February 2025



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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 2024, 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, material accounting policy information 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 2024 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.

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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 2024 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 'J W Knight', is written over a small, faint BDO logo.

J W Knight
Director

Brisbane, 14 February 2025

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