



# AGM PRESENTATION FINANCIAL YEAR 2021





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# Online Attendees – Audio Question Process

## ONLINE ATTENDEES – AUDIO QUESTION PROCESS



When the audio questions line is available, a link will appear on the home tab titled **Asking Audio Questions**

If you would like to ask an audio question, **pause the meeting broadcast** and click on the link

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue

123-456-789

HOME

MESSAGING

VOTING

### Instructions

#### Watching the Webcast

Press **play** to begin the broadcast. Ensure your device isn't muted and the volume is turned up. On mobile devices, the broadcast can be minimised and audio will continue to play.

#### Asking Text Questions

Select the **MESSAGING** tab at the top of this page, then type your question in the box provided and press the send arrow.

#### Asking Audio Questions

If you would like to ask a question verbally, **pause the broadcast** and then click **HERE**. You will be connected to the audio questions line where you can listen to the meeting while waiting to ask your question. Please return to this page if you have any issues.

#### Voting

When voting opens, a **VOTING** tab will appear at the top of the screen. Selecting this tab will open a list of resolutions, select **For**, **Against** or **Abstain** to cast your vote. There is no enter or send button. You may however cancel your vote and enter a new selection while voting is open.



# Online Attendees – Text Question Process



## ONLINE ATTENDEES – TEXT QUESTION PROCESS

When the question function is available, the messaging tab will appear at the top of the screen



To submit a question, type your question in the “Ask a question” box and press the send arrow



Your question will be sent immediately for review

✓ Received

123-456-789

HOME

MESSAGING

VOTING

Messaging

Ask a question



**Moderator**

Type your question in the box above and then press the send arrow. Please include the number of the resolution at the beginning of your question. Questions may be moderated or amalgamated if there are multiple questions on the same topic

## ONLINE ATTENDEES – VOTING



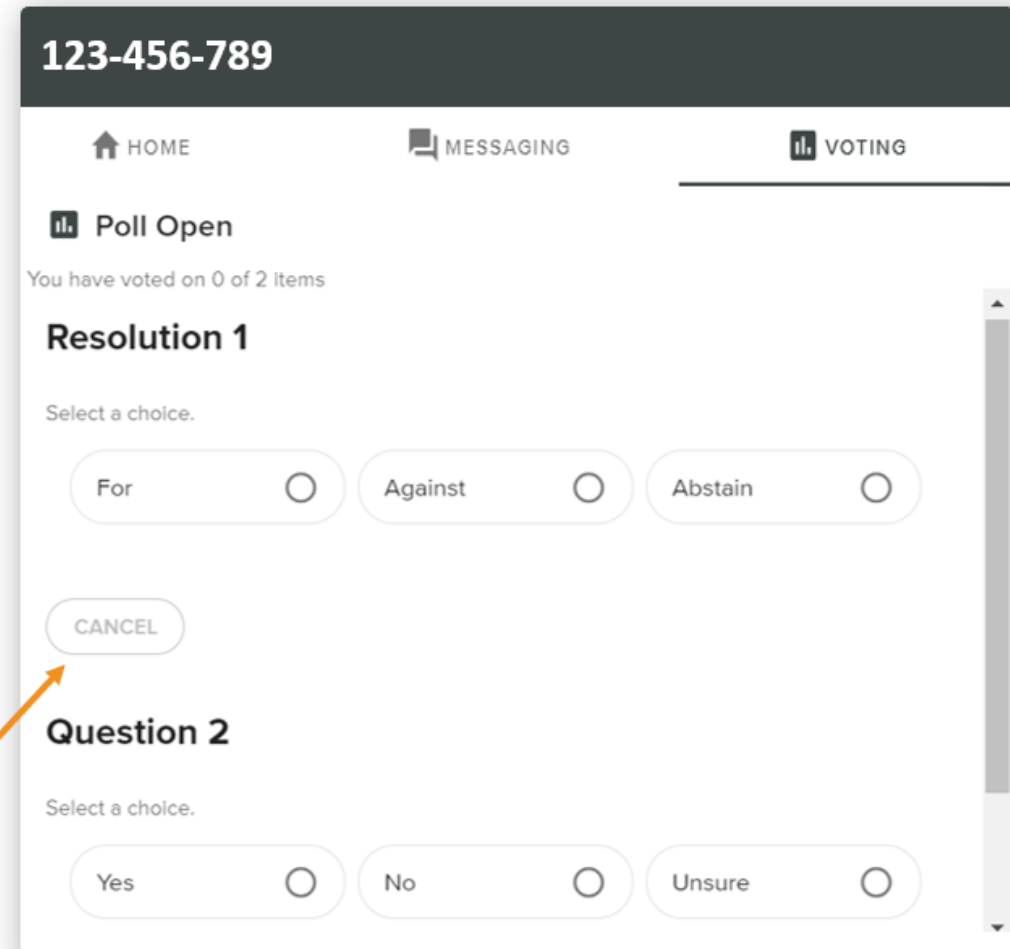
When open, the vote will be accessible by selecting the voting tab at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For  Against  Abstain

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed



The screenshot shows a mobile application interface for voting. At the top, there is a dark header with the phone number "123-456-789". Below the header are three navigation tabs: "HOME", "MESSAGING", and "VOTING", with "VOTING" being the active tab. The main content area displays "Poll Open" and a status message "You have voted on 0 of 2 items". The first poll item is "Resolution 1" with the instruction "Select a choice.". It features three radio button options: "For" (selected, highlighted in orange), "Against", and "Abstain". Below these options is a "CANCEL" button. The second poll item is "Question 2" with the instruction "Select a choice.". It features three radio button options: "Yes", "No", and "Unsure". An orange arrow points from the "CANCEL" button in the first poll to the text in the third callout box.



# Introductions



**Andrew Purcell**  
Independent Director and Chairman



**Brett Tredinnick**  
Group CEO and Executive Director



**Austen Perrin**  
Non-executive Director

- Chairman of the Audit and Risk Committee



**Francis Egan**  
Executive Director,  
UK CEO



**Julian Ball**  
Director

- Chairman of the Human Resources and Nomination Committee

**Chairman's Address**

**Group CEO Address – Brett Tredinnick**

**Q&A**

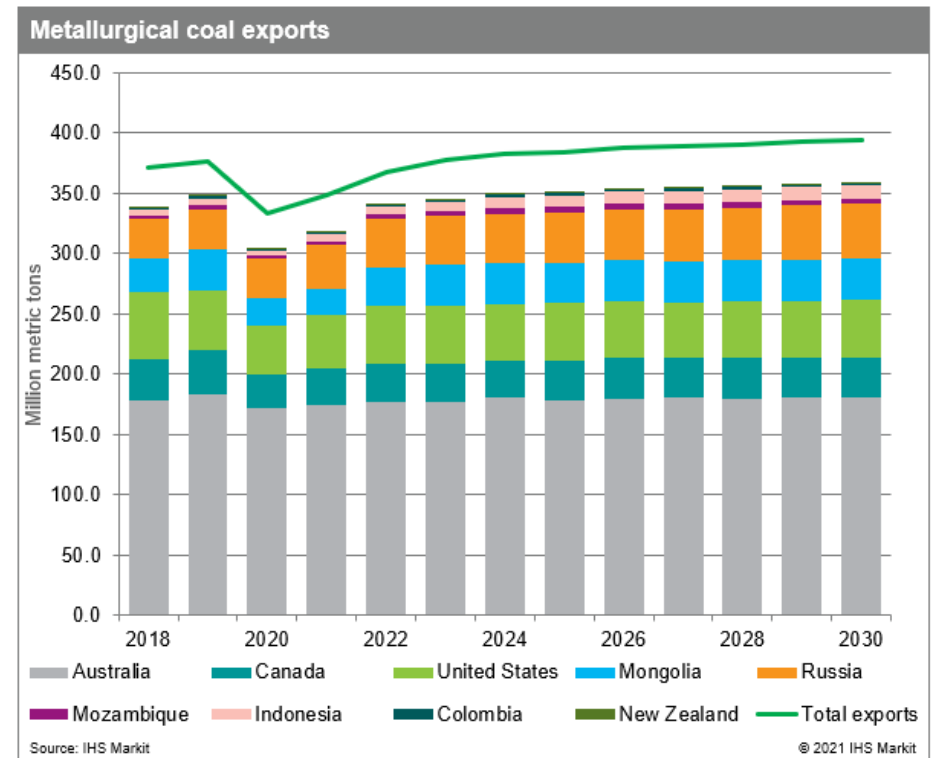
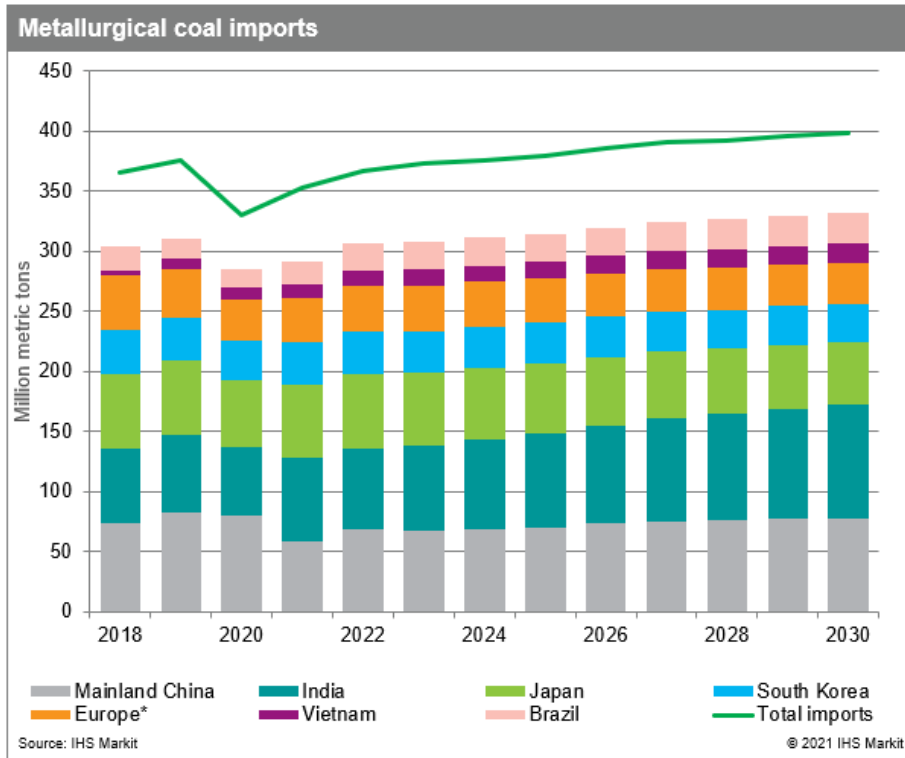
**Formal Business Agenda:**

- 1. Receive and Consider financial statements and reports**
- 2. Resolution 1:                   - Remuneration Report**
- 3. Resolutions 2-3:           - Director re-elections**



# Chairman's Address – Andrew Purcell

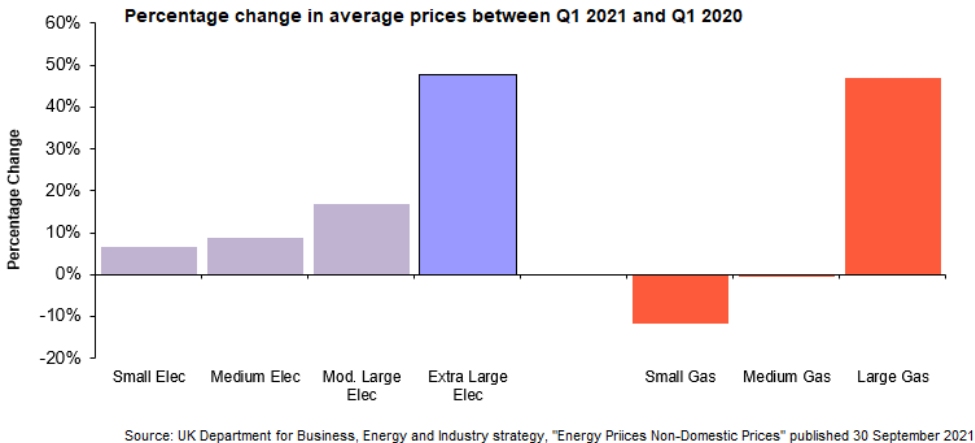
- Successful measures to manage impact of COVID19
- Metallurgical coal price is a key driver of demand for our drilling services
- Demand for Australian Metallurgical coal is expected to remain high despite Australia / China trade tensions



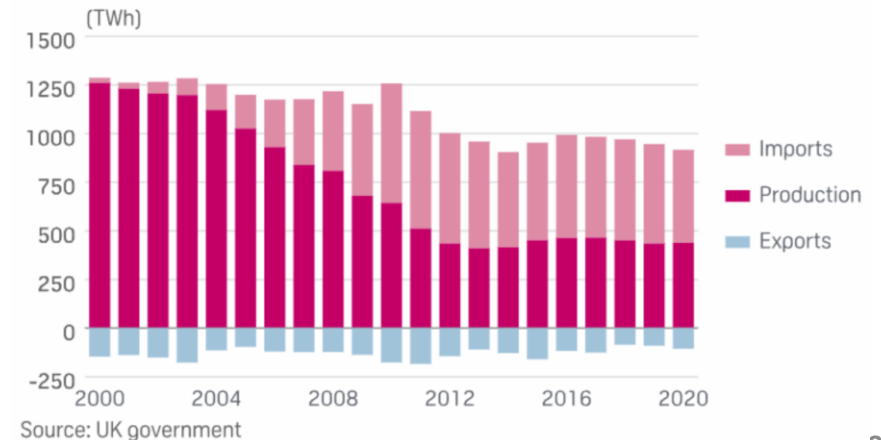


# Chairman's Address – Andrew Purcell

- Continue to engage with UK regulator
- Energy transition to low carbon economies underway
- Impacting on domestic and industry energy prices
- Gas is acknowledged as a key transitional energy
- UK Gas prices at record highs driven by demand from Asia
- Abundant amount of clean gas available onshore in UK that cannot be explored and developed as a result of the current moratorium



## UK REMAINS DEPENDENT ON GAS IMPORTS



# CEO Address - BRETT TREDINNICK

- **Welcome**
- **2 Business Units**
- **Group Financial Performance**
- **Achievements**
- **UK operations**
- **Priorities for current year**
- **Loyal workforce and customer base**

## AUSTRALIAN OPERATIONS

### DRILLING SERVICES (LDS)

Major drilling services provider to the east coast Australian coal sector for mine degassing and exploration

Delivering intelligent and practical solutions to support Australian mining sector



## UK OPERATIONS

### OIL & GAS

Appraisal and commercialisation of unconventional hydrocarbons in the UK

One of the largest shale gas acreage positions in the UK





# Financial results - Highlights

## Cash flows highlights

- Improvement in cash from operating activities
- Driven primarily by reduced finance costs
- Cash generated from operating activities in FY21 was used to repay debt and invest in Australian operations

## Financial performance highlights

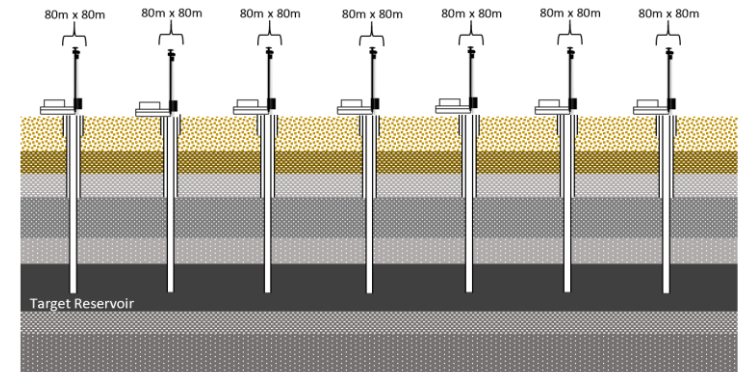
- Operations delays by Key Customers caused revenue to fall to \$111m
- Strong EBITDA maintained despite revenue decrease
- Significant Group EBITDA margin improvement

	FY21 \$'000	FY20 \$'000
<b>Cash flows</b>		
Cash from operations	21,538	22,173
UK Research and Development incentive	4,258	0
Finance costs	(6,174)	(20,169)
<b>Net Cash from operating activities</b>	<b>19,622</b>	<b>2,004</b>
Net Investment in UK	0	(11,013)
Net Investment in plant	(1,654)	(8,736)
<b>Net Cash used in investing activities</b>	<b>(1,654)</b>	<b>(19,749)</b>
Net proceeds / (repayment) of borrowings *	(15,880)	5,215
Net proceeds from shares issued	0	3,444
<b>Net Cash used in investing activities</b>	<b>(15,880)</b>	<b>8,659</b>
<small>*Includes transaction costs</small>		
<b>Income Statement</b>		
Group Revenue	111,086	146,746
Australian operations EBITDA	21,913	23,681
UK operations EBITDA	(1,057)	(960)
<b>Group EBITDA</b>	<b>20,856</b>	<b>22,721</b>
Group EBITDA Margin	18.8%	15.5%

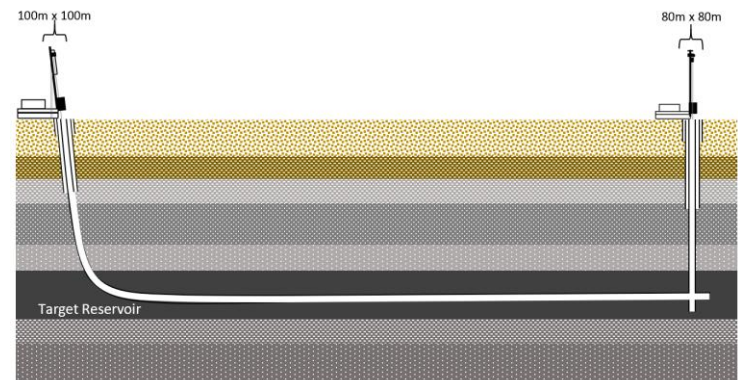
# Achievements in Australian Operations

- **Investing in people through**
  - Leadership development
  - Refinement and expansion of operational excellence program
  - High performing teams' program
  
- **Investing in expanding Directional Drilling (“DD”) capabilities**
  - Reduces number of vertical wells leading
  - Saves costs to our customers
  - Reduced environmental footprint
  
- **Industry leading safety**
  - Total Recordable Injury Frequency Rate of 0 on customer sites
  - No LTI’s since 2013

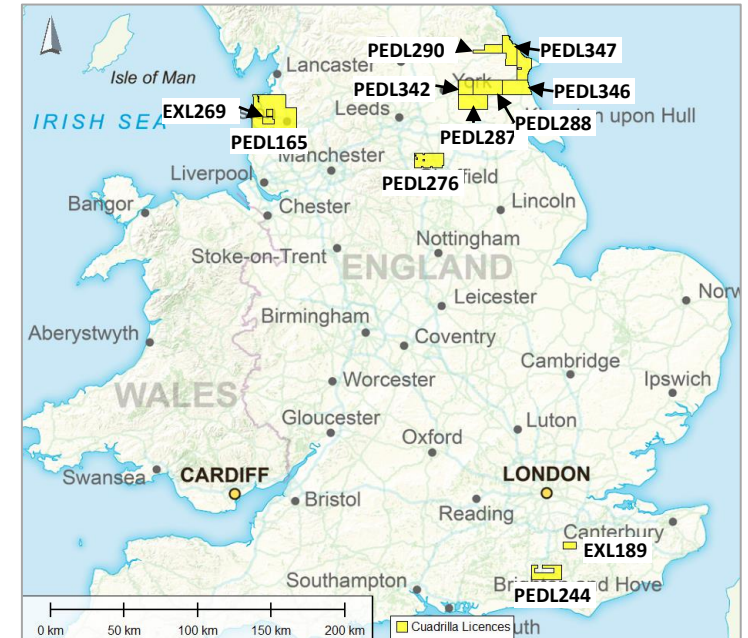
*Traditional degasification of coal mines requires multiple vertical wells and surface footprints.*



*DD allows access to more reservoir significantly reducing number of wells and surface footprint*



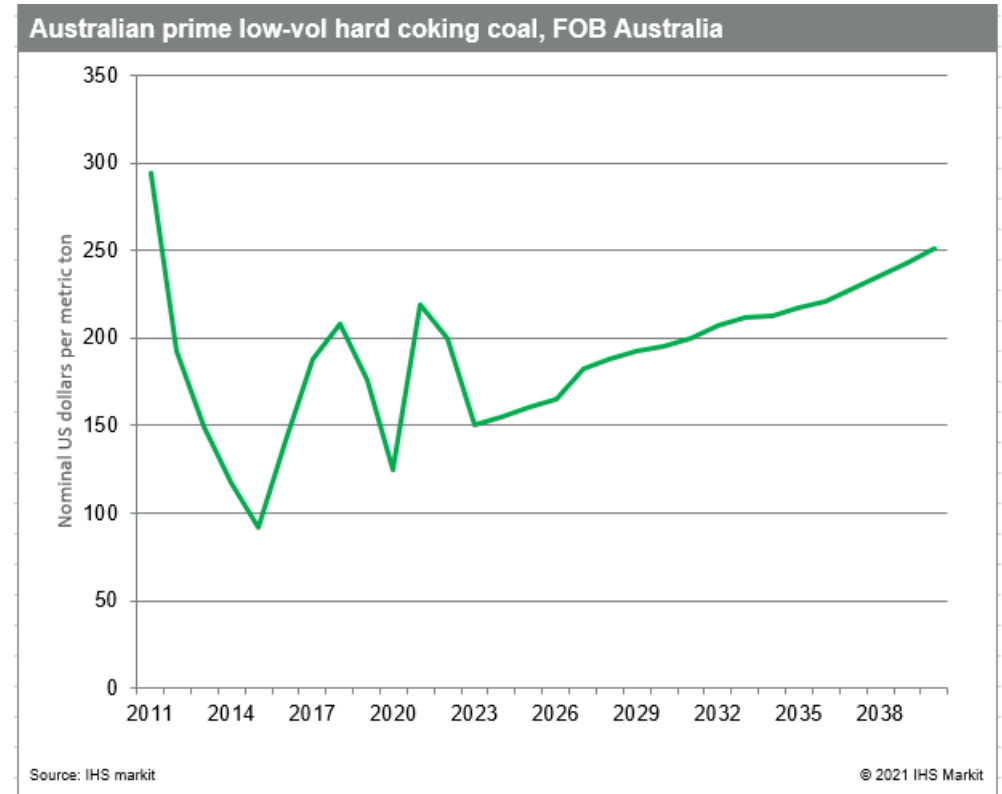
- UK Government & Climate Change committee recognize that gas will be a key component of UK “net zero” target
- UK Govt moratorium on hydraulic fracturing in England announced in November 2019
- Means that development of the relatively clean home-grown gas cannot currently progress
- Gas being imported from Russia and Qatar which is both expensive and highly carbon intensive
- These policy settings have contributed to unprecedentedly high energy prices in the UK
- This is likely to become more intense in the northern winter
- We continue to try an engage with the regulator on this complex situation whilst also assessing other opportunities for existing sites such as geothermal and battery storage.





# Australian Operations outlook

- Metallurgical coal market is a key driver of our Australian Operations
- Metallurgical coal is currently at record levels despite trade issues with China
- Positive indicators underpin forecast
- Queensland has some of the highest quality Metallurgical coal globally
- Strong Order book





AGM 2021

 **LUCAS**

QUESTIONS



**Receive and consider**

**Directors and Financial reports**

**There is no vote on this item**



# Resolution 1: Adoption of Remuneration Report

PROXY VOTE TOTALS			
Vote Type	No. Voted	% Voted	% of all securities
For	834,242,026	97.65	69.74
Against	19,608,174	2.30	1.64
Open	478,251	0.05	0.04
Abstain / excluded	17,399,662	n/a	1.45



# Resolution 2: Re-election of Andrew Purcell

PROXY VOTE TOTALS			
Vote Type	No. Voted	% Voted	% of all securities
For	867,550,638	99.79	72.52
Against	1,390,425	0.16	0.12
Open	478,251	0.05	0.04
Abstain / excluded	2,308,799	n/a	0.19



# Resolution 3: Re-election of Julian Ball

PROXY VOTE TOTALS			
Vote Type	No. Voted	% Voted	% of all securities
For	867,550,313	99.79	72.52
Against	1,390,425	0.16	0.12
Open	478,251	0.05	0.04
Abstain / excluded	2,309,124	n/a	0.19