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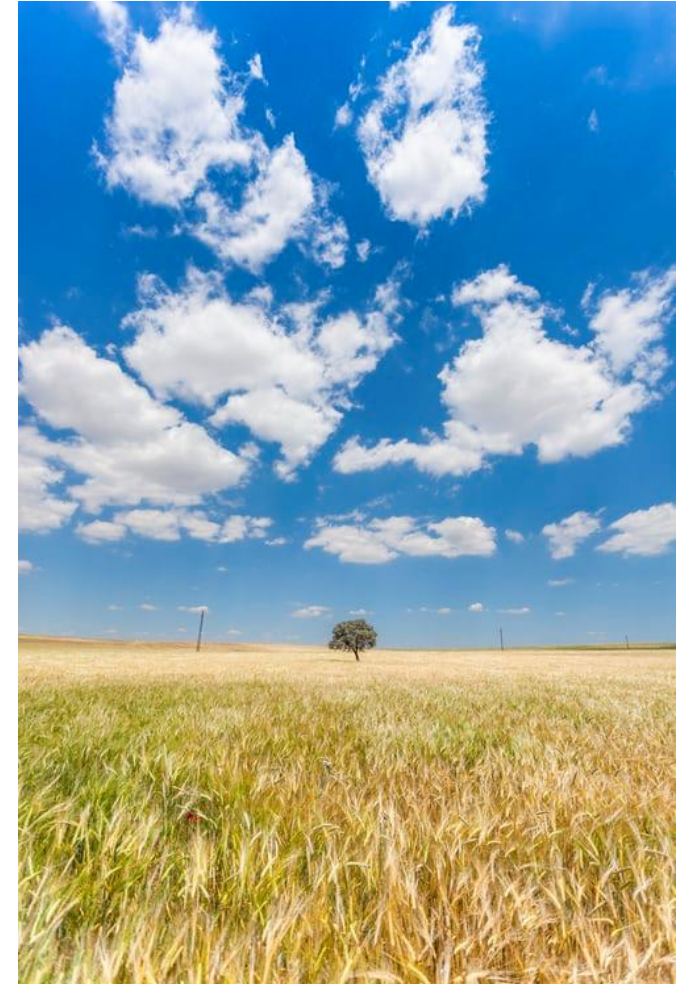
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Agenda

- Chairman's welcome, introduction of board members
- Notice of meeting – taken as read
- Chairman's report
- FY20 Outlook
- Managing Directors report
- Business – notice of meeting items
- Financial statements and reports
- Resolutions
- Other business



Board Members

Lynn Richardson Non Executive Chairman

Dean Dowie Managing Director

David Cartney Non Executive Director

Ellis Richardson Non Executive Director



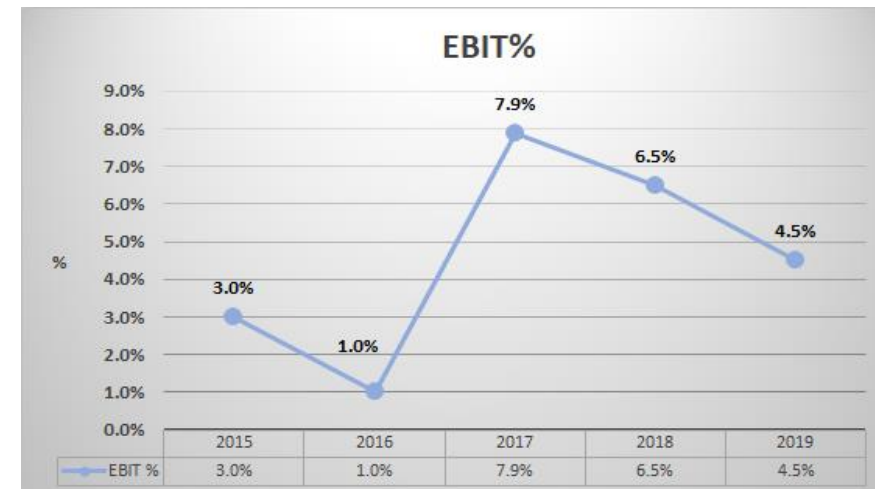
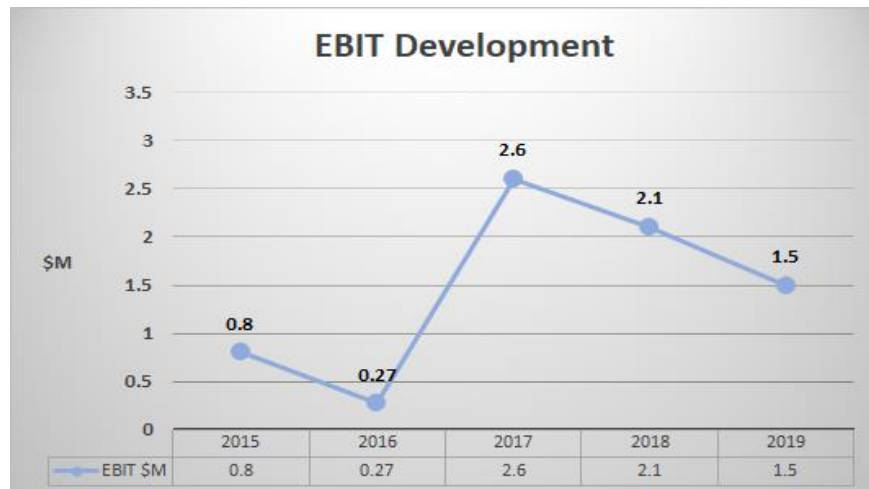
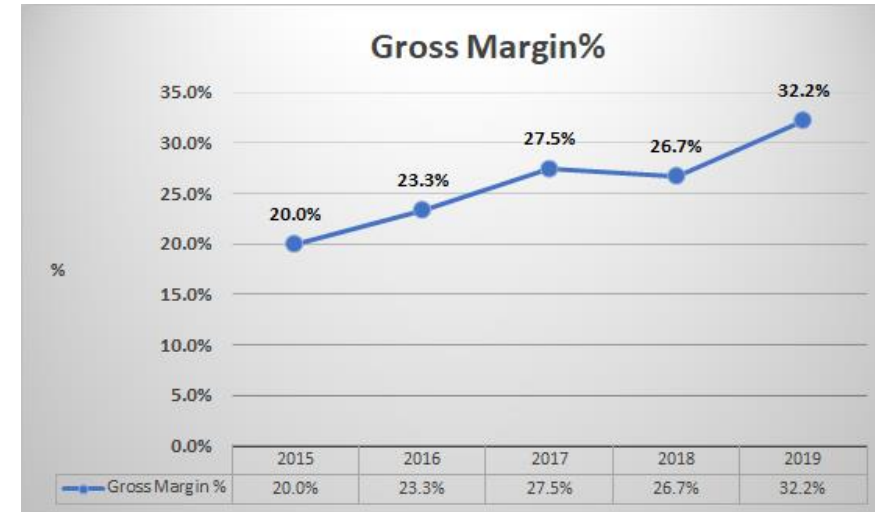
Chairman's Report

The Environmental Group Limited



EGL employs advanced engineering technology in creating bespoke solutions that assist its customers in reducing toxic emissions, and in improving efficiency in their air, water and energy processes.

Financial Results



Revenue CAGR 6%

EBIT CAGR 17%

Gross Margin % CAGR 12.6%
10.7%

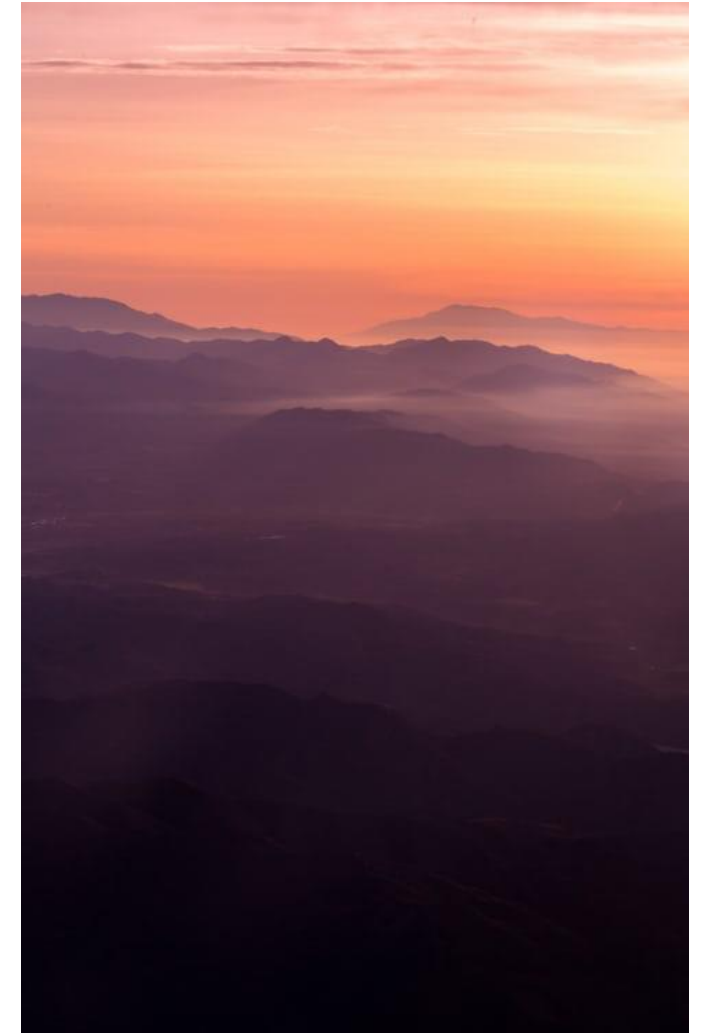
EBIT % CAGR

Financial Commentary

Revenue increased across the group by 2.5% at \$33M for the year with an EBIT of \$1.5M before significant items. This was in line with the full year forecast, with the contribution from Tomlinson Energy Service partially offsetting the downturn in the project work in Baltec IES and TAPC. Gross margins improved by 5.5% over 2018 levels to 32.2% for FY19.

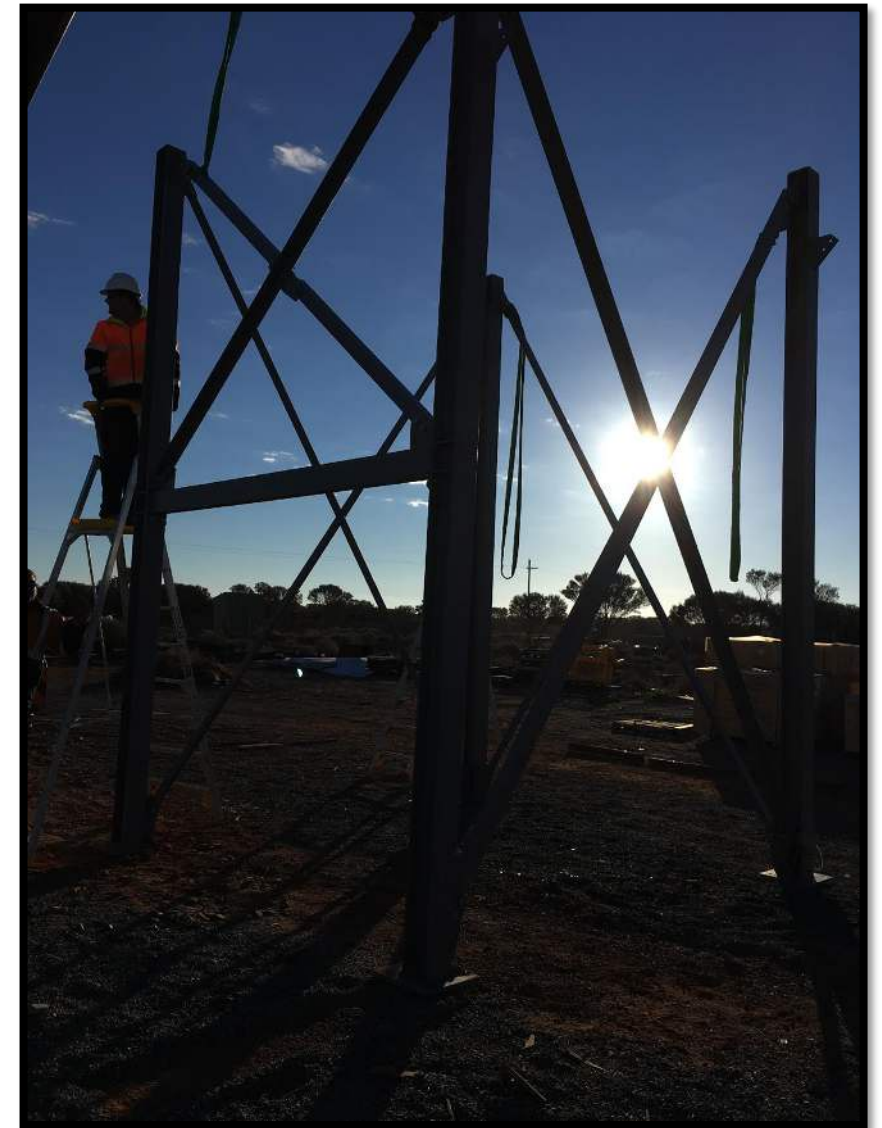
Overheads were negatively impacted by decreased cost recovery in projects due to lower levels of work and additional overheads attributed to the Tomlinson acquisition.

Overheads have been addressed in the first half of FY20 through a targeted restructuring, which although incurred costs in the first half of FY20 will provide long term savings and improve the flexibility of the operational team.



EGL FY19 Highlights

- Tomlinson Energy Service acquisition – this provides an annuity revenue stream to support the core project work in Baltec IES and TAPC
- EGL Water. Positive test results for water treatment technology, most importantly demonstrating a capacity for the destruction of PFAS under controlled conditions. Updated forecasts indicate that PFAS treatment is expected to generate initial revenue stream first half of FY21
- TAPC awarded most significant contract in recent history \$12.9M
- Baltec IES has continued to transition to new markets and seen a growth in repair and maintenance along with increased focus on the sale of spare parts globally
- Move to Westpac with increased banking facilities with more favourable terms



Looking Forward

Half year performance is forecast at slightly above breakeven as a result of sharper than anticipated declines in our traditional Gas Turbine market flow through the project pipeline. Full year results will strengthen due to market repositioning and deliver revenue close to the 3 year strategic goal. EBIT is forecast to be below earlier predictions however remain positive and in the region of FY19 levels.

Looking towards FY21 and beyond, the opportunities for each of the business units continues to be extremely positive with EGL well positioned to take advantage of strong growth in its markets.

In addition, EGL will continue to evaluate acquisitions within the environmental sector.



Enhancing shareholder value in 2020

- Improving Shareholder Value will be a focus of the board in 2020
- Appointment of Sequoia Financial Group's corporate finance team to facilitate deeper investor engagement and to assist with strategic acquisition opportunities
- Fully franked dividend history since 2017 financial year.
- 0.06 Cents per share for 2019
- Expect future dividend policy to be in line with previous years and to increase payout over time
- Scheduled investor roadshow in late November/ early December to domestic institutional investors and relevant broking networks which is to be continued on a regular basis in 2020
- Plans to reduce unmarketable parcels were delayed due to Tomlinson acquisition, but now a focus of the board.



In Summary

FY19 results reflect both the challenges of a changing market for our core businesses and also the strong returns from the TES acquisition.

FY20 will be a period of stabilisation and consolidation and is anticipated to produce continued revenue growth, predominantly in the second half, however EBIT will be constrained further than initially anticipated as business units reposition to maximise new market conditions and close out legacy project challenges.

The outlook for FY21 and beyond is positive. The strategies implemented through FY19 and into FY20 including the continued development of expert engineering teams, investment in innovation and repositioned business development focus provide a solid base to leverage existing and new market opportunities as demonstrated through the growing tender pipeline.



Managing Directors report

Baltec IES



Baltec IES Business Overview



Baltec supports the gas turbine industry transition from coal to renewable energy.

Our designs maximise turbine energy efficiency, enabling it to generate increased power while consuming less fuel, minimising carbon footprint.

Gas turbines support renewable energy with standby power at night, cloudy days & calm, windless periods..

The benefits of the gas turbine include the following:

1. From zero to full power in < 10 mins = ideal for augmenting power when demand fluctuates during the day & seasons. Ideal in countries with ambition to close coal-fired power stations has led to blackouts & load shedding at a crippling cost to industry.
2. Its relatively low cost yet high flexibility ideal option for countries pursuing low emission and affordable renewable objectives.

The market

- Traditional Gas Turbine market continues to be challenging with projects on hold due to finance and popularity of renewable energies.
- 2 competitors have withdraw from the market
- Baltec entered the profitable spare parts market
- Whilst project size is reducing, enquiry numbers are growing in particular for
 - Bespoke redesigned facilities with detailed pre engineering elements
- Bid numbers has increased substantially - by 2021, we could soon be processing 300 bids per year
- The Baltec business model is being reset to allow for the following
 - Development of new geographical markets and clients Asia & Europe
 - Focus on value account management to increase bid win ratio
 - Engineering focus on brownfield projects.



Baltec Business Highlights



- Commenced cooperation with an agent in Beijing
- According to the International Energy Agency & BP Energy outlook, China projections to 2040 indicate Gas Turbine Plants to increase 3-fold
- 2 major projects awarded to Baltec by Chinese & Taiwan companies during last 15 mths value > of \$11m. New projects in target in excess of \$25m+
- Increased cooperation with regional markets, including new partners in:
Kuwait, UAE, Thailand, Malaysia, Turkey, Egypt, Vietnam & Israel
- Projects signed with new customers in
Spain Taiwan China Japan Thailand Italy
- Provision of repairs, maintenance and spares to power plants located globally
 - Revenue (\$2.2M) exceeded expectations in FY19, growth expected in FY20
 - Spare part sales delivered higher margins compared with capital projects.



Baltec IES Looking Forward 2020



- Expand the China focused activities, realise potential market circa \$25m
- Reserves over USD 3 trillion being used for new infrastructure & power plants in China & surrounding region
- Continue to develop new clients & geographies
- Drive the BD team to develop unique value relationships with new clients
- Transition from generic products to bespoke engineering projects
- Focus on high value engineering projects with greater barriers to entry
- Develop spare parts market for existing power plants globally
- Integration across EGL to reduce costs & increase engineering and project management capabilities.



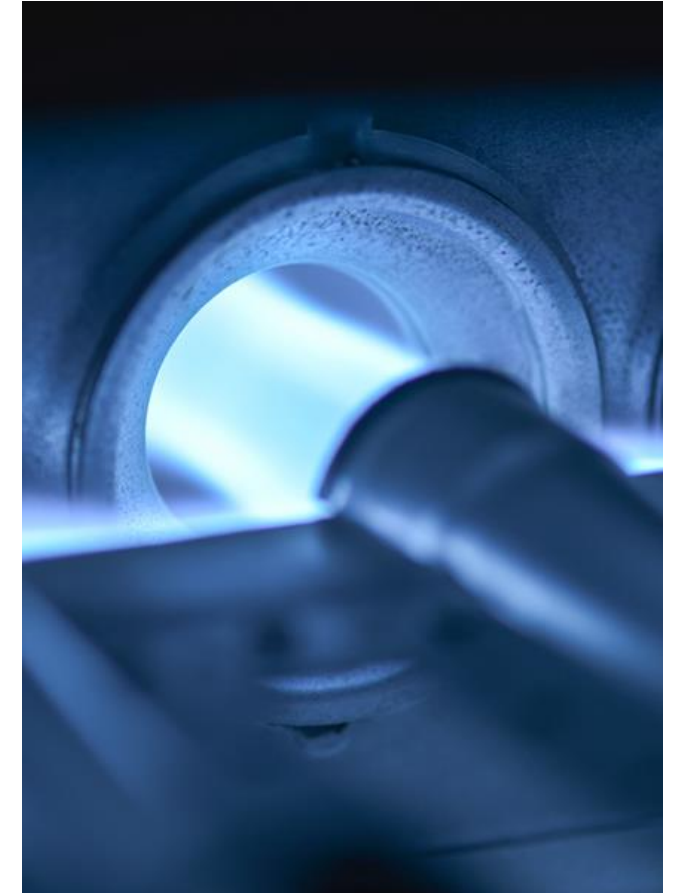
Tomlinson Energy Service (TES)



Tomlinson 2019 Business Overview



- Since 1892 Tomlinson later known as RCR Energy Service has been associated with engineering & service excellence as a supplier of packaged boilers & energy systems.
- Today Tomlinson Energy Service reflects the heritage and focus on sales & service of boilers and energy plant assets.
- Over 50 technicians across Australia supply 24/7 Service and turnkey energy plant solutions for industrial & commercial applications, incl supply, installation and plant maintenance.
- The team of 60 staff have an average employment term of 11 years enabling Tomlinson Energy Service to supply a quality service to a diverse clientele.



The Market



- Traditionally a fractured market dominated by small players is changing
- Rising costs, changes in public acceptance and scarcity of resources retained within Australia is leading to material shifts in the energy sector in Australia
- Australia lags behind other developed countries in thermal treatment to recover steam & power but this is starting to change
- TES is consolidating its presence in the traditional market across each state with improved management & sales support
- Together with a tech partner TES are optimising the design of burners for improved emission reductions to meet strict market standards.
- Developing internal expertise to enable the construction of plants that convert waste to energy as we anticipate high market demand in this space



Tomlinson Business Highlights



- In the 8 months since acquisition TES has focused on consolidation of the business and development sales and management teams leading to stronger growth in the second six months of FY20 and beyond

- TES have secured several major boiler Installations including the following

Westgate tunnel

OJI - 4mw boiler

Castrol - 2mw

Inghams (multiple)

Further larger boilers in the pipeline.

- TES has expanded engineering capabilities to enhance our product offering
- In partnership with European suppliers, TES is now working in the Biomass market
- Extensive development went into reintroducing the John Thompson Package boiler we can now offer this to the market.

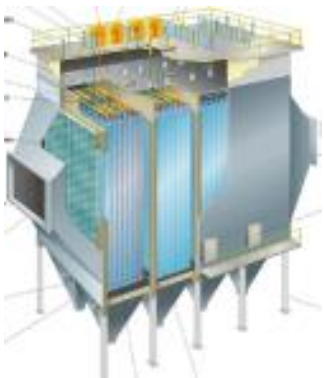
TES Looking Forward 2020



- Focus of product sales;
 - Bosch & JTPB WT boilers
 - ARI valves
 - New water tube design
 - Weishaupt burner systems
 - Initec thermal Oil
 - Biomass boilers
- Retain existing & expand customer base extending service into PNG
- Consider the acquisition of boiler company
- Increase boiler scope to include fully fitted-out boilers in China to lower overall cost – smaller condensing boilers from Europe
- Roll out the mobile app for electronic service reporting
- Improve 'Brand' awareness TES main website



Total Air Pollution Control (TAPC)



TAPC 2019 Business Overview



- Based out of Wollongong TAPC is split into 2 areas each of which have a strong growth outlook
 - Project design & delivery
 - Contracting services
- TAPC designed & manufactured systems enable clients to meet increasing environmental standards by reducing harmful particles from industrial processes, benefiting the entire population with cleaner air
- In many cases TAPC systems remove toxic elements and convert them to useful by-products.
- TAPC systems include
 - Flue gas desulfurization (FGD)
 - Electrostatic precipitator (ESP)
 - Scrubbers, selective catalytic reduction (SCR)
 - Selective non-catalytic reduction (SNCR)
 - Baghouse filters

The Market



- *Technavio a global market research firm* reports estimate that the global air pollution control market size will grow by USD 19 billion 2019-2023
- *Allied Market Research published a report, titled, "[Air Quality Control Systems Market](#)"* that the global air quality control systems industry was estimated at \$94.69 billion in 2018 and is expected to reach \$144.09 billion by 2026, growing at a CAGR of 5.2% from 2019 to 2026.
- *A PRNewswire Market Overview* states that the market for air quality control systems is expected to register a CAGR of approximately 5.72 % during the period of 2019 – 2024.
- *"According to the new market research report published by Inkwood Research, the global air pollution control market is growing at a CAGR of 5.24% throughout the forecasting years of 2019-2027."*
- Rising construction activities will result in an increase in emission of pollutants and a global drive for tighter emissions controls in particular across Asia is leading to substantial market development

TAPC 2019 Business Highlights



- TAPC business results were impacted by a slower first ½ year but marked some major wins.
- Secured a 2 year \$12.9 million project to reduce pollutants which includes design & supply of a gas scrubbing system for a processing rare earth plant based in remote WA.
- Our solution ensures environmental emissions compliance.
- The acquisition of Baltec Australia enhanced our capabilities and the combined & expertise leveraged to deliver the Rare Earth solution via experience in design, manufacture & maintenance of (ESP's).
- Shutdown activity is forecast for growth and has performed well on major shutdown activities such as:
 - 2 ESP shutdowns in (South Australia)
 - ESP shutdown Nov (New South Wales)
 - Port Pirie Shutdown (South Australia)
 - ESP rebuild (Indonesia)

TAPC Looking Forward 2020



- Business Development in 2019 has continued to deliver strong sales pipeline growth.
- Australia market:
 - Electric car & mobile device market growth is fuelling demand for rare earth mineral & driving growth of the rare earth market in WA, with 2 projects underway & more in the stage of feasibility. The WA government announced grants to support exploration & refinement.
 - Opportunities in WA expected to be the strongest Australian market
 - The Australian pipeline is strong but there have been delays in commitment to proceed.
- Asia market update:
 - TAPC has made good initial progress in Business Development in Asia during 2019
 - Changes in emissions laws in Thailand & Indonesia will lead to multi million-dollar site-based capital upgrade opportunities in the cement & power industries. Expected late 2021
 - Greenfields CAPEX projects in power generation identified in S/E Asia
- Several long term maintenance contracts will be awarded this year

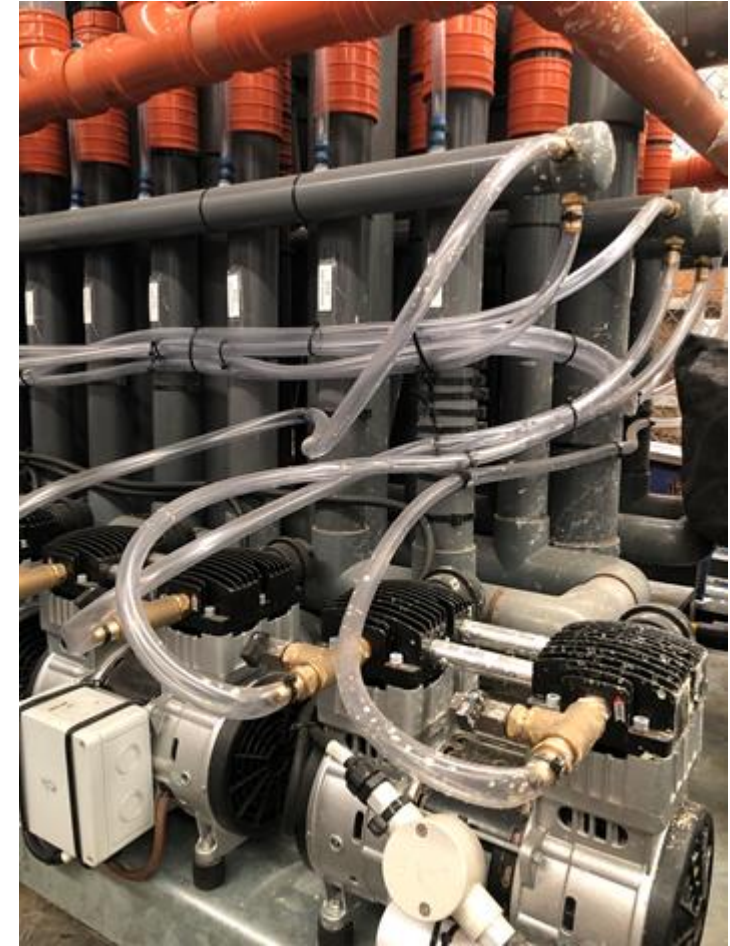
EGL Water



EGL Water Business Overview



- EGL holds a patented technology suitable for various uses, focusing on destruction of PFAS in water under testing with Victoria University Institute for Sustainability and Innovation
- PFAS does not easily break down and is embedded into the natural environment, incl water table, farmland and waterways.
- EGL has recruited to established in-house water industry design and operations expertise
- EGL is seeking new products to complement its PFAS initiative and is reviewing options on Australia wide license agreements for specialist European water treatment technologies



The Market



- Millennium drought is causing stress on all water processes
- Key market players concentrating on municipal water sector
- Australia's aim to become the food bowl for asia is driving investment in food processing and manufacturing
- Increased food production leads to increased water usage, stress on disposal facilities and higher disposal costs
- The food and beverage industry is looking to alternative water and energy management to meet changing conditions

Tighter restrictions on disposal

Increased energy costs

Increased water disposal costs

Increased solids disposal costs



EGL Water What is PFAS



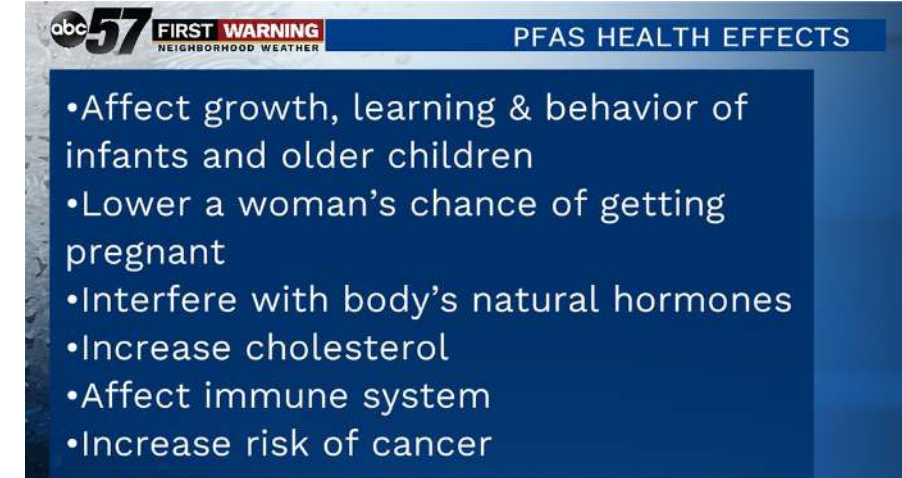
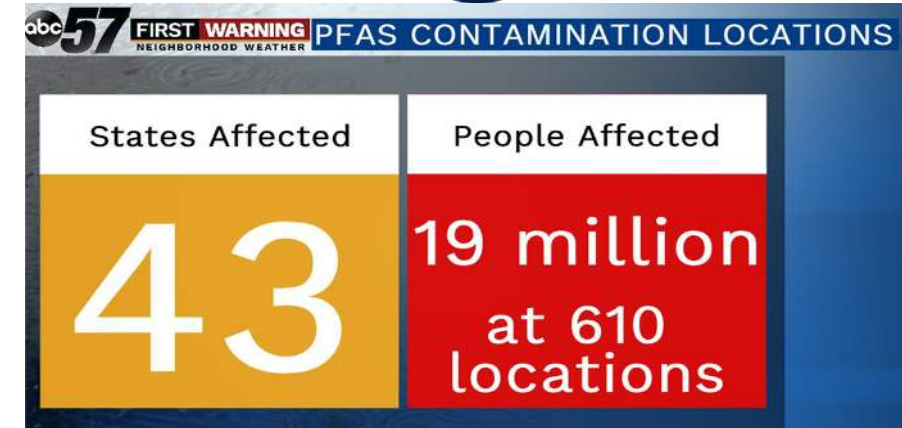
- PFAS : Per-and polyfluorinated alkyl substances (PFAS) are a group of manufactured chemicals which have been used in firefighting foams and other industrial and consumer products.
- Whilst toxicity studies have raised important concerns, there is still much unknown about the effects of PFAS on human health and the environment. Only a small number PFAS compounds have been studied. We do not know how much PFAS exposure is safe for humans or whether there are differences in toxicity between different PFAS compounds.
- Erin Brockovich has warned all levels of government in Australia to act swiftly to prevent the spread of PFAS chemical contamination, with more affected sites coming to light.



The Market (cont)



- PFAS chemicals described as the new DDT pollute water, do not break down, remain in the environment and people for decades.
- Studies have linked PFAS chemicals to:
 - Testicular, kidney, liver pancreatic and breast cancer.
 - Weakened childhood immunity
 - Low birth weight
 - Tumours, birth defects, weight gain, Increased cholesterol etc
- PFAS a market disruptor - widespread contamination & with almost zero proven cost effective treatment processes
- The demand for cost effective treatment is extremely high



EGL Water Highlights



- In conjunction with Victoria University's Institute for Sustainability and Innovation, we have concluded that an 87% reliable PFAS reduction in contaminated water was achieved. This result signals potential for cost-effectively removing PFAS from the environment.
- Initial trials at volume have delivered impressive results to date and improvements are being made continuously
- The EGL technology will have a substantial cost advantage over all other treatments in the market today
- Negotiations have commenced with specialist European technology providers for agency agreements across Australia

EGL Water Looking Forward 2020



- Conclude university trials with PFAS treatment
- Complete testing and process mapping at scale
- Commercialisation of pilot plant for identified trials at scale
- Full commercialisation of PFAS treatment plants delivering to the market a technology that cost effectively destroys PFAS in water
- Sign Australia wide agency agreement with specialist European water treatment technologies
- Develop water treatment sales teams & target specialist niche markets within Australia for industrial water treatment facilities
- Reallocate internal resources as required



Other Business

Mr David Cartney is retiring from the board at the conclusion of the AGM. The board and staff of EGL would like to thank David for his contribution to the Group over the past five years and wish him all the best for the future.