

2 October 2020
Company Announcements Office
ASX Limited
Level 4
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Sydney NSW 2000

EGL Successfully Completes Entitlement Offer

The Environmental Group Limited (ASX: EGL) (**EGL** or **Company**) advises that the non-renounceable Rights Issue offer announced on 3 September 2020 (**Entitlement Offer**) closed on Tuesday 29 September 2020.

The Entitlement Offer, offered eligible shareholders registered on the record date the ability to subscribe for 1 new share for every 20 shares held, at an issue price of \$0.025 (2.5c) per share (**New Share**), being 12,507,429 New Shares, to raise \$312,685 (before costs).

The Company is pleased to advise that it has received applications for 2,577,144 New Shares, including applications for 5,308,032 New Shares above shareholders' entitlements, to raise a total of \$197,129 before costs. The Company has accepted applications for additional shares applied for by shareholders in addition to their entitlements.

Sequoia Corporate Finance has also secured a binding commitment from a sophisticated investor which is not a related party of the Company, to acquire approximately 64% of the Shortfall shown below, being 2,958,242 New Shares, to raise the total of \$271,085 pursuant to the Entitlement Offer. The Company will, at its discretion, issue these New Shares once funds have been received.

Following the completion of the Entitlement Offer, including oversubscriptions, the intended issue of new shares to shortfall investors, and the completion of the Placement of 32,600,000 ordinary shares completed on 9th September 2020, the Company will raise a total of \$1,086,085 (before costs), with the issue of 43,443,418 fully paid ordinary shares.

The proceeds from the Placement and Rights Offer will be used for working capital, paying down the Company's overdraft facility.

EGL Chairman, Lynn Richardson said:

"The Company is pleased to have successfully completed the entitlement issue and for the support provided by our existing shareholders. The Company looks forward to continuing to execute its strategy with improved financial flexibility."

A summary of the results of the Entitlement Offer before sale of shortfall shares is below:

	Number of Ordinary Shares	\$
Total Number of New Shares offered	12,507,429	312,685
Number of New Shares applied for	7,885,176	197,129
Shortfall	4,622,253	115,556

The Directors reserved the right, subject to the requirements of the Corporations Act and ASX Listing Rules, to place any shortfall shares within three months after the Closing Date at a price not less than the price under the Entitlement Offer.

Authority

This announcement has been authorised for release by the Board.

For further information, please contact:

Stephen Strubel

Joint Company Secretary
 The Environmental Group Limited

About EGL

EGL has four business units, all committed to the protection of the environment by improving air quality, reducing carbon emissions, enhancing waste to energy production and lifting water quality.

- **Total Air Pollution Control** has a range of technologies which reduce dust, odours and harmful gasses from the environment.
- **Baltec IES** produces inlet and exhaust systems for gas turbines, which are used to complement and augment solar and wind energy production, without the use of rare mineral battery resources.
- **Tomlinson Energy Service** offers a network of service offices across Australia providing 24/7 service, maintenance and repairs of both proprietary equipment and other OEM equipment. The division also provides an essential link in our strategy to build a bio/waste to energy platform.
- **EGL Water** division continues to develop our patented technologies in conjunction with Victoria University. EGL recognises that one of the world's most valuable assets is water and will persist in our vision to reduce water pollution, leading to an improved environment, through low cost technology solutions.