

9 October 2020
Company Announcements Office
ASX Limited
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Sydney NSW 2000

EGL Market Update

The Board of The Environmental Group Limited (ASX: EGL) is pleased to provide the following market update.

Group performance for the first quarter of this financial year has been good with revenues of \$12.5M. This provides an encouraging start to the year.

The board is undertaking a targeted recruitment process for a CEO and this is generating interest from a number of very experienced candidates. Adrian Siah has joined the board and has been appointed chair of the Audit and Risk Committee. Dean Dowie will retire from the board in November and will not stand for re-election.

In July 2020 we advised that Baltec IES had secured over \$25M of orders over the previous 13 months. These orders are being efficiently executed and will result in a significantly improved performance in revenue and profit from this division.

Whilst, the overall rate of order intake since July 2020 has been slower than anticipated, the board expects it to pick up strongly in the second half of FY21.

TAPC has now successfully completed the design work in the phase one contract for Hastings valued at \$4M. It is expected that work on phase two will commence early in the second half of this year.

The restructure of TAPC is working well with the company achieving bottom line performance from even small projects whilst maintaining the core expertise to professionally execute \$10M plus projects.

TES continues to perform strongly however the impact of COVID on service and cap ex work is impacting revenue with a number of projects on hold due to uncertainties in the marketplace.

EGL Water experimentation with Victoria University to reduce PFAS in Ground water and Leachate has been successfully completed. The emphasis is now on the commercialisation of this unique technology which is progressing strongly with several potential sites emerging.

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** division is 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.