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EGL Investor Presentation

December 2021



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Corporate Snapshot

Company Overview

- Environmental Group Limited ('EGL') provides services to industrial businesses through the implementation of environmentally conscious solutions via its five business units
- EGL's business units are all committed to the protection of the environment by improving air quality, reducing carbon emissions, enhancing waste treatment and lifting water quality

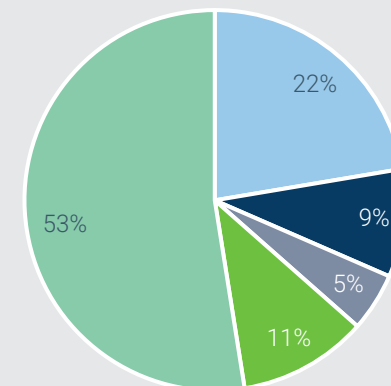
Market Statistics

Share Price (as at 6/12/21)	A\$	0.175
Shares on Issue*	M	281.5
Market Capitalisation	A\$M	49.3
Enterprise Value	A\$M	50.6

*Excludes 10m Performance Securities expiring 31/10/2022

Key Shareholders

- Ellis & Denise Richardson
- Capital H Management
- Ace Property Holdings
- Board & Management
- Other



Share Price Performance



Placement Details

- Placement to raise ~\$4.75m (before costs) from sophisticated and professional investors.
- The Placement will take place under a single-tranche structure and new shares will be issued in accordance with the Company’s 15% capacity pursuant to ASX Listing Rule 7.1.
- The additional funding will support the commercialisation of EGL Water’s PFAS technology (details provided herein), provide additional working capital and support EGL’s other business development opportunities.

Use of Proceeds	A\$M	%
PFAS technology development and commercialisation	1.10	23%
General working capital and business development	3.41	72%
Offer expenses	0.24	5%
Total	4.75	100%

Indicative Timetable*	
Trading Halt Entered	Pre-market Tuesday, 7 December 2021
Placement Offer Opens	9:00am Tuesday, 7 December 2021
Placement Offer Closes	5:00pm Tuesday, 7 December 2021
ASX Announcement / Trading Resumes on ASX	Wednesday, 8 December 2021
Settlement of New Securities	Wednesday, 15 December 2021
Quotation and Allotment	Thursday, 16 December 2021

*Timetable may be subject to change without prior notice

EGL Operating Unit Overview



Sale, installation, maintenance and repairs of **boilers, burners and steam equipment**. The division also provides an essential link in our strategy to build a bio/waste to energy platform.



Designs, manufactures and services **flue gas treatment systems** which prevent harmful contaminants being discharged into the atmosphere.



Produces **inlet and exhaust systems for gas turbines**, which are used to complement and augment solar and wind energy production.









Sales and services platform for the **exclusive Turmec Agency Agreement in Australia**. Turmec are specialists in recycling solutions for the global waste industry.



Enhanced technology designed to protect our environment by the **separation and removal of per- and polyfluoroalkyl chemical substances (PFAS)** from contaminated water.

FY21 Financial Results

 <p>\$46.6M Total Revenue up \$9.1M on FY20</p>	 <p>24.4% Increase in Revenue on FY20</p>	 <p>\$3.1M EBITDA – after significant items of \$217K</p>
 <p>\$1.8M EBIT – after significant items up from a loss of \$1,829K FY20</p>	 <p>\$1.7M NPAT – after significant items up 230%</p>	 <p>\$0.6M Improved balance sheet with debt repaid of \$600K</p>

Key Management Team



CEO Jason Dixon
Former Executive at Tox Free Solutions for 10 years



CFO Andrew Bush
30 years experience in senior finance and commercial roles



National Sales and Marketing Manager Paul Gaskett
14 years business development and sales experience



TES General Manager Peter Rankin
Responsible for TES since acquisition in 2019



Baltec IES General Manager Charles Borg
30 years gas turbine experience including senior roles at GE



TAPC General Manager Aldo Giachero
15 years experience in emissions control systems

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EGL Water

Outstanding Commercial Trial Results

- Commercial trial of EGL’s technology commenced in August 2021 at Reclaim Waste’s site in Laverton, Victoria following two years of pilot testing.
- The trial has been run on commercial liquid waste streams including leachate, industrial and fire wash waters containing elevated PFAS at various concentrations, covering the majority of the market for PFAS removal.
- Results have far exceeded EGL’s expectations, including:**
 - Successful separation and removal of **regulated PFAS** from various liquid waste streams to **below detection limits** in all high-volume low concentrate trials which represents a significant portion of the market.
 - At the highest concentrate trials (c. 40ppb total PFAS) regulated PFAS was removed over 99.4% on the first processing run with trials ongoing on these higher concentrate PFAS streams.
 - The trial plant has been capable of successfully treating 50,000 litres per day.

PFAS Content (ppb)	Regulated PFAS			Total PFAS*
	PFOA	PFHxS	PFOS	
Waste Sample In (#1)	0.30	0.13	0.16	0.80
Waste Sample Out (#1)	Below detection**	Below detection**	Below detection**	0.08
Waste Sample In (#2)	2.71	5.28	2.54	14.30
Waste Sample Out (#2)	Below detection**	Below detection**	Below detection**	0.12
Waste Sample In (#3)	3.24	5.92	2.94	16.10
Waste Sample Out (#3)	Below detection**	Below detection**	Below detection**	0.44
Waste Sample In (#4)	1.32	5.61	20.80	39.40
Waste Sample Out (#4)	Below detection**	Below detection**	0.06	6.72
Waste Sample In (#5)	1.31	6.68	19.90	41.50
Waste Sample Out (#5)	Below detection**	0.04	0.07	6.85

* Includes all regulated and unregulated PFAS compounds

** Detection limit is 0.02 parts per billion (ppb)

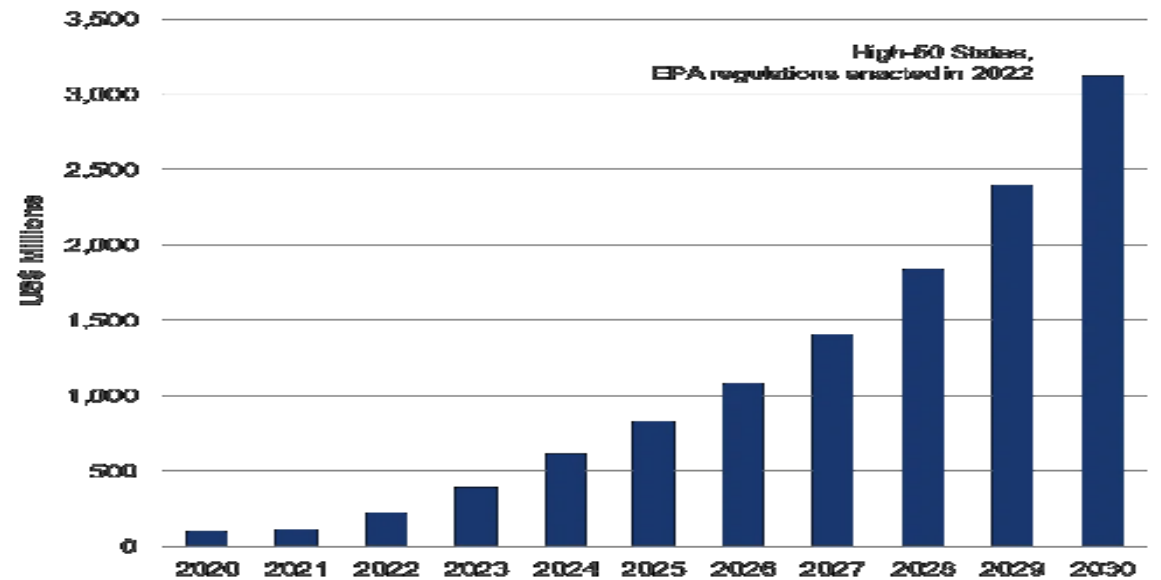
What is PFAS?

- PFAS stands for per and poly-fluoroalkyl substances.
- They are manufactured chemicals used in everyday products to resist heat, oil, stains and water.
- Most people living in developed nations have PFAS present in their bodies, which can be carcinogenic.
- Successful class actions have highlighted increased awareness and the urgent need to find solutions to remove contamination in water, soil, landfills, farmland and housing estates.
- The EGL Water technology is an extraction technique that does not involve oxidation or reduction of PFAS compounds.
- Methods for cheap and efficient PFAS removal are in high demand by the waste industry, water utilities and governments.



The PFAS Opportunity

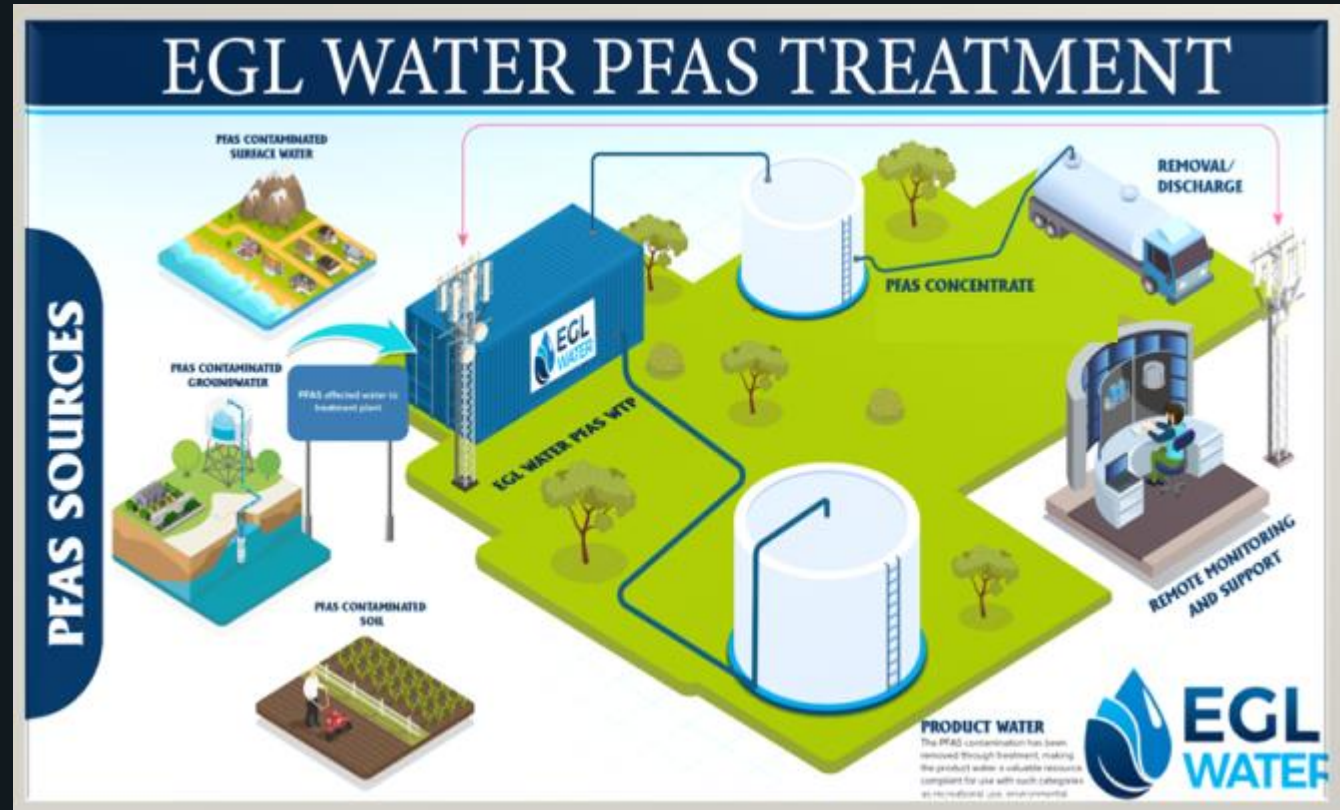
- PFAS are found throughout Australia and overseas.
- More than \$3bn to be spent annually on drinking water PFAS remediation by 2030 in the US.
- Over 700 potentially contaminated sites identified in Australia providing significant domestic pipeline.



Source: Bluefield Research, June 2020

EGL Water's PFAS Technology

- EGL Water's **PFAS technology** involves extraction of PFAS compounds through the attraction of these compounds to a water gas interface. The attraction is facilitated by a number of specific charged and ionized gasses. Foam Fractionation is one of the techniques that can be used to aid the extraction process.
- Foam Fractionation has **considerable advantages against other PFAS removal technologies**:
 - No pre-treatment, thereby avoiding many additional process steps incurring significant cost both in opex and capital.
 - Minimal controlled waste outputs which also results in significant opex savings.
 - Versatility being able to treat leachate, ground water and industrial wastewater.



Next Steps for EGL Water

- Ground-breaking trial results support commercialization
- Customer interest is very strong and expected to increase further with these results
- First commercial plant will be developed in 2022
- General Manager for Waste and Water to be appointed
- Work continues with use of technology on PFAS contaminated soil

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Tomlinson Energy Service



Tomlinson Energy Service (TES) offers a network of service offices across Australia providing 24/7 service, maintenance and repairs of both proprietary equipment and other OEM equipment.

Key Offering

- Sale and installation of cost-effective boilers, design focusing on maximum reliability, long term operating efficiency, fuel flexibility and ease of access for inspection and maintenance.
- Ongoing service and maintenance of boilers, burners and steam equipment through a national network of service technicians.
- Continued to provide essential services during Covid-19 to hospitals and food manufacturing.





Recent update

- As mentioned in the 2021 Annual Report, invoicing in June 2021 was the highest since 2014 as we bounced back from Covid.
- Revenue has continued to improve into FY22.
- TES continued to service clients through the Victoria & NSW lockdown constraints with a high level of service quality.
- New boiler sales have remained strong with the postponed sales returning to normal levels.
- The level of work returned to pre pandemic levels in recent months but could be influenced if we incur further long-term lock downs.





03

Total Air Pollution Control



TAPC designs, manufactures and services flue gas treatment systems which prevent harmful contaminants being discharged into the atmosphere

Key offering

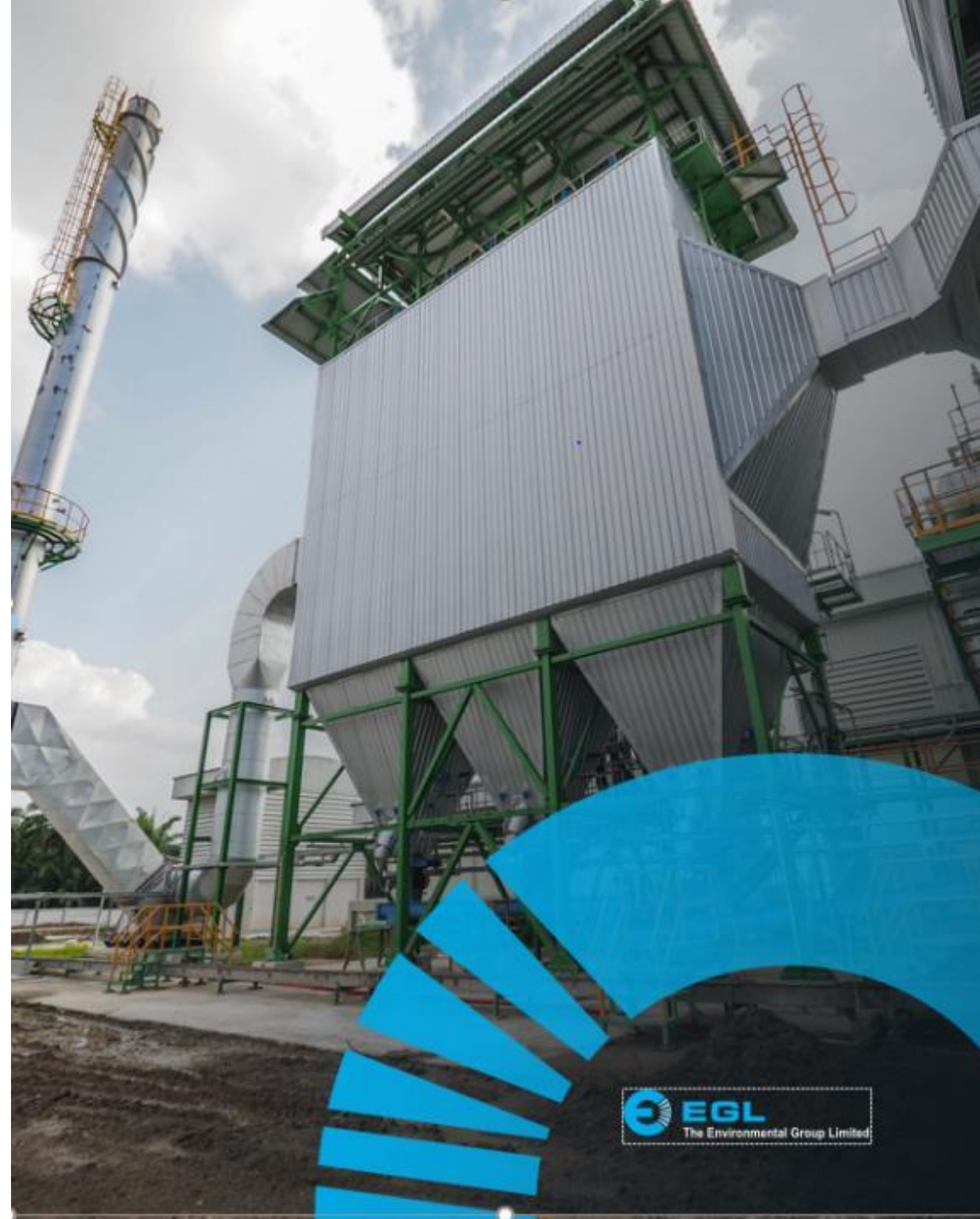
- Scrubbers, including dry and wet for the removal of particulates and gaseous contaminants.
- Electrostatic precipitators & bag filters for particulate removal and flue gas clean up.
- Ongoing service, parts and maintenance of pollution control equipment.
- A team of specialist engineers and designers who understand clients needs for specialist pollution control equipment.





Recent update

- Sales focus on existing client base to perform higher levels of parts sales and service, not just new products.
- Servicing and spares has remained strong generating good cashflow and margins have been maintained at improved levels.
- The market for pollution control equipment appears to be rebounding with a solid tender pipeline and increased work in hand from 30 June 2021.
- TAPC were awarded the FLSmidth Pty Ltd contract for the emissions systems **design and supply for a Lithium refinery for \$5.2M.**
- Hastings Technology Metals Limited rare earths project supply portion continues to advance as the project moves through approval processes.
- TAPC is proving to be a leader in the emissions control systems systems for specialist plants which produce minerals for the renewable energy sector.



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Baltec Inlet and Exhaust Systems



Baltec IES supports the gas turbine industry in its role assisting the transition from coal-powered to renewable energy production. Tailoring products and custom designs specifically to meet clients' requirements:

Key offering

- Turbine performance enhancement for lower emissions and higher output.
- Project management of upgrades.
- Global manufacturing to a range of international standards.
- Erection and commissioning.
- After sales maintenance and spare parts.





Recent update

- Baltec went into FY22 with **work on hand of \$10.7M** and has a strong tender pipeline in place.
- Charles Borg was appointed as General Manager of Baltec in Sep-21 and has 30 years experience in gas turbines in various roles including senior positions with GE.
- Charles has a background in business development and strong focus on tendering, quality and margins.
- Charles has already identified some areas of improvement he would like to focus on including business process improvements and quality control.
- 80% of work performed internationally had challenges due to COVID19 but we have learnt to do business in this environment.



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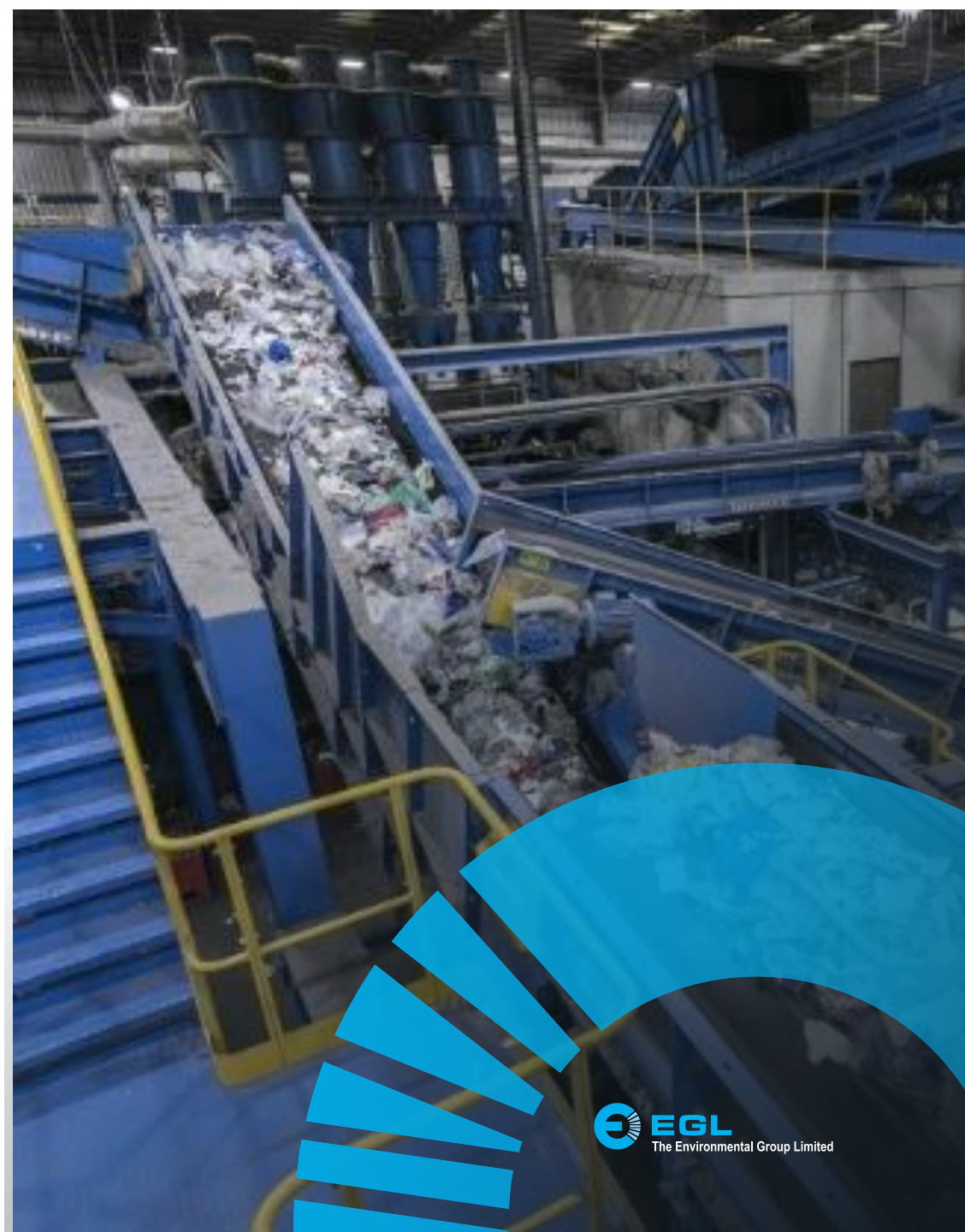
05

EGL Waste Turmec Agency Agreement



Recent update

- EGL holds an **exclusive agency agreement** in Australia with Turmec to sell and service its world leading recycling solutions.
- EGL has spent the last six months building the Turmec brand recognition with potential clients in Australia and building product awareness; customer response has been positive to the product and service quality.
- Turmec's CEO Mr. Geoff Bailey has been in Australia from Ireland recently and has visited most of the major waste companies with EGL's National Head of Sales.
- Strong interest in the product offering will see EGL submit tenders valued at **~A\$50M** by the end calendar year 2021.
- Service staff and technicians are being trained to help maintain plants already in Australia and provide spare parts.
- **Cross sell opportunities** with EGL's other business lines including TES, TAPC and EGL Water present a strong business opportunity.



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Forward Outlook

Forward Outlook

01

Tomlinson should have stronger year if COVID19 restrictions continue to improve



02

Baltec & TAPC are expected to deliver improved results on FY2021



03

EGL – Turmec Agency agreement provides a new avenue for growth with a world class offering



04

Commercialisation of the EGL Water PFAS technology



EGL outlook continued

- EGL has budgeted for improved earnings in all operating divisions subject to the impact of COVID-19 which is unknown at this stage.
- We continue to expect EBITDA to increase by over 15% year on year after significant items*.
- Corporate costs will increase with the new management team and renewed board in place.
- Management's focus will remain on margin improvement and reviewing processes to improve products and services.
- The two new organic growth areas of Water (PFAS separation) and Waste (Turmec agency agreement) will focus on the commercial opportunity to generate returns for shareholders.
- ~\$4.75m placement has been launched to fund development of commercial PFAS units, provide additional working capital and to support other business development opportunities.

* Whilst maintaining a positive outlook, the impact of COVID-19, and in particular ongoing lockdowns across the country, cannot be fully predicted and may affect final results.



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