

ASX RELEASE

15 July 2021

DGL expands into North Queensland with acquisition of a multi-purpose chemical facility in Townsville

Auckland, New Zealand - DGL Group Limited (ASX:DGL) (NZX:DGC), ("**DGL**" or the "**Company**"), a specialist chemicals business that manufactures, transports, stores and processes chemicals and hazardous waste, today announced it had acquired a multi-purpose chemical facility in Townsville, Queensland, for \$2.45 million.

The facility, which DGL previously leased as a storage hub, will be turned into a chemicals formulation and storage facility, ensuring DGL can produce agriculture, mining and waste and water treatment chemicals at the site to distribute to customers across North Queensland. These products were previously formulated in New South Wales and transported to North Queensland customers.

Founder and CEO of DGL, Simon Henry, said: "With the purchase of this facility, we now have formulation capability in all key industrial hubs across New Zealand and Australia. Being able to service large customers in the mining, agriculture and waste treatment sectors, from a local base, is a core component of our business model. Townsville is perfectly situated to service the Queensland mining industry and the Sunshine State's extensive agriculture operations. Owning the facility will reduce logistics cost, and ensure we are able to offer a competitive service for formulation, logistics and manufacturing services in Queensland.

"Our intention at DGL is to be the leading full-service chemicals company, which means full service in geographic spread. Owning our own sites allows us to grow our asset base and drive growth through organic opportunities, while investing in the long-term infrastructure needed to meet the growing capacity the industry requires."

The acquisition will require a capital investment of around \$5 million to turn it into a processing facility, and once completed and fully operational, is expected to generate revenue across a number of manufacturing opportunities, including the manufacturing of aluminum chlorohydrate, shotcrete accelerator and liquid fertiliser blending, as well as toll manufacturing for one major customer. The facility will also be capable of storing approx. 4,000 metric tonnes which will generate revenue for DGL through warehousing and distributing opportunities.

The facility has a building area of approximately 3,050sq.m and a land area of 7,503sq.m. The site has been acquired empty, allowing DGL to transform it into a multi-purpose chemical facility suitable for DGL's operations.

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Approved for release by the Board of DGL.

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ABOUT DGL GROUP LIMITED

DGL is a well-established, founder-led, end to end chemicals business that manufactures, transports, stores and manages the processing of chemicals and hazardous waste. The Company operates a network of 26 sites, both owned and leased, across Australia and New Zealand. The Company has a strong track record of revenue and earnings growth. Total pro-form revenue was \$180.1 million in FY20 and is forecast to increase to \$209.7 million in FY22.