

ASX RELEASE

7th July 2022

DGL Expands Manufacturing Capabilities with Acquisition of Flexichem Australia Pty Ltd.

Melbourne, Australia - DGL Group Limited (ASX:DGL), ("**DGL**" or the "**Company**"), a specialist chemicals business that manufactures, transports, stores and processes chemicals and hazardous waste, today announced the strategic acquisition of Flexichem Australia Pty Ltd.

Situated in Adelaide South Australia, Flexichem specialises in complex silicone-based manufacturing targeted for water treatment, industrial and specialty product applications for both domestic and export customers

The Flexichem acquisition gives DGL a strategic chemical manufacturing base in Adelaide with a strong technical base in chemical development and 1,200 tonnes of additional chemical manufacturing capacity.

Founder and CEO of DGL, Simon Henry, said: "The acquisition of Flexichem expands our manufacturing capabilities into South Australia, adds talent and IP on silicone-based manufacturing into DGL, and also opens up new export markets".

Flexichem will vertically integrate into DGL's manufacturing operations and strengthen service to DGL's extensive customer base.

The acquisition price of \$6.2M represented a valuation of 4.6 x FY21 normalised EBITDA. Consideration is \$4.65M in cash and \$1.55M in DGL shares at a 5-day VWAP calculated at the date of completion.

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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 54 sites, both owned and leased, across Australia and New Zealand. The Company has a strong track record of revenue and earnings growth.