

ASX RELEASE

10th March 2022

DGL Expands Manufacturing Capacity in New Zealand with acquisition of RLA Polymers NZ Limited.

Melbourne, Australia - 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 the strategic acquisition of RLA POLYMERS NZ LIMITED Pty Ltd.

RLA Polymers NZ Limited (trading as Bondlast NZ Limited) are a New Zealand manufacturer and distributor of quality products into the building and construction industries.

Primary activities include manufacturing of synthetic latex compounds, flooring adhesives, waterproofing sealants, ceramic tile adhesives and self-levelling cements for the building and construction industry. RLA Polymers NZ has a strong domestic and international customer base, including major construction companies and retail blue chips.

Founder and CEO of DGL, Simon Henry, said: "RLA Polymers New Zealand adds to DGL's already established Trans-Tasman presence of over 54 facilities stretching from Darwin to Christchurch."

This strategic acquisition of RLA Polymers New Zealand further enhances the capabilities of DGL's Chemical Manufacturing segment in New Zealand, reinforcing the company's objective to become leading full-service chemical management company in Australia and New Zealand.

The acquisition price of \$4.6M consists of:

- (a) a cash payment of \$3.45M; and
- (b) the balance by fully paid ordinary shares in the capital of DGL based on a 5-day VWAP prior to completion. The consideration represents a valuation of 4.1 x FY22 normalised EBITDA.

Staff and management will be retained to continue to drive growth in the RLA Polymers NZ Limited business and expand the technical capabilities of the broader DGL Group.

DGL would also like to advise that it has had a stronger than expected start to the second half of FY22 and is continuing to pursue further acquisition opportunities.

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

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