ASX RELEASE

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DGL acquires specialty chemical manufacturer, Aquapac

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 the strategic acquisition of Aquapac Pty Ltd ("Aquapac") for $8 million.

Aquapac is a well known and widely respected water solutions company which formulates, trials and provides technical support to its customers across Australia's east coast. It supplies a wide range of water treatment chemicals to industry and local government customers across Australia, as well as exporting chemicals to international markets.

The acquisition will enhance DGL's exisiting water treatment chemical business and provide access to an extensive list of mining, industrial and government customers across Queensland and New Sound Wales. It has manufacturing facilities in both Queensland and New South Wales which will add to DGL's broad geographic footprint, as well as an extensive suite of licenses and approvals and unique intellectual property, which will be fully integrated into DGL's existing operations. Together with the operations of the business, the acquisition includes taking ownership of a property in QLD.

Founder and CEO of DGL, Simon Henry, said: "Not long ago I outlined DGL's strategic priorities for FY22, including the establishment of water treatment product manufacturing in North Queensland. I am pleased to announce that we are already delivering on this promise through the acquisition of Aquapac, which will fill a current gap in our manufacturing capabilities in Queensland.

"Aquapac is a perfect fit for DGL's manufacturing business. We will now be able to provide our customers with an end-to-end water treatment and industrial chemical offering, while also adding to our existing property footprint with quality property that will support our business over the long-term. Importantly, we will be able to utilise the company's extensive connections in far North Queensland, which will provide a significant boost to the newly acquired Townsville facility. This is completely aligned to our group strategy to drive cross-sell between our three divisions."

The acquisition price of $8 million represents a valuation of 5.4 x last twelve months earnings. The acquisition will be funded by both cash and shares, with the share component valued at $2.0 million. The acquisition price includes property valued at approximately $3.4 million.

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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.