

14 November 2024

Mr Lachlan Morley
Adviser
Listings Compliance
ASX Limited

By email: lachlan.morley@asx.com.au

Response to ASX Aware Letter

Dear Lachlan,

We refer to your letter dated 13 November 2024 requesting further information in relation to The Environmental Group Limited (ASX: EGL) ('the Company') Trading Update released with the ASX on 13 November 2024. Please see the Company's responses to each of the questions below:

1. Does EGL consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

Response: Yes.

- 1.1 The project within the Baltec IES business unit incurring material cost overruns impacting EGL's EBITDA for FY25; and

Response: Yes.

- 1.2 FY25 Normalised EBITDA expected to increase by between 10-15% over FY24, down on the previous expectation of approximately 25%.

Response: Yes.

2. If the answer to any part of question 1 is "no", please advise the basis for that view. Please answer separately for each of the items in question 1 above.

Response: Not Applicable.

3. When did EGL first become aware of the information referred to in question 1 above? Please answer separately for each of the items in question 1 above.

Response: For each of the items in question 1, EGL became aware of the magnitude of the information when it completed its monthly detailed financial review of the project as part of its review process of the October 2024 management accounts. This was completed COB on 12 November 2024.

4. If EGL first became aware of the information referred to in question 1 before the date of the Announcement, did EGL make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe EGL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps EGL took to ensure that the information was released promptly and without delay. Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.

Response: For each of the items in question 1, in accordance with Listing Rules 3.1 and 3.1A as soon as EGL had quantified the cost overruns on the Baltec IES project the information was released promptly and without delay.

5. Please confirm that EGL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Response: Confirmed.

6. Please confirm that EGL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EGL with delegated authority from the board to respond to ASX on disclosure matters.

Response: Confirmed.

Yours Sincerely,



Andrew Bush

Andrew.bush@egl.com.au

Chief Financial Officer and Joint Company Secretary
The Environmental Group Limited



13 November 2024

Reference: 103178

Mr Andrew Bush
Chief Financial Officer & Company Secretary
Environmental Group Limited
2, 315 Ferntree Gully Road
Notting Hill VIC 3149

By email

Dear Mr Bush

Environmental Group Limited ('EGL'): ASX Aware Letter

ASX refers to the following:

- A. EGL's announcement titled "Trading Update" (the 'Announcement') released on the ASX Market Announcements Platform at 9:04 AM on 13 November 2024 disclosing that due to "...project cost overrun, EGL now anticipates FY25 Normalised EBITDA to increase by between 10-15% over FY24 Normalised EBITDA".
- B. The change in the price of EGL's securities from \$0.320 immediately prior to the release of the Announcement to a low of \$0.255 following the release of the Announcement.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."
- E. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:
3.1A.1 One or more of the following 5 situations applies:
 - *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*
 - *The information is a trade secret; and**3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 A reasonable person would not expect the information to be disclosed.”

- G. The concept of “confidentiality” detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it is no longer a secret and it ceases to be confidential information for the purposes of this rule.”

Request for information

Having regard to the above, ASX asks EGL to respond separately to each of the following questions:

1. Does EGL consider the following information, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
 - 1.1 The project within the Baltec IES business unit incurring material cost overruns impacting EGL’s EBITDA for FY25; and
 - 1.2 FY25 Normalised EBITDA expected to increase by between 10-15% over FY24, down on the previous expectation of approximately 25%.

Please answer separately for each of the above.
2. If the answer to any part of question 1 is “no”, please advise the basis for that view.

Please answer separately for each of the items in question 1 above.
3. When did EGL first become aware of the information referred to in question 1 above?

Please answer separately for each of the items in question 1 above.
4. If EGL first became aware of the information referred to in question 1 before the date of the Announcement, did EGL make any announcement prior to that date which disclosed the information? If not, please explain why the information was not released to the market at an earlier time, commenting specifically on when you believe EGL was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps EGL took to ensure that the information was released promptly and without delay.

Please answer separately for each of the items in question 1 above and provide details of the prior announcement if applicable.
5. Please confirm that EGL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that EGL’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of EGL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEDT on Monday, 18 November 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, EGL’s obligation is to disclose the information ‘immediately’. This may require the information to be disclosed before the deadline set out above and may require EGL to request a trading halt immediately if trading in EGL’s securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in EGL's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to EGL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that EGL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Kind regards

ASX Compliance