



NZX Market Release

22 November 2024

WASTEKO GROUP LIMITED ANNOUNCES ACQUISITION OF CIVIC WASTE, CONVERTIBLE NOTE INVESTMENT BY EMPIRE WASTE TECHNOLOGY LIMITED, AND SHARE PURCHASE PLAN

Summary

Acquisition of Civic Waste Limited by WasteCo Group Limited

WasteCo Group Limited (NZX: WCO) has entered into a \$9m conditional agreement to acquire 100% of the shares in Civic Waste Limited, a leading North Island-based waste management company. This acquisition will provide WasteCo with an expanded geographic footprint and additional operational scale, contributing approximately NZD \$20 million in revenue over the next 12 months.

Convertible Note Investment by Empire Waste Technology Limited

Empire Waste Technology Limited, an investment vehicle of Simon and Paula Herbert, has agreed to subscribe to a \$15 million convertible note issued by WasteCo (“Notes”). The funds from the issue of the Notes will fund the Civic Waste acquisition, and provide working capital for WasteCo to fund further acquisitions and otherwise strengthen its balance sheet. The Notes have a five-year term, bearing 6% annual interest, and provides Empire with the option to convert the Notes into equity at \$0.02 per share at any time during the term.

Planned Share Purchase Plan for Existing Shareholders

WasteCo plans to offer a Share Purchase Plan (SPP) to allow existing shareholders to participate in the company’s growth at \$0.02 each. The SPP aims to raise up to \$5 million, subject to shareholder approval intended to be sought in December 2024.

Detailed Information on Transactions

Acquisition of Civic Waste Limited

WasteCo has entered into a conditional agreement to acquire Civic Waste Limited, a waste management company operating in Auckland, Hamilton, and Wellington. Civic Waste provides a range of services including:

- Waste collection & disposal
- Litter management
- Kerbside rubbish & recycling collection
- Mechanical sweeping & scrubbing
- Catchpit and sump cleaning, hydro-excavation
- Waste processing

Civic Waste operates a fleet of over 150 vehicles, including EVs, and employs 150 staff across its three main centres.

The acquisition represents WasteCo's first North Island investment, enabling future growth and alignment with its national corporate agreements.

The \$9 million purchase price includes an earn-out component linked to financial performance milestones over the next 12 months. Civic Waste's managing director, Bjorn Revfeim, and the rest of the Civic Waste management team will remain actively involved in the business.

WasteCo Chair, Shane Edmond says *"This investment represents an exciting inflection point for WasteCo, illustrating the Company's previously advised intention to aggressively grow its commercial operations through strategic acquisitions, and to expand its geographical commercial footprint beyond the South Island."*

The Civic Waste acquisition is anticipated to contribute approximately NZD \$20 million of additional revenue to WasteCo's consolidated financial performance over the next 12 months.

Completion of the transaction is conditional on:

- WasteCo shareholder approval of the Notes issue; and
- the satisfaction of other conditions precedent, customary for a transaction of this nature.

It is anticipated that the acquisition will complete prior to the Christmas break

Convertible Note Subscription by Empire Waste Technology Limited

Empire Waste Technology Limited, part of Simon and Paula Herbert's Empire Capital group, will invest \$15 million in WasteCo through a convertible note ("Notes") issue.

Empire is a company within the Empire Capital group of companies. Empire Capital is the investment vehicle for Simon and Paula Herbert. Empire holds significant commercial property and marina assets, and is also an investor in certain technology and other business operations.

Empire director, Simon Herbert says *"We are delighted to have the opportunity to participate in the capitalisation of WasteCo in conjunction with the acquisition of Civic Waste. We believe the New Zealand waste industry represents a robust sector to be investing in, and WasteCo is well positioned to prosper as macro-economic conditions improve next year, and to continue to investigate and execute upon further acquisition opportunities in the fragmented waste sector."*

Key terms of the Notes:

- Principal: \$15 million
- Term: Five years
- Interest rate: 6% per annum
- Conversion option: Empire may convert the Notes into shares at \$0.02 per share at any time over the five-year term.
- Security: The Notes will be secured by a second-ranking general security agreement (GSA) behind WasteCo's existing banking arrangements.

The funds raised will support WasteCo's acquisition of Civic Waste and provide additional capital for future growth initiatives and acquisitions. Completion is conditional upon the Civic Waste transaction and shareholder approval.

Share Purchase Plan (SPP)

In connection with these transactions, WasteCo plans to launch an SPP for existing shareholders, offering new shares at \$0.02 each. Further details of the SPP offer, including the record date and details of the required shareholder approval will be released separately once finalised.

These strategic transactions reflect WasteCo's commitment to enhancing shareholder value, expanding its geographic and operational footprint, and pursuing sustainable growth through acquisitions.

About WasteCo

WasteCo is a leading South Island waste solution company, processing and diverting liquid and solid waste from landfill. It provides comprehensive solutions for household, commercial, industrial and local authority customers.

WasteCo is a diamond certified Toitū Enviromark waste solutions provider and delivers outcomes that ensure its customers are at the leading edge of the sustainability frontier.

The company provides waste and sorting options as well as waste remediation, sweeping and industrial cleaning services – all delivered using leading edge technology and highly trained customer-focussed staff.

The Christchurch-based business was established in 2013.

For further information:

Shane Edmond

Chair

WasteCo Group Limited

M: 021 995 519