



18 May 2023

Conditional acquisition of Cleanways business and assets

WasteCo Group Limited (NZX: WCO) advises that its wholly owned operating subsidiary, WasteCo NZ Limited (**WasteCo NZ**) has entered into a conditional agreement to purchase the assets and business of Cleanways (2003) Limited and related companies, Enviro South (2015) Limited and Wastech Services (Central Otago) Limited (**Acquisition**).

Cleanways and Enviro South are based in Invercargill and specialise in bulk liquid waste, providing a range of services across Southland.

Wastech Services is based in Cromwell and specialises in the removal of all bulk liquid and solid waste, providing services throughout the Central Otago region.

The total purchase price for the Acquisition is \$7.35 million (plus GST, if any)¹.

- The purchase price will be partially satisfied by the issue of 31,850,353 new WCO shares to the Cleanways shareholders (\$2.205 million)².
- The balance of the purchase price, \$5.145 million, will be payable in cash on settlement.

While WasteCo NZ has completed due diligence in respect of the Acquisition, the transaction is conditional on specific third party arrangements, including a minimum number of existing employees accepting WasteCo NZ's offer of employment, and acknowledgments from major customers and suppliers to the businesses. The conditions are due to be satisfied by 29 May 2023.

Settlement of the Acquisition is scheduled for 1 June 2023.

Cleanways, Enviro South and Wastech Services have together established working relationships with a range of commercial, local body and private customers. They will continue to operate from their current premises following completion of the Acquisition. It is intended that Cleanways Managing Director, Lloyd Phillips, will remain as an advisor to the businesses for the next two years.

WasteCo Chair Shane Edmond welcomes Lloyd Phillips' decision to remain onboard with WasteCo and also the commitment of Cleanways shareholders to be part of WasteCo's future by taking a significant portion of the purchase price in WasteCo shares.

WasteCo listed on the NZX on 5 December 2022 following completion of a reverse listing transaction. At that time, the group announced an overall growth strategy to expand its South Island operations. This latest acquisition and the recent acquisition of Nelson-based, Central Suction Cleaners confirms the group is on track with this growth strategy.

¹ Subject to customary purchase price adjustments

² The new shares will be subject to escrow arrangements which have been voluntarily agreed with the Cleanways shareholders

WasteCo has grown progressively and consistently throughout the South Island since it was established in 2013, adding new clients as well as new services – such as medical and quarantine waste treatment and disposal. The WasteCo group is targeting further growth across the South Island including an expansion of services.

These latest acquisitions further WasteCo's service offerings, with existing operations based primarily in Nelson, Christchurch, Ashburton, Timaru, Oamaru, Dunedin and Balclutha.

“Having successfully expanded our footprint to cover the South Island from top to bottom, our next focus is on using this footprint as a launchpad to expand the range of services we offer. We want to offer the full range of WasteCo services from every one of our bases – existing and new,” Shane Edmond says.

“This is an exciting journey for WasteCo and we are really looking forward to being able to offer our customers so much more.”

About WasteCo

WasteCo is the South Island's leading waste solution focussed company, processing and diverting thousands of tonnes a week of liquid and solid waste from landfill. It provides comprehensive solutions for household, commercial, industrial and local authority customers.

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

WasteCo provides waste and sorting options as well as waste focussed service offerings, using leading edge technology as well as highly trained and customer service focussed personnel.

The Christchurch based business was established in 2013.

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