

ACQUISITION OF SKM DEBT AND APPOINTMENT OF RECEIVERS TO SKM

Cleanaway Waste Management Limited (ASX: CWY) announces that it has acquired the senior secured debt (the **Debt**) in the SKM Recycling group (**SKM**) from the Commonwealth Bank of Australia, the largest lender to SKM, for approximately \$60 million.

The Debt is secured against all assets of SKM with the exception of its Glass Recovery Services business (**GRS**). This includes the property, plant and equipment that form part of a network of five recycling sites, including three material recovery facilities and a transfer station in Victoria and a material recovery facility in Tasmania. The site in Laverton, Victoria includes an advanced plastic sorting facility which separates plastics from material recovery facilities into clean, individual polymer grades for sale or input into a pelletising facility.

SKM employs approximately 170 permanent staff (excluding GRS) and is headquartered in Laverton North, Victoria. The business processed commingled recyclable material from over 30 councils and municipalities in Victoria and Tasmania. SKM ceased accepting recyclable material to most of its sites over three weeks ago.

Following the acquisition of the Debt, Cleanaway has today appointed Mark Korda and Bryan Webster of KordaMentha as receivers and managers for the entire SKM group excluding the GRS entities. The Supreme Court of Victoria had previously appointed liquidators to another company in the SKM group, SKM Corporate Pty Ltd, on 2 August 2019.

KordaMentha will immediately implement a three-point plan with the aim to get the business back to capacity to help ease Victoria's waste crisis. The rescue and restructure package may include a sale of all or part of the assets. If a sale process is undertaken by the receivers, Cleanaway intends to participate in the process and will undertake a thorough due diligence review of the business.

Commenting on the investment, Cleanaway CEO and Managing Director Vik Bansal said: "The acquisition of the Debt will allow us to work with the receivers to examine viable options for SKM. If a sale process is undertaken and, if we are successful in purchasing any assets, we will return the assets to a sustainable footing. It will also present us with an opportunity to add to our network of prized infrastructure assets as part of our Footprint 2025 strategy."

Cleanaway will continue to update the market as appropriate.

Media enquiries:

Alan Jury, Domestique Consulting

Telephone: 0418 833 149

Email: alan@domestiqueconsulting.com.au

Cleanaway Waste Management Limited is Australia's leading total waste management, industrial and environmental services company. Our team of more than 6,000 highly trained staff are supported by a fleet of over 4,000 specialist vehicles working from approximately 250 locations across Australia. With the largest waste, recycling and liquids collections fleets on the road - and supported by a network of recycling facilities, transfer stations, engineered landfills, liquids treatment plants and refineries - we are working hard to deliver on our mission of making a sustainable future possible for all our stakeholders.