

UPDATE REGARDING ACQUISITION OF SUEZ'S AUSTRALIAN RECYCLING AND RECOVERY BUSINESS

Cleanaway Waste Management Limited ("**Cleanaway**", ASX: CWY) refers to its previous announcement of 6 April 2021 regarding its entry into agreements to acquire Suez Group S.A.S. ("**Suez**", EPA: SEV)'s Australian recycling and recovery business (the "**Suez R&R Acquisition**").

In that announcement, it was noted that the proposed acquisition could be terminated in certain circumstances, including where there is an agreement in-principle for a takeover of Suez. In such a case, subject to various conditions, Cleanaway will acquire a portfolio of strategic post collection assets in Sydney. The assets comprise two landfills and five transfer stations ("**Sydney Assets**") ("**Sydney Assets Acquisition**") and will be acquired for \$501 million¹.

Cleanaway has been informed by Suez that it has reached an in-principle agreement with Veolia Environnement S.A. ("**Veolia**", EPA: VIE) for a takeover of Suez S.A. by Veolia. Suez and Veolia announced the in-principle agreement, which remains subject to documentation and other formalities, on 12 April 2021. Cleanaway expects that the Suez R&R Acquisition will be terminated on, or prior to 6 May 2021, and that the Sydney Assets Acquisition will proceed. Suez has announced that the in-principle agreement provides for the suspension of ongoing legal proceedings, and that all legal proceedings will be withdrawn upon entry into the definitive agreements between Suez and Veolia.

The key highlights of the Sydney Assets Acquisition are set out below:

- The Sydney Assets Acquisition comprises Suez's putrescible and inert landfills and 5 transfer stations located across the greater Sydney basin
- The Sydney Assets Acquisition is subject to various conditions including ACCC approval, no material adverse change, transfer of certain contracts and a change of control of Suez S.A.
- At Cleanaway's forecast pro forma throughput rates the landfills are expected to have in excess of 15 years of available airspace, whilst the leading transfer station network will service the Sydney region for the foreseeable future, including Cleanaway's potential Energy from Waste facility in Western Sydney
- The inert landfill at Kemps Creek is well positioned to benefit from major infrastructure projects
- The Sydney Assets enhance and complement Cleanaway's existing footprint, and deliver Cleanaway an immediate post collections solution for the Sydney region to internalise its waste
- The acquisition of the Sydney Assets is expected to deliver attractive financial returns including pro forma EPSA accretion to FY20²

The Sydney Assets Acquisition includes the following assets:

¹ Factors in the estimated costs associated with the onerous contract to supply waste volumes to GRL's alternative waste treatment facility.

² Based on EPS excluding acquisition related amortisation and excluding one-off integration costs. Estimates are based on certain assumptions.

- Lucas Heights and Kemps Creek landfill operations with approximately 9.9 million cubic metres and 8.7 million cubic metres of available airspace across putrescible and dry / restricted waste streams, respectively
- Transfer stations in Auburn, Artarmon, Belrose, Rockdale and Ryde with waste processing capacity and capabilities

In CY20, the Sydney Assets generated net revenue of \$193.1 million³ and normalised EBITDA of \$72.9 million⁴.

Based on the expected timeline for completion of the takeover of Suez by Veolia, the Sydney Assets Acquisition is expected to complete in the second quarter of CY22.

Cleanaway will provide further information in relation to the proposed funding of the acquisition in due course.

This announcement has been authorised by the Executive Chairman of the Board of Directors

Investor Relations

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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.

³ Adjusted for landfill levies and based on assumptions in relation to volumes that would be delivered under Cleanaway's ownership.

⁴ EBITDA shown pre-AASB 16 impacts and based on assumptions in relation to volumes that would be delivered under Cleanaway's ownership.