

## ACQUISITION OF SKM RECYCLING ASSETS

Cleanaway Waste Management Limited (ASX:CWY) today advises it is the successful bidder for the acquisition of the assets of the SKM Recycling Group (**SKM**) (Receivers and Managers appointed) (**Acquisition**). The Acquisition follows the public sale process conducted by KordaMentha, who were appointed Receivers and Managers of SKM by Cleanaway following the acquisition of the senior secured debt in SKM, announced on 21 August 2019.

Pursuant to the Acquisition, Cleanaway will acquire the properties, plant and equipment and certain other assets of SKM for approximately \$66 million, subject to customary completion adjustments. Completion of the Acquisition is expected to occur by the end of October 2019. Sale proceeds will be applied to repay Cleanaway's senior secured debt, accrued interest and costs associated with the receivership.

The Acquisition will provide Cleanaway with 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 North, 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. The Acquisition will also include two properties in South Australia which are not currently expected to form part of future operations and may be sold.

The properties that will be acquired by Cleanaway pursuant to the Acquisition have a current combined market value of approximately \$50 million. Cleanaway expects to offer employment to the majority of SKM's full time employees.

Commenting on the Acquisition, Cleanaway CEO and Managing Director Vik Bansal said: *"Since the appointment of Receivers and Managers, significant progress has been made in clearing waste stockpiles from the sites, repairing plant and equipment and bringing the sites to required safety, environmental and operational standards. We expect to gradually restore operations in Victoria over the coming months to provide councils with a quality, sustainable solution for their recycling."*

*"I would like to acknowledge and thank the Victorian government who helped expedite the clearing of waste stockpiles and the return to operations at the Laverton North site through the loan provided to the Receivers."*

*"The Acquisition provides Cleanaway with a strong recycling platform in Victoria and Tasmania as part of our Footprint 2025 strategy and our mission of making a sustainable future possible."*

*"The recycling sector is undergoing significant structural changes with a move to increase recycling within Australia to support a transition towards a circular economy. The Acquisition provides us with the infrastructure to capitalise on the growth opportunities created by these changes."*

The Acquisition is not expected to contribute materially to earnings during the current financial year.

### Media and investor enquiries:

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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 4,900 specialist vehicles working from approximately 300 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.*