

## GOODWOOD CAPITAL LIMITED

Po Box 42 258  
Orakei  
Auckland 1745

26 April 2022

### Conditional acquisition of diversified waste and industrial services business - WasteCo Holdings NZ

The directors of Goodwood Capital Limited (NZX: GWC) announce that GWC has reached agreement to acquire 100% of WasteCo Holdings NZ Limited (**WasteCo**), a diversified waste, refuse and industrial services business with operations in Christchurch, Ashburton, Timaru, Oamaru, Dunedin and Balclutha.

The business operations of WasteCo comprise:

- **Environmental services**, which comprise the following operations:
  - Waste collection via front load bins, hook bins, skip bins and wheelie bins from both commercial and private customers.
  - A large gantry collection operation in Christchurch.
  - Road sweeping for Councils and commercial customers. WasteCo operates an extensive sweeping operation in the South Island.
  - Waste sorting and diversion. WasteCo operates a 3,600 square metre dedicated sorting facility in Christchurch with a strong focus on diversion from landfill. WasteCo is currently achieving global diversion in excess of 50% of waste away from the landfill.
  - WasteCo has recently implemented a new specialised facility for the collection and treatment of medical and quarantine waste.
- **Industrial services**, which comprise the following operations:
  - High pressure water blasting, urgent spill response services, septic tank cleaning and portaloos. These services are offered on a 24/7/365 basis. WasteCo is one of the largest providers of industrial services in the South Island.
  - Port services. WasteCo provides maintenance, cleaning and auxiliary services to several Ports and shipping companies in the South Island.
  - Training services. WasteCo provides internal and external training courses to its own staff and to third party organisations.

WasteCo commenced its business operations in 2013 and has continued to grow progressively and consistently since its inception<sup>1</sup>.

The unaudited results for FY 22 (31 March year) are anticipated to comprise consolidated revenues in excess of \$19 million (FY21: \$10.9 million), and EBITDA in excess of \$4 million (FY21: \$2.8 million).<sup>2</sup>

---

<sup>1</sup> See also <https://wasteco.co.nz/>.

<sup>2</sup> EBITDA is a non-GAAP financial reporting measure. Further details of the financial position, performance and prospects of WasteCo will be set-out in the Listing Profile to be prepared in relating to the transaction. The stated financial metrics are subject to finalisation of the consolidated financial statements for the respective financial years, and are subject to audit.

## **Transaction Structure**

The transaction agreed between the parties values WasteCo at \$31 million, whilst the listed shell of GWC has been valued at circa \$1.2 million (post the capitalisation of the existing indebtedness of GWC to Mounterowen Limited discussed below).

Prior to the transaction completing (and the capitalisation of the Mounterowen indebtedness), GWC's share capital will be consolidated on a circa 2.5 to one basis, such that the total number of shares on issue in GWC will be consolidated from 33,409,809 shares to approximately 13,360,000 shares after completion of the consolidation.

**All references in this announcement to the quantum of new GWC shares to be issued, are provided on an after consolidation basis.**

If the transaction completes:

- the existing shareholders of WasteCo will be issued 560,000,000 fully paid ordinary shares at an issue price of NZ\$0.05 per share as consideration for all of the shares in WasteCo. In addition, GWC will issue 60,000,000 fully paid ordinary shares to the holders of \$3 million of Mandatory Convertible Notes previously issued, or to be issued by WasteCo prior to completion of the transaction.
- the principal indebtedness of GWC (anticipated to be circa \$530,000 as at the date of the completion of the transaction) will be capitalised into circa 10,600,000 fully paid ordinary GWC shares at an issue price of NZ\$0.05 per share. This will extinguish the principal GWC indebtedness and ensure that GWC is largely debt free, with the exception of certain trade creditors incurred in the ordinary course of business as at the completion of the transaction.
- GWC will undertake a capital raising to raise \$3 million of new capital through the issue 60,000,000 fully paid ordinary shares to wholesale investors (as defined in the Financial Markets Conduct Act 2013) at an issue price of \$0.05 per share to raise additional new capital for GWC post completion of the transaction. Due to the regulatory framework associated with reverse listing transactions, GWC is not able to raise new capital through an offer to all existing shareholders, or other members of the public, in conjunction with completion of the transaction. As discussed further below, NZX will also suspend trading in GWC shares pending completion of the transaction.

After completion of the transaction, the WasteCo shareholders will own approximately 80% of the ordinary shares in GWC.

80% of the new GWC shares to be issued to the existing WasteCo shareholders will be placed in escrow (with restrictions on trading) up until the date after GWC announces its preliminary result to the market for the financial year ending 31 March 2023.

## **Shareholder approval and timing**

The transaction is subject to approval by the shareholders of GWC under the NZX Listing Rules and the Takeovers Code. GWC expects to send information to shareholders before the end of June 2022, to enable them to vote on the transaction at a shareholders' meeting shortly thereafter.

The information made available to shareholders will include a listing profile of WasteCo and an independent adviser report prepared to comply with requirements of the Takeovers Code and Takeovers Panel guidance.

Subject to the appropriate approvals, the completion date is expected to be within one week of the date of the shareholders meeting. At this time GWC would change its name to WasteCo Group Limited and its ticker code to 'WCO'. At completion, GWC is expected to have approximately \$3 million in cash or undrawn facilities, which would be used to fund further growth of the WasteCo business operations.

The board of GWC, post completion of the transaction, will consist of three of the current WasteCo shareholders – Co-founders Carl Storm and James Redmayne together with Shane Edmond. In addition, there will be two independent directors appointed.

**Suspension of trading in GWC shares pending the release of the Notice of Meeting and Profile to the market**

The transaction constitutes a reverse listing which, in accordance with NZ RegCo's usual practice, triggers a suspension of quotation of GWC shares.

GWC would plan to seek a release of the suspension once GWC has released the Notice of Meeting and Listing Profile relating to the transaction to the market. This process is as contemplated by the NZ RegCo Guidance Note on Reverse Listings, and is designed to ensure that the shares in an Issuer can only be traded where the market is fully informed about all material aspects of a potential acquisition, in the context of a reverse listing transaction.

**ENDS**

For further information on GWC and the acquisition transaction, please contact:

Sean Joyce  
Chairman, Goodwood Capital Limited  
email: [sean@corporate-counsel.co.nz](mailto:sean@corporate-counsel.co.nz)  
mobile: 021 865 704

For further information on WasteCo, please contact:

Shane Edmond  
Non-executive director, WasteCo Holdings NZ Limited  
mobile: 021 995 519