

GOODWOOD CAPITAL LIMITED

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10 June 2022

Update on acquisition of WasteCo Holdings NZ

The directors of Goodwood Capital Limited (NZX: GWC) have previously announced 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.

By way of an update to the market on progress of the transaction:

1. Good progress has been made with the drafting of the Notice of Meeting and the Listing Profile.
2. GWC has engaged Simmons Corporate Finance to prepare the Independent Advisors Report, and the preparation of that Report is well advanced.
3. The parties anticipate being in a position to submit the suite of Reverse Takeover (“RTO”) documentation to the regulators within the next three weeks.
4. The parties have agreed to vary the purchase consideration payable to acquire WasteCo Holdings from \$31 million to \$29.2 million. The revised purchase price will comprise:
 - (a) \$25.2 million for the WasteCo commercial business operations. This represents a reduction in the price for the business operations from \$28 million to \$25.2 million;
 - (b) \$4 million on account of the redemption of the Mandatory Convertible Notes (“MCN’s”) on issue in WasteCo as at the date of completion of the RTO. This represents an increase in the quantum of MCN’s on issue from \$3 million to \$4 million. These additional funds are being raised by WasteCo to fund the ongoing working capital requirements and growth initiatives of WasteCo in the interim period up to the completion of the RTO.
5. The revised purchase price for the WasteCo business operations (\$25.2 million) will be satisfied by the issue of 504 million fully paid ordinary shares at an issue price of NZ\$0.05 per share to the shareholders of WasteCo. In addition, GWC will issue 80,000,000 fully paid ordinary shares at an issue price of NZ\$0.05 per share to the holders of \$4 million of MCN’s.
6. In addition, the amount of new capital to be raised by GWC in conjunction with the completion of the RTO has been increased from \$3 million to \$4 million. This additional capital will be deployed by the combined GWC/WasteCo Group post RTO to fund ‘value accretive growth initiatives.
7. The balance of the transaction remains as disclosed in the announcement of 26 April 2022.

ENDS

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