

NEW CHUM LANDFILL UPDATE

Cleanaway Waste Management Limited (“Cleanaway”) ASX:CWY today announces an update in relation to its New Chum inert landfill in Ipswich, Queensland following damage caused by the flood events in H2 2022.

In February 2022, a significant rain event resulted in inundation of a new cell that was under construction at New Chum. Shortly thereafter the site was closed and related remediation activities commenced, including tankering water offsite for treatment and disposal. Towards the end of May 2022 more rain events added to the body of water, further impacting remediation.

Multiple workstreams are being undertaken at the site in consultation with the regulator to develop and deliver a timely solution, including managing the risk of offsite odour and reducing the body of water. We continue to actively engage and communicate with the local community and relevant stakeholders in relation to the issues at the site.

As a result of the extended timeframe for remediation, the site is likely to be closed throughout FY23.

In FY22, \$30 - 40 million¹ of costs are expected to be incurred relating to rectification and remediation at New Chum. These include \$11 million of costs expected to be incurred through to 30 June 2022 with the balance relating to a rectification provision to cover further works to be undertaken in FY23. These works include removing water and silt from the new cell, remediating and protecting the damaged cell, and treating and removing excess leachate from site. There is potential to recover costs related to property damage through insurance, however no potential recovery will be reflected in FY22 financial statements.

A further \$6 million¹ of net costs will be incurred in FY22 relating to property damage and rectification and remediation at other sites because of the floods.

The \$5-7 million EBITDA impact due to reduced profitability from the loss of fleet and the temporary closure of New Chum disclosed in the 3 May trading update will be included in Cleanaway’s FY22 underlying result.

¹ These costs will be excluded when Cleanaway reports its FY22 underlying performance on 19 August 2022.

On 6 May 2021 Cleanaway disclosed that reducing volume intake at New Chum would impact EBITDA by \$10-15 million in FY22, with the impact persisting until a height extension was approved or alternatives were delivered. As a result of the continued closure of the site, that impact will persist in FY23 in addition to a further ~\$10 million EBITDA impact.

Cleanaway is still awaiting the outcome of the review application for a height rise extension that was heard in the Queensland Planning and Environment Court in mid-2021.

This announcement has been authorised for release by the Board of Cleanaway.

ENDS

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 6,600 highly trained staff are supported by a fleet of over 5,000 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.