

## Environmental Waste International Inc. Announces Go-Private Transaction with Hydrotrux Group Ltd.

September 30, 2024 - WHITBY, ONTARIO--(Newsfile Corp.) - Environmental Waste International Inc. (TSXV: EWS) (the “**Company**” or “**EWS**”), announces that they have entered into an arrangement agreement dated today (the “**Agreement**”) pursuant to which Hydrotrux Group Ltd. (through a subsidiary) (the “**Purchaser**”) has agreed to acquire all of the outstanding common shares (the “**Shares**”) of the Company for cash consideration of C\$0.0035 per Share (the “**Transaction**”).

The Transaction is the culmination of a strategic and liquidity review that the Board of Directors of the Company (the “**Board**”) has been engaged in since February 2022, with the assistance of Origin Merchant Partners (“**Origin**”). Such review was necessary to address the Company’s liquidity issues and the need to raise sufficient capital for the build out of the Company’s pilot plant in Sault Ste. Marie. The Transaction provides the capital to support the Company’s business objectives with specific consideration to all of the Company’s stakeholders and was the best alternative available to ensure the ongoing viability of the Company. If the Transaction is not completed, the Company does not expect that there will be an alternative that would provide any value to the holders of the Company’s equity securities or debt holders.

### Transaction Summary

The Transaction will be completed pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (Ontario). The Transaction will be subject to the approval of at least 66⅔% of the votes cast by shareholders and 66⅔% of the votes cast by all securityholders each voting as a class at a special meeting of EWS securityholders expected to be held on November 20, 2024 (the “**Securityholder Meeting**”). The Transaction is subject to, among other conditions, securityholder approval and receipt of certain regulatory, court and stock exchange approvals and other closing conditions customary in transactions of this nature.

All outstanding options and warrants of EWS shall be either exercised or cancelled for no consideration on or before the closing date. It is not expected that any of the options or warrants will be exercised as all are out-of-the-money. The outstanding RSUs of EWS will be entitled to the same consideration as the shareholders.

The Agreement includes, among other things, non-solicitation covenants on the part of the Company (subject to customary fiduciary out provisions) and a right for the Purchaser to match any competing offer that constitutes a superior proposal. To support the Company’s liquidity needs during the period prior to closing the Transaction, the Purchaser has agreed to pay certain of the Company’s working capital needs prior to closing of the Transaction. Under certain circumstances, the Purchaser is entitled to a \$1 million termination fee and an expense reimbursement for any working capital expenses of EWS paid by the Purchaser from the date of the Agreement.

Full details of the Transaction will be included in the Company’s management information circular, which will be mailed to securityholders in connection with the Securityholder Meeting. Securityholders are urged to read the information circular once available, as it will contain additional



important information concerning the Transaction. The Agreement will also be filed on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Purchaser currently owns 30,000,000 (9.9%) Shares. Voting support agreements have been entered into between the Purchaser and each of the directors and officers of EWS, who collectively own approximately 12.1% of the outstanding Shares, and certain other significant shareholders of EWS, who collectively own approximately 40.5% of the outstanding Shares, to support and vote in favour the Transaction (the "**Support Agreements**"). The Support Agreements represent 52.6% of the outstanding Shares of EWS.

Following completion of the Transaction, the Shares will be delisted from the TSX Venture Exchange (the "**TSXV**"), and the Company will apply to cease to be a reporting issuer in applicable provinces in Canada.

### **Board Recommendation**

The Transaction has been unanimously approved by the Board. The Board did not strike a special committee due to its small size and that all of its members were in a similar position as directors, debt holders and shareholders of the Company. None of the members of the Board are officers of the Company and are not receiving any different or additional consideration under the terms of the Transaction. All of the directors will resign on closing of the Transaction and are not entitled to any termination or change of control payments. Origin has provided an oral fairness opinion to the Board which will be confirmed in writing that, based upon and subject to the assumptions, limitations and qualifications to be set forth in the written opinion, the consideration to be received by the shareholders of the Company pursuant to the Transaction is fair, from a financial point of view, to such shareholders.

### **Advisors**

Origin is acting as financial advisor to EWS and WeirFoulds LLP is acting as legal counsel to EWS in connection with the Transaction.

Stikeman Elliot LLP is acting as legal counsel to the Purchaser in connection with the Transaction.

### **About Environmental Waste International Inc.**

Environmental Waste International Inc. specializes in eco-friendly systems for the breakdown of organic materials, including tires. The Company has spent over 15 years engineering systems that integrate the EWS patented Reverse Polymerization™ process and proprietary microwave delivery system. EWS's unique microwave technology safely processes and recycles waste tires, while recovering highly valuable commodities, including carbon black, oil and steel. Each unit is designed to be environmentally safe, energy efficient, and economically profitable for the operator. For more information please visit, [www.ewi.ca](http://www.ewi.ca).

### **FOR FURTHER INFORMATION PLEASE CONTACT:**

Kelli Harrington, CEO  
(403) 970-7111 or (800) 399-2366  
[kelli.harrington@ewi.ca](mailto:kelli.harrington@ewi.ca)



[www.ewi.ca](http://www.ewi.ca)

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

*This news release contains certain “forward-looking statements” within the meaning of such statements under applicable securities law. Forward-looking statements are frequently characterized by words such as “plan”, “continue”, “expect”, “project”, “intend”, “believe”, “anticipate”, “estimate”, “may”, “will”, “potential”, “proposed” and other similar words, or statements that certain events or conditions “may” or “will” occur. These statements are only predictions. Various assumptions were used in drawing the conclusions or making the projections contained in the forward-looking statements throughout this news release. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. The Company is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law. A more complete discussion of the risks and uncertainties facing the Company appears in the Company’s continuous disclosure filings, which are available at [www.sedar.com](http://www.sedar.com).*