

Irrevocable Undertaking

To: The Directors
Antwerp Management Limited
Suite 1, 3rd Floor 11 - 12 St James's Square
London, United Kingdom, SW1Y 4LB

30 July 2021

Dear Sirs/Madam,

Proposed acquisition by Antwerp Management Limited (the “Bidder”) for Augean plc (the “Target”)

1. Proposed Acquisition

1.1 In this undertaking all references to the “**Acquisition**” shall mean:

- (a) the proposed acquisition by the Bidder, or any of its group undertakings, of the entire issued and to be issued share capital of the Target:
 - (i) to be effected by way of a scheme of arrangement (the “**Scheme**”) pursuant to section 895 of the Companies Act 2006 (the “**CA 2006**”) but which may ultimately be effected by way of a takeover offer (an “**Offer**”) within the meaning of section 974 of the CA 2006 on the same terms, so far as relevant, as those which would apply to the Scheme; and
 - (ii) made by or on behalf of the Bidder substantially on the terms and conditions set out or referred to in the draft announcement set out in Annex 1 (the “**Announcement**”), subject to any inclusion of any alternative or additional terms and conditions as may be required to comply with the requirements of the Panel on Takeovers and Mergers (the “**Panel**”), any applicable law or regulation, and/or any non-material modifications.

1.2 Certain terms used in this undertaking are defined in Clause 12 below.

2. Undertakings

- 2.1 I irrevocably and unconditionally undertake confirm, represent and warrant to the Bidder on the terms set out in Clauses 3 to 11 (inclusive) of this undertaking.
- 2.2 This undertaking is given by me in my capacity as a holder of ordinary shares in the capital of the Target and not in my capacity as a director of the Target.

3. Ownership

- 3.1 Schedule 1 to this undertaking contains complete and accurate details of all Target securities in which I am interested (“**Relevant Securities**”) having the meaning set out in clause 12.1(d) below and “**interest**” having the meaning set out in Clause 12.1(e)).
- 3.2 I do not have an interest in any other shares or securities of the Target other than those set out in Schedule 1 and as described in Clause 12.1(e)).

- 3.3 I am the beneficial owner of and am otherwise able to control the exercise of all rights attaching to, including voting rights and the ability to procure the transfer of, the Relevant Securities. Unless otherwise specified, I am also the registered holder of all the Relevant Securities.
- 3.4 I have full power and authority, and am able to transfer (or procure the transfer of) the Relevant Securities free from all liens, charges, options, equities, encumbrances and other third party rights and interests of any nature and together with all rights attaching thereto, including the right to all dividends and other distributions (if any) declared, made or paid hereafter.

4. Voting in favour of the Scheme

- 4.1 For as long as the Bidder elects to implement the Acquisition by way of the Scheme, I irrevocably undertake to exercise, or to procure the registered holder to exercise, all voting rights attaching to the Relevant Securities at:
- (a) any meeting of the Target's shareholders convened by order of the Court (including any adjournment thereof) in connection with the Scheme (the "**Court Meeting**"); and
 - (b) any general meeting of the Target (including any adjournment thereof) in connection with the Scheme (the "**GM**");

in favour of the Scheme, including any resolutions required to give effect to the Scheme (the "**Resolutions**") as set out in the notices of meeting in the circular to be sent to shareholders of the Target containing an explanatory statement in respect of the Scheme (the "**Scheme Document**") and against any resolution to adjourn the Court Meeting or the GM or to amend the Scheme or which, if passed, might reasonably be expected to result in any condition of the Scheme not being fulfilled or which might reasonably be expected to impede or frustrate the Scheme in any way or prevent the Scheme from becoming effective.

- 4.2 I undertake to exercise, or procure the registered holder to exercise, all rights attaching to the Relevant Securities to requisition or join in the requisitioning of any general meeting of the Target for the purposes of voting on any resolution referred to under Clause 4.1 above, or to require the Target to give notice of any meeting, in accordance with the Bidder's instructions (but for the avoidance of doubt, not in my capacity as director of the Target).
- 4.3 Without prejudice to Clause 4.1, I shall after the posting of the Scheme Document to the Target's shareholders, and without prejudice to my right to attend and vote in person at the Court Meeting and the GM:
- (a) return, or procure the return of, the signed forms of proxy enclosed with the Scheme Document, (completed, signed and voting in favour of the Scheme and the Resolutions), in accordance with the instructions printed on the forms of proxy within ten Business Days after the date of posting of the Scheme Document; and
 - (b) not revoke or withdraw the forms of proxy once they have been returned in accordance with Clause 4.3(a).
- 4.4 In the event that I acquire any interest in Relevant Securities after the date of this undertaking, the obligations in Clauses 4.1 to 4.3 shall apply in relation to those securities save that the obligation in Clause 4.3(a) shall apply from the date of acquisition by me of such Relevant Securities.

5. Offer

- 5.1 In the event that the Acquisition is implemented by way of an Offer, I confirm and agree that this undertaking shall continue to be binding in respect of the Relevant Securities and all references to the Scheme shall, where the context permits, be read as references to the Offer.

5.2 In particular, if the Acquisition is implemented by way of an Offer, references in this undertaking to:

- (a) voting in favour of the Scheme and voting in favour of the resolutions to be proposed at the Court and/or shareholder meetings in person or by proxy shall be read and construed as accepting the Offer, which acceptances in such circumstances shall be tendered by no later than 3:00 pm (London time) on the tenth Business Day after despatch to Target shareholders of the formal document containing the full terms and conditions of the Offer (the “**Offer Document**”) and not withdrawing, or procuring the withdrawal of acceptances in respect of the Relevant Securities; and
- (b) the Scheme becoming effective shall be read as references to the Offer becoming unconditional in all respects; and
- (c) the Scheme lapsing or being withdrawn shall be read as reference to the withdrawal, closing or lapsing of the Offer; and
- (d) the Scheme Document shall be read as references to the Offer Document.

6. Dealings in Relevant Securities

I undertake that I will not prior to the withdrawal or lapsing of the Scheme (whichever is earlier) without the written consent of the Bidder:

- (a) sell, transfer, charge, encumber, grant any option over or otherwise dispose of or permit the sale, transfer, charging or other disposition or creation or grant of any other encumbrance or option of or over all or any of the Relevant Securities or interest in any Relevant Securities except pursuant to the Acquisition, or accept any other offer in respect of all or any Relevant Securities;
- (b) purchase or otherwise acquire (or encourage any other person to so deal in, purchase or acquire) any other securities in the Target or any interest therein or rights to acquire or subscribe for securities in the Target (including any options or derivatives), other than in accordance with the terms of the Acquisition, unless the Panel determines and confirms to you, that, in respect of such acquisition or dealing, we are not acting in concert with you pursuant to Note 9 on the definition of “Acting in concert” set out in the Code;
- (c) enter into any undertaking or agreement with any third party relating to any Relevant Securities or any interest in them, including (without limitation) any agreement that would prevent or restrict me from selling, or granting any call option over, any Relevant Securities to the Bidder;
- (d) deal in any shares or securities in the Target or any interest therein;
- (e) restrict, constrain or remove my ability to control the exercise of all rights attaching to, including voting rights and the ability to procure the transfer of, the Relevant Securities, whether conditionally or unconditionally; or
- (f) other than pursuant to the Acquisition, enter into any agreement or arrangement or permit any agreement or arrangement to be entered into or incur any obligation or permit any obligation to arise:
 - (i) to do all or any of the acts referred to in paragraphs (a) to (e) (inclusive) above;
 - or

- (ii) which would restrict or impede me voting in favour of the Scheme or accepting the Offer or be otherwise prejudicial to the Acquisition in respect of the Relevant Securities,

and for the avoidance of doubt, references in this Clause 6 to any agreement, arrangement or obligation shall include any such agreement, arrangement or obligation whether or not subject to any conditions, or which is to take effect upon or following withdrawal or lapsing of the Scheme, or upon or following this undertaking ceasing to be binding, or upon or following any other event, provided further, for the avoidance of doubt, that the foregoing undertakings will not in any way restrict any actions taken by me in my capacity as a director of Target or any of its subsidiaries.

7. Shareholder Actions

- 7.1 Prior to the withdrawal or lapsing of the Scheme, I will not, in any capacity as a shareholder, without the consent of the Bidder requisition solely or jointly, any general or class meeting of the Target.
- 7.2 Until such time as the Scheme becomes effective or lapses or is withdrawn I will exercise or procure the exercise by proxy or in person of the votes attaching to the Relevant Securities in respect of any resolution proposed at any general or class meeting of the Target, or at any adjournment thereof (a “**Relevant Resolution**”):
 - (a) in favour of any such resolution the passing of which is necessary to fulfil any condition of the Scheme;
 - (b) against any such resolution whose passing is required in connection with any offer for Target securities that is made by a person other than the Bidder or any group undertaking of the Bidder; and
 - (c) against any such resolution which, if passed, would result in any condition of the Scheme not being fulfilled or which would impede or frustrate the Scheme in any way.

I acknowledge and accept that any resolution to adjourn a general or class meeting of the Target whose business includes the consideration of a Relevant Resolution, and a resolution to amend a Relevant Resolution, is also a Relevant Resolution.

8. Disclosure

- 8.1 I consent to the issue of a press announcement incorporating references to me and to this undertaking. I understand and accept that, if the Acquisition is made, this undertaking will be made available for inspection during the period of the Scheme and that particulars of it will be contained in the Scheme Document.
- 8.2 I undertake to provide you on reasonable request with all such further information in my possession in relation to my interests, and those of any person connected with me, in securities of the Target as is required in order to comply with the requirements of the Panel and any other legal or regulatory requirements for inclusion in the Scheme Document (or any other document required in connection with the Scheme), and I will promptly notify you in writing of any material change in the accuracy or import of any information previously supplied to you by me.

9. Lapse of Undertaking

This undertaking shall lapse and, without any prejudice to any existing breaches of my obligations, shall cease to have any effect if:

- (a) the Announcement is not released on or before 8.00 a.m. (London time) on the Business Day after the date of this undertaking;
- (b) the Scheme Document is not posted to Target shareholders within 28 days (or such longer period as the Panel may agree) after the date of the Rule 2.7 Announcement;
- (c) the Bidder announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new or replacement offer or scheme is announced pursuant to the Code at the same time
- (d) the Scheme lapses or is withdrawn;
- (e) the Scheme has not become effective by 5:30 pm (London time) on the Long-stop Date (as defined in the Announcement), or such later time or date as the Bidder and the Target (with the consent of the Panel) agree, or the Panel may require; or
- (f) any competing offer for the entire issued and to be issued share capital of the Target is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes effective in accordance with its terms.

10. Power of Attorney

I hereby irrevocably and by way of security for the performance of my obligations set out in this undertaking appoint each of the Bidder and any director of the Bidder severally to be my attorney if I fail to comply with any of the undertakings in paragraph 4 above, to execute as a deed and deliver on my behalf forms of proxy to be issued with the Scheme Document in respect of the Relevant Securities and to sign, execute and deliver any documents (including without limitation any indemnity in a customary form in respect of any lost or missing share certificates) and to do all acts and things as are necessary for the voting in favour of the Scheme in respect of the Relevant Securities and/or for giving full effect to this undertaking. This appointment is irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 until this undertaking lapses in accordance with Clause 9.

11. General

- 11.1 I acknowledge and accept that nothing in this undertaking obliges the Bidder to announce or make the Acquisition.
- 11.2 I acknowledge and accept that time shall be of the essence as regards any time, date or period mentioned in this undertaking or extended by mutual agreement.
- 11.3 I confirm that I fully understand my obligations hereunder and the consequences of entering into those obligations. I understand and agree that, if I fail to vote in favour of the Scheme in accordance with my obligations in this undertaking or if I am otherwise in breach of those obligations, an order of specific performance may be the only adequate remedy. I also accept and agree that this undertaking shall be binding on my estate and personal representatives.
- 11.4 Nothing in this undertaking is intended to confer on any person any right to enforce any term of this undertaking which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

11.5 This undertaking will be governed by and construed in accordance with English law and I submit to the exclusive jurisdiction of the English courts to settle any dispute arising from or connected with this undertaking.

12. Interpretation

12.1 In this undertaking:

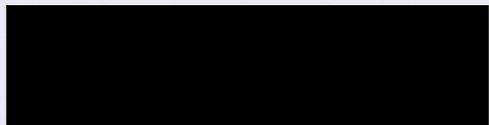
- (a) references to “**Business Days**” means a day, other than a Saturday, Sunday or public holiday when banks are open for business in London;
- (b) references to the “**Code**” means the City Code on Takeovers and Mergers;
- (c) the expressions “**the Scheme**” and “**the Acquisition**” shall be construed *mutatis mutandis* as including any amended, revised, extended, improved, increased, additional or other offer or offers made, or scheme or schemes proposed, by or on behalf of the Bidder for, or in relation to, the securities of the Target;
- (d) “**Relevant Securities**” means all Target shares and securities in which I am interested and including any other securities in Target issued after the date hereof and attributable to or derived from such securities;
- (e) an “**interest**” in shares or securities: (a) has the same meaning in this undertaking as it does for the purposes of section 820 and sections 822-825 of the CA 2006; and (b) (to the extent not covered by (a)) anything that is treated as an interest under the definition in the Code of “interests in securities”. Without prejudice to the foregoing, I am taken to be interested in the following:
 - (i) any securities held by the trustees of any employee share ownership plan established by or operated by the Target, or my own personal pension plan, on my behalf;
 - (ii) any securities held by the trustees of any occupational pension plan established by or operated by the Target of which I am a member; and
 - (iii) all interests in shares or securities issued by the Target that are owned legally or beneficially by any person who is connected to me within the meaning of section 252 of the CA 2006 (which includes my spouse, my children and step-children under the age of 18 and certain family trusts and family companies);
- (f) the term “**group undertaking**” shall be construed in accordance with section 1161 of the Companies Act 2006;
- (g) the expression “**dealing**” is to be construed in accordance with the definition of “dealings” in the Code; and
- (h) references to “**the period of the Scheme**” are references to the period commencing on the date of this undertaking and continuing thereafter unless and until the Scheme becomes effective, lapses or is withdrawn.

12.2 The headings and sub-headings in this undertaking are for convenience only and shall not affect its interpretation.

12.3 Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa.

This document has been executed as a **deed** and is delivered and takes effect on the date first above written.

SIGNED by **JOHN RAUCH**
in the presence of:



JOHN RAUCH

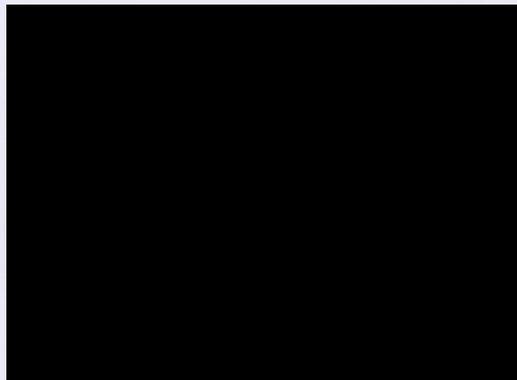


Witness's Signature

Name:

Address:

Occupation:



Schedule 1

Interests in Target

My “interests” in the Target (including those of myself, members of my immediate family, related trusts and connected persons) on the date of this undertaking are as follows:

(1) Shares

Number of Relevant Securities	Class	Registered holder	Beneficial owner	Where I am not the registered holder or beneficial owner, the nature of my interest (e.g. discretionary fund or investment manager)
89,512	Ordinary	Hargreaves Lansdown Nominees Ltd	John Rauch	

(2) Options

Class of Relevant Securities	Date of grant	Exercise period	Exercise price (pence)	Registered holder	Beneficial holder	No. of Relevant Securities under option

(3) Derivatives

Class of securities	Nature of derivative	Maturity date	Registered holder	Beneficial holder	Reference price	No. of reference securities to which derivative relates

Annex 1

Form of Announcement

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION

FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

30 July 2021

RECOMMENDED OFFER

for

AUGEAN PLC

by

Antwerp Management Limited

(a newly-formed company indirectly owned by funds managed or advised by Morgan Stanley Infrastructure Inc., an indirect subsidiary of Morgan Stanley)

to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006

Summary

- The boards of Augean Plc (“Augean” or the “**Company**”) and Antwerp Management Limited (“**Bidco**”) are pleased to announce that they have agreed the terms of a recommended acquisition of Augean by Bidco, a newly-incorporated company indirectly owned by funds managed or advised by Morgan Stanley Infrastructure Inc. (“**MSI**”), an indirect subsidiary of Morgan Stanley, a Delaware, USA corporation (“**Morgan Stanley**”) and part of Morgan Stanley’s global private infrastructure investment platform, Morgan Stanley Infrastructure Partners (“**MSIP**”), pursuant to which Bidco will acquire the entire issued and to be issued share capital of Augean (the “**Offer**”).
- Under the terms of the Offer, Augean Shareholders will be entitled to receive:

for each Augean Share: 280 pence in cash; and
a contingent entitlement of up to a further 20 pence in Loan Notes by way of a contingent value right linked to the outcome of the Outstanding Tax Claims (a “CVR”)

Together, the Offer represents a total price per share of up to £3.00.

In certain circumstances, the CVR will have zero value and no Loan Notes will be issued.

- The Offer, assuming each CVR delivers its maximum value of 20 pence in principal value of Loan Note, values the entire issued and to be issued ordinary share capital of Augean at approximately £314.9 million on a fully diluted basis and represents a premium of approximately:
 - 35.9 per cent. to the Company’s daily volume weighted average share price of 220.8 pence per Augean Share for the two-month period ended on 26 May 2021 (being the last Business Day prior to the date of the start of the offer period in relation to the Offer); and

- 20.7 per cent. to the Closing Price of 248.5 pence per Augean Share on 26 May 2021 (being the last Business Day prior to the date of the start of the offer period in relation to the Offer).
- The Offer, assuming each CVR has zero value and no Loan Notes are issued, values the entire issued and to be issued ordinary share capital of Augean at approximately £293.9 million on a fully diluted basis and represents a premium of approximately:
 - 26.8 per cent. to the Company's daily volume weighted average share price of 220.8 pence per Augean Share for the two-month period ended on 26 May 2021 (being the last Business Day prior to the date of the start of the offer period in relation to the Offer); and
 - 12.7 per cent. to the Closing Price of 248.5 pence per Augean Share on 26 May 2021 (being the last Business Day prior to the date of the start of the offer period in relation to the Offer).
- Pursuant to the terms of the Offer, Eligible Augean Shareholders will receive one CVR for each Augean Share that they hold. The CVR is intended to enable eligible Scheme Shareholders to share in a portion of the proceeds of the Outstanding Tax Claims. Each CVR will entitle Augean Shareholders to receive up to a further 20 pence in Loan Notes (subject to applicable securities laws) at the election of the Augean Shareholder, subject to and in accordance with the terms and conditions of the CVR Deed Poll. The CVRs will be non-transferable other than to certain permitted transferees and no application will be made for the CVRs to be listed or dealt in on any stock exchange. A description of the terms and operation of the CVRs and the Loan Notes is set out in paragraph 3 of this announcement. Augean Shareholders who hold fewer than 25 Scheme Shares (or, if the Offer is implemented by way of a Takeover Offer, Augean Shares to which the Takeover Offer relates) will not receive any CVRs. **Eligible Augean Shareholders are strongly advised to read paragraph 3 of this announcement in full.**
- **If the net proceeds of the Outstanding Tax Claims are £100,000 or less, no Loan Notes will be issued and, in these circumstances, Augean Shareholders will not receive any additional consideration under the CVR. In these circumstances, the value of the CVR will be zero. Greenhill has not been required to confirm, and has not confirmed, that resources are available to Bidco to satisfy payments under the CVRs or the Loan Notes.**
- The CVRs have been constituted by a deed poll entered into by Bidco on the date of this announcement. The CVRs will not represent any equity or ownership interest in Bidco, and accordingly will not confer on the CVR Holders any right to attend, speak at or vote at any meeting of the shareholders of Bidco or right to any dividends or right to any return of capital by Bidco.
- If, on or after the date of this announcement and before the Effective Date, any dividend, distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Augean Shares, Bidco reserves the right to reduce the cash consideration payable under the terms of the Offer by the amount of any such dividend, distribution and/or return of capital which is paid or becomes payable by the Company to Augean Shareholders, in which case the relevant eligible Augean Shareholders will be entitled to receive and retain such dividend, distribution and/or return of capital declared, made or paid.
- It is intended that the Offer will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. In order to become Effective, the Scheme must be approved by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders. Further details of the Scheme and the Court Meeting are contained in the full text of this announcement. In addition, the implementation of the Scheme must also be approved by the requisite majority of Augean Shareholders at the General Meeting. Bidco reserves the right to elect, subject to the terms of the Co-operation Agreement and with the consent of the Panel, to implement the Offer by way of a Takeover Offer for the whole of the issued and to be issued ordinary share capital of the Company as an alternative to the Scheme.

MSIP, Bidco and background to and reasons for the Offer

- Established in 2006, Morgan Stanley's global private infrastructure investment platform, MSIP, is a global platform for private infrastructure investments. It employs an established, disciplined process to invest in and manage a diverse portfolio of infrastructure assets predominantly in OECD countries. Its focus sectors include power generation and utilities, natural gas, transportation, and digital infrastructure. The MSIP team possesses considerable infrastructure investing and asset management experience. MSIP has a large and diverse team of professionals with offices across the globe.
- Bidco is a newly incorporated company, formed on behalf of, and which is indirectly owned by, funds managed or advised by MSI, which is an indirect subsidiary of Morgan Stanley, and part of Morgan Stanley's global private infrastructure investment platform, MSIP, which forms part of Morgan Stanley Investment Management, for the purpose of implementing the Offer.
- MSIP has been following the waste management sector and the broader UK infrastructure market for a number of years and has spent time and resources evaluating the sector in general and Augean in particular.
- MSIP is interested in the opportunity to gain exposure to the UK hazardous waste market and views Augean as an attractive company operating in this sector, focussing on the energy from waste, construction, industrial and nuclear end markets. MSIP believes that Augean is a high quality business with a network of strategically located facilities, a well-known and respected brand, and a customer base operating on long-term contracts. MSIP also considers Augean's management team members to be experienced and capable partners to further the future development of the Company.
- MSIP has extensive experience investing in a variety of infrastructure and infrastructure-like assets. Within the United Kingdom historically this has included investments in Affinity Water, one of the largest regulated water-only companies in the United Kingdom (by revenue), and Eversholt Rail Group, a leading rolling stock company in the United Kingdom. Furthermore MSIP has a track record of acquiring publicly listed companies and investing in regulated utilities.
- Leveraging MSIP's extensive experience, MSIP's team will work closely with management to refine its private company strategy with a long-term perspective to help the Company achieve its full potential and support management in pursuing strategy enhancing M&A opportunities.

Recommendation, irrevocable undertakings and letter of intent

- The Augean Directors, who have been so advised by Rothschild & Co as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing its advice, Rothschild & Co has taken into account the commercial assessments of the Augean Directors. Rothschild & Co is providing independent financial advice to the Augean Directors for the purposes of Rule 3 of the Code.
- Accordingly, the Augean Directors intend to recommend unanimously that Augean Shareholders vote, or procure the voting, in favour of the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Resolutions to be proposed at the General Meeting as all Augean Directors who hold interests in Augean Shares have irrevocably undertaken to do, or procure to be done, in respect of their own beneficial holdings of 4,789,732 Augean Shares, in aggregate, representing approximately 4.56 per cent. of the Augean Shares in issue on the Latest Practicable Date.
- In addition to the irrevocable undertakings from the Augean Directors, Bidco has also received irrevocable undertakings from the Harwood Entities to vote, or procure the voting, in favour of the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Resolutions to be proposed at the General Meeting or, if (subject to the terms of the Co-operation Agreement and with the consent of the Panel) Bidco exercises its right to implement the Offer by way of a Takeover Offer, to accept, or procure the acceptance of such Takeover Offer in respect of a total of 25,100,000

Augean Shares, in aggregate, representing approximately 23.91 per cent. of the Augean Shares in issue on the Latest Practicable Date. The irrevocable undertakings will cease to be binding, inter alia, if any third party announces an offer in accordance with Rule 2.7 of the Code for the entire issued and to be issued ordinary share capital of Augean and the consideration payable for each Augean Share under such proposal represents either: (i) an amount in cash that is at least 7.5 per cent. higher than 280 pence per Augean Share and includes a contingent value right pursuant to which the applicable proportion of any Tax Claim Proceeds payable to shareholders is at least 7.5 per cent. higher than the applicable proportion payable by Bidco under the terms of the CVR Deed Poll and provided that all other terms must be at least equivalent to those offered by Bidco; or (ii) represents an amount in cash that is at least 10 per cent higher than 280 pence per Augean Share (and, for the avoidance of doubt, need not (but may) include an entitlement to a contingent value right). Bidco has the right to match the terms of any such competing offer.

- Gresham House Strategic plc has also provided an irrevocable undertaking to vote, or procure the voting, in favour of the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Resolutions to be proposed at the General Meeting or, if (subject to the terms of the Co-operation Agreement and with the consent of the Panel) Bidco exercises its right to implement the Offer by way of a Takeover Offer, to accept, or procure the acceptance of such Takeover Offer in respect of a total of 5,870,604 Augean Shares representing approximately 5.59 per cent. of the Augean Shares in issue on the Latest Practicable Date. The irrevocable undertaking will cease to be binding if any third party announces an offer in accordance with Rule 2.7 of the Code for the entire issued and to be issued ordinary share capital of Augean and the consideration payable for each Augean Share under such proposal represents an amount in cash that is at least 299.60 pence per Augean Share (and, for the avoidance of doubt, need not (but may) include an entitlement to a contingent value right).
- Hargreave Hale Limited (on behalf of Marlborough UK Micro-Cap Growth Fund) has provided a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in respect of 12,500,000 Augean Shares, representing approximately 11.91 per cent. of the Augean Shares in issue on the Latest Practicable Date.
- Therefore, as at the date of this announcement, Bidco has received irrevocable undertakings and a non-binding letter of intent to vote, or procure the voting, in favour of the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Resolutions to be proposed at the General Meeting or, if (subject to the terms of the Co-operation Agreement and with the consent of the Panel) Bidco exercises its right to implement the Offer by way of a Takeover Offer, to accept, or procure the acceptance of such Takeover Offer with respect to a total of 48,260,336 Augean Shares, in aggregate, representing approximately 45.97 per cent. of the Augean Shares in issue on the Latest Practicable Date.
- Full details of the irrevocable undertakings and the letter of intent are set out in Appendix 3 to this announcement.

Timetable and Conditions

- The Offer is subject to the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document.
- Further details of the Scheme will be set out in the Scheme Document which will be dispatched to Augean Shareholders (together with the Forms of Proxy) within 28 days from the date of this announcement (unless Bidco and Augean otherwise agree, and the Panel consents, to a later date).
- Subject to the satisfaction or waiver (as applicable) of all relevant conditions, including the Conditions and certain terms set out in Appendix 1 to this announcement and to be set out in the

Scheme Document, the Scheme is expected to become Effective in September or October 2021. An expected timetable of principal events will be included in the Scheme Document.

Commenting on the Offer, Jim Meredith, Executive Chairman of Augean, said:

“The Board of Augean believes that MSIP is well-respected as a long-term investor in the infrastructure sector and will be able to support Augean’s strategy of providing the highest level of customer service and safe operations in niche and highly regulated hazardous waste markets which should allow the business to develop its services to an increasing breadth of customers while offering commensurate opportunities for our employees.

We are very proud of Augean’s performance in successfully executing a complex turnaround programme and delivering very strong share price performance in recent years. This has been achieved through contributions from employees across the whole spectrum of the company not least from the senior management team, resulting in a significant increase in shareholder value.

We believe that the acquisition provides attractive value to Augean Shareholders whilst enabling them to retain potential upside to the ongoing Tax Claims.

As MSIP intends to maintain the same strategy and footprint, we also believe that the acquisition is a good outcome for all Augean stakeholders, including our employees, our customers and the wider UK economy.”

Commenting on the Offer, Alberto Donzelli, Managing Director and Co-Head of European Investing for MSIP said:

“Augean is a UK-based hazardous waste management operator with an excellent reputation amongst its customer base. We look forward to working with management, and contributing MSIP’s expertise, to support the company in further strengthening its industry leading position”

This summary should be read in conjunction with, and is subject to, the full text of this announcement and the Appendices. The Offer will be subject to the Conditions and the further terms set out in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document. Appendix 2 to this announcement contains the sources and bases of certain information used in this summary and in this announcement. Appendix 3 contains particulars of the irrevocable undertakings and the letter of intent. Illustrative CVR payment calculations are set out in Appendix 4 to this announcement. Appendix 5 to this announcement contains definitions of certain terms used in this summary and this announcement.

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White & Case LLP has been retained as legal adviser to MSIP and Bidco. Ashurst LLP has been retained as legal adviser to Augean.

Important information

Greenhill & Co. International LLP (“**Greenhill**”), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Bidco and MSIP and for no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Bidco and MSIP for providing the protections afforded to clients of Greenhill, nor for providing advice in relation to the matters set out in this announcement.

N.M. Rothschild & Sons Limited (“**Rothschild & Co**”), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Augean and for no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters referred to in this announcement and will not be responsible to anyone other than Augean for providing the protections afforded to its clients, nor for providing advice in relation to the content of this announcement or any other matter referred to herein. Neither Rothschild & Co nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this announcement, any statement contained herein or otherwise.

Singer Capital Markets Advisory LLP, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as Nominated Adviser and Broker for Augean and for no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters referred to in this announcement and will not be responsible to anyone other than Augean for providing the protections afforded to its clients, nor for providing advice in relation to the content of this announcement or any other matter referred to herein. Neither Singer Capital Markets nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Singer Capital Markets in connection with this announcement, any statement contained herein or otherwise.

This announcement is for information purposes only, and is not intended to, and does not, constitute or form part of, any offer or inducement to sell or an invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of Augean in any jurisdiction in contravention of applicable law.

The Offer will be made solely on the terms to be set out in the Scheme Document and the Forms of Proxy (or, if the Offer is implemented by way of a Takeover Offer, the Offer Document and form of

acceptance), which will contain the full terms and conditions of the Offer including details of how to vote in respect of the Offer. Any vote in respect of the Scheme or other decision or response in relation to the Offer should be made only on the basis of the information contained in the Scheme Document (or, if the Offer is implemented by way of a Takeover Offer, the Offer Document). Augean Shareholders are advised to read carefully the Scheme Document and related Forms of Proxy (or, if applicable, the Offer Document) once these have been dispatched.

This announcement does not constitute a prospectus, prospectus equivalent document or prospectus exempted document for the purposes of Article 1(4) or (5) of the UK Prospectus Regulation.

No person should construe the contents of this announcement as legal, financial or tax advice and any interested person should consult their own advisers in connection with such matters.

Overseas jurisdictions

This announcement has been prepared in accordance with and for the purpose of complying with English law, the Code, the AIM Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules, and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and may affect the availability of the Offer (including the CVRs and Loan Notes to be issued under the Offer) to persons who are not resident in the United Kingdom. Persons who are not resident in the United Kingdom, or who are subject to laws of any jurisdiction other than the United Kingdom, should inform themselves about, and observe any applicable requirements. Any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intends to, forward this announcement, the Scheme Document or any accompanying document to any jurisdiction outside the United Kingdom should refrain from doing so and should seek appropriate professional advice before taking any action. In particular, the ability of persons who are not resident in the United Kingdom to vote their Augean Shares at the Court Meeting or the General Meeting, or to execute and deliver Forms of Proxy appointing another to vote their Augean Shares in respect of the Court Meeting or the General Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located.

If the issue of CVRs to any person, would or may infringe the laws of a jurisdiction outside England and Wales or would or may require any governmental or other consent or any registration, filing or other formality which cannot be complied with, or compliance with which would be unduly onerous, Augean may, at its discretion, determine that such person shall not have issued to him the CVRs or certificates in respect of the CVRs and that the CVRs which would otherwise have been attributable to such person under the terms of the Offer will be held by a nominee on behalf of such person, and the cash proceeds (if any) following the issue and redemption of any Loan Notes issued under the terms of such CVRs be forwarded to such person following redemption of the Loan Notes (after deduction of fees and other costs and expenses).

Any failure to comply with the applicable legal or regulatory requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility and liability for the violation of such restrictions by any person.

Unless otherwise determined by Bidco or required by the Code, and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and the Offer will not be capable of acceptance and no person may vote in favour of the Offer by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly,

copies of this announcement and formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded or distributed in, into or from a Restricted Jurisdiction and persons receiving this announcement and all such documents relating to the Offer (including custodians, nominees and trustees) must not distribute or send them into or from a Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer.

If the Offer is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Notice to US investors in Augean

The CVRs and any Loan Notes issued pursuant to the terms of any CVRs have not been and will not be registered under the US Securities Act of 1933, as amended (the “US Securities Act”), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act.

The CVRs are expected to be offered in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. For the purpose of qualifying for this exemption, The Court will be advised that its sanction of the Scheme will be relied upon by Bidco as an approval of the Scheme following a hearing on its fairness to Augean Shareholders at which hearing all such shareholders are entitled to appear in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all Augean Shareholders.

Any Loan Notes issued to Augean Shareholders in exchange for the CVRs issued pursuant to the Scheme will be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(9) thereof.

The CVRs to be issued to Augean Shareholders pursuant to the Scheme and any Loan Notes to be issued to Augean Shareholders in exchange for the CVRs generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive securities in the Scheme (other than "affiliates" as described in the paragraph below) may resell them without restriction under the US Securities Act.

Under US federal securities laws, a Augean Shareholder who is an “affiliate” of either Augean or the Company within 90 days prior to, or of the Company at any time following, the Effective Date will be subject to certain US transfer restrictions relating to the CVRs received in connection with the Scheme. The CVRs or Loan Notes held by such affiliates may not be sold without registration under the US Securities Act, except pursuant to the applicable resale provisions of Rule 144 under the US Securities Act or in a transaction not subject to such requirements, including transactions conducted pursuant to Regulation S under the Securities Act. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. A person who believes that he or she may be an affiliate of Augean or the Company should consult his or her own legal advisers prior to any sale of any CVRs or Loan Notes.

The Offer relates to the shares of an English company and it is proposed to be made by means of a scheme of arrangement provided for under English law. The Scheme will relate to the shares of an English company that is a “foreign private issuer” as defined under Rule 3b-4 under the US Exchange Act. A transaction effected by means of a scheme of arrangement is not subject to the shareholder vote,

proxy solicitation and tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements and practices of US shareholder vote, proxy solicitation and tender offer rules.

Financial statements, and all financial information included in the relevant documentation, will have been prepared in accordance with accounting standards applicable in the UK and may not be comparable to the financial statements of US companies or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.

In the event that the Offer is implemented by way of a Takeover Offer and extended into the US, Bidco will do so in satisfaction of the procedural and filing requirements of the US securities laws at that time, to the extent applicable thereto. If Bidco were to elect to implement the Offer by means of a Takeover Offer, such Takeover Offer shall be made in compliance with applicable UK and US securities laws and regulations, including the US tender offer rules. Such Takeover Offer would be made in the US by Bidco and no one else. In addition to any such Takeover Offer, Bidco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Augean outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the United Kingdom, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com. If such purchases or arrangements to purchase are made they would be made outside the United States in compliance with applicable law, including the US Exchange Act.

The receipt of consideration by a US holder for the transfer of its Augean Shares pursuant to the Scheme may have tax consequences in the US and such consequences, if any, are not described herein. Each Augean Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

Augean and Bidco are both incorporated under the laws of England and Wales. Some or all of the officers and directors of Augean are residents of countries other than the United States. In addition, some of the assets of Bidco and Augean are located outside the United States. As a result, it may be difficult for US holders of Augean Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom. US holders of Augean Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

Forward-looking statements

This announcement (including information incorporated by reference in this announcement) may contain certain "forward-looking statements" with respect to Bidco or Augean. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often, but do not always, use words such as "anticipate", "target", "expect", "estimate", "intend", "plan", "goal", "believe", "will", "may", "should", "would", "could" or other words or terms of similar meaning or the negative thereof. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco's, Augean's, any member of the Bidco Group's or any member of the Augean Group's operations and potential synergies resulting from the Offer; and (iii) the effects of global economic conditions and government regulation on Bidco's, Augean's, any member of the Bidco Group's or any member of the Augean Group's business. These forward-looking statements involve known and unknown risks, uncertainties

and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such forward-looking statements.

Such forward looking statements are not guarantees of future performance. By their nature, because they relate to events and depend on circumstances that will occur in the future, these forward-looking statements involve known and unknown risks, uncertainties that could significantly affect expected results and are based on certain key assumptions and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such forward-looking statements.

These factors include, but are not limited to, the satisfaction of the conditions to the Offer, as well as additional factors, such as changes in political and economic conditions, changes in the level of capital investment, retention of key employees, changes in customer habits, success of business and operating initiatives and restructuring objectives, impact of any acquisitions or similar transactions, changes in customers' strategies and stability, competitive product and pricing measures, changes in the regulatory environment, fluctuations of interest and/or exchange rates and the outcome of any litigation.

These forward-looking statements are based on numerous assumptions regarding present and future strategies and environments. You are cautioned not to place any reliance on such forward-looking statements, which speak only as of the date hereof. All subsequent oral or written forward-looking statements attributable to MSIP, Bidco or Augean or any person acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this announcement.

None of MSIP, Bidco, Augean, or any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur.

MSIP, Bidco and Augean assume no obligation to update publicly or revise forward-looking or other statements contained in this announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

No profit forecasts, estimates or quantified benefits statements

No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per ordinary share for Augean for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Augean.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Augean Shareholders, persons with information rights and other relevant persons for the receipt of communications from Augean may be provided to Bidco during the Offer Period, as required under Section 4 of Appendix 4 to the Code, to comply with Rule 2.11(c).

Publication on website and availability of hard copies

In accordance with Rule 26.1 of the Code, a copy of this announcement will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, at <https://www.augeanplc.com/offer/> and <https://www.morganstanley.com/im/en-ch/intermediary-investor/about-us/investment-teams/real-assets/private-infrastructure-team.html> by no later than 12.00 noon (London time) on the Business Day following the date of publication of this announcement. Save as expressly referred to in this announcement, neither the contents of these websites nor any website accessible from hyperlinks is incorporated into and do not form part of this announcement.

In accordance with Rule 30.3 of the Code, Augean Shareholders and persons with information rights may request a hard copy of this announcement by contacting Augean's registrars, Computershare Investor Services PLC, between 9.00 a.m. to 5.30 p.m. (London time), Monday to Friday (except UK public holidays) on +44 (0) 370 889 3205 or at web.queries@computershare.co.uk. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement and any document or information incorporated by reference into this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form.

Dealing and opening position disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

General

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

Rule 2.9 requirement

In accordance with Rule 2.9 of the Code, Augean confirms that, as at the Latest Practicable Date, its issued share capital consisted of 104,971,924 ordinary shares of £0.10 each. The International Securities Identification Number for Augean's ordinary shares is GB00B02H2F76.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION

FOR IMMEDIATE RELEASE

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

30 July 2021

RECOMMENDED OFFER

for

AUGEAN PLC

by

Antwerp Management Limited

(a newly-formed company indirectly owned by funds managed or advised by Morgan Stanley Infrastructure Inc., an indirect subsidiary of Morgan Stanley)

to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006

1. Introduction

The boards of Augean Plc (“**Augean**” or the “**Company**”) and Antwerp Management Limited (“**Bidco**”) are pleased to announce that they have agreed the terms of a recommended acquisition of Augean by Bidco, a newly-incorporated company indirectly owned by funds managed or advised by Morgan Stanley Infrastructure Inc. (“**MSI**”), an indirect subsidiary of Morgan Stanley, a Delaware, USA corporation (“**Morgan Stanley**”) and part of Morgan Stanley’s global private infrastructure investment platform, Morgan Stanley Infrastructure Partners (“**MSIP**”), pursuant to which Bidco will acquire the entire issued and to be issued share capital of Augean (the “**Offer**”).

It is intended that the Offer will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. Bidco reserves the right to elect, subject to the terms of the Co-operation Agreement and with the consent of the Panel, to implement the Offer by way of a Takeover Offer for the whole of the issued and to be issued ordinary share capital of Augean as an alternative to the Scheme. Further information is set out at paragraph 16 (*Structure of the Offer*) below.

2. The Offer

Under the terms of the Offer, which will be subject to the Conditions and certain further terms set out in Appendix 1 to this announcement and to the full terms and conditions which will be set out in the Scheme Document, Augean Shareholders will be entitled to receive:

for each Augean Share: 280 pence in cash; and

a contingent entitlement of up to a further 20 pence in Loan Notes by way of a contingent value right linked to the outcome of the Outstanding Tax Claims (a “CVR”)

Together, the Offer represents a total price per share of up to £3.00.

In certain circumstances, the CVR will have zero value and no Loan Notes will be issued.

The Offer, assuming each CVR delivers its maximum value of 20 pence in principal value of Loan Note, values the entire issued and to be issued ordinary share capital of Augean at approximately £314.9 million on a fully diluted basis and represents a premium of approximately:

- 35.9 per cent. to the Company's daily volume weighted average share price of 220.8 pence per Augean Share for the two-month period ended on 26 May 2021 (being the last Business Day prior to the date of the start of the offer period in relation to the Offer); and
- 20.7 per cent. to the Closing Price of 248.5 pence per Augean Share on 26 May 2021 (being the last Business Day prior to the date of the start of the offer period in relation to the Offer).

The Offer, assuming each CVR has zero value and no Loan Notes are issued, values the entire issued and to be issued ordinary share capital of Augean at approximately £293.9 million on a fully diluted basis and represents a premium of approximately:

- 26.8 per cent. to the Company's daily volume weighted average share price of 220.8 pence per Augean Share for the two-month period ended on 26 May 2021 (being the last Business Day prior to the date of the start of the offer period in relation to the Offer); and
- 12.7 per cent. to the Closing Price of 248.5 pence per Augean Share on 26 May 2021 (being the last Business Day prior to the date of the start of the offer period in relation to the Offer).

Pursuant to the terms of the Offer, Eligible Augean Shareholders will receive one CVR for each Augean Share that they hold. The CVR is intended to enable eligible Scheme Shareholders to share in a portion of the proceeds of the Outstanding Tax Claims. Each CVR will entitle Augean Shareholders to receive up to a further 20 pence in Loan Notes (subject to applicable securities laws) at the election of the Augean Shareholder, subject to and in accordance with the terms and conditions of the CVR Deed Poll. The CVRs will be non-transferable other than to certain permitted transferees and no application will be made for the CVRs to be listed or dealt in on any stock exchange. A description of the terms and operation of the CVRs and the Loan Notes is set out in paragraph 3 of this announcement. Augean Shareholders who hold fewer than 25 Scheme Shares (or, if the Offer is implemented by way of a Takeover Offer, Augean Shares to which the Takeover Offer relates) will not receive any CVRs. **Eligible Augean Shareholders are strongly advised to read paragraph 3 of this announcement in full.**

If the net proceeds of the Outstanding Tax Claims are £100,000 or less, no Loan Notes will be issued and, in these circumstances, Augean Shareholders will not receive any additional consideration under the CVR. In these circumstances, the value of the CVR will be zero.

If, on or after the date of this announcement and before the Effective Date, any dividend, distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Augean Shares, Bidco reserves the right to reduce the cash consideration payable under the terms of the Offer by the amount of any such dividend, distribution and/or return of capital which is paid or becomes payable by the Company to Augean Shareholders, in which case the relevant eligible Augean Shareholders will be entitled to receive and retain such dividend, distribution and/or return of capital declared, made or paid.

If any such dividend, distribution or return of value is paid or made after the date of this announcement and Bidco exercises its rights described above, any reference in this announcement to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this

paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.

The Augean Shares will be acquired under the Offer fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, on or after the Effective Date.

3. CVRs and Loan Notes

Background

Since August 2017, the Augean Group has received assessments (including accrued interest) for uncollected landfill tax where HMRC does not agree with the Augean Group's interpretation of the rate of landfill tax that applies.

In December 2019, the Augean Group paid £40.4 million in full payment of the assessments outstanding at that date, and subsequently paid approximately £1.6 million in respect of a further assessment received after that date. This prevented any further accrual of interest on those assessments. The Augean Group remain of the view that these assessments were not valid and that they have applied the appropriate treatment in respect of levying landfill tax on waste received. Therefore the Augean Group intend to maintain their robust challenge of HMRC's landfill tax assessments.

A number of separate legal challenges have been and are being made and in September 2020, the First Tier Tribunal for Tax had a preliminary hearing as to whether the Augean Group had appropriately interpreted certain elements of the landfill tax law; on 22 June 2021, the First Tier Tribunal found in favour of the Augean Group, giving HMRC 56 days in which to appeal the decision. This decision disposed of a preliminary question of law, rather than disposing of any appeal in relation to any particular assessment or amount of landfill tax.

In December 2020, the Augean Group received a £1.4 million repayment from HMRC relating to overpayment in respect of waste relating to a particular customer which was a small element of the £40.4 million paid in December 2019.

Further, the Augean Group has made certain additional claims for repayment of landfill tax on the basis that certain waste placed in its landfill site as "top fluff" had not been taxably disposed of, but had rather been put to use. As well as providing an additional argument as to the validity of the abovementioned assessments, these "top fluff" claims may result in the recovery of additional amounts of landfill tax by the Augean Group of approximately £1.2 million.

General

Under the terms of the Offer, for each Augean Share held, Eligible Augean Shareholders will be entitled to receive (in addition to the cash consideration offered) a contingent entitlement of up to a further 20 pence in Loan Notes by way of a contingent value right linked to the outcome of the Outstanding Tax Claims (which relate to the matters set out in under the heading "*Background*" above).

Augean Shareholders should obtain their own independent professional tax advice in relation to the acquisition, holding, transfer and disposal of the CVRs and/or Loan Notes in light of their own particular circumstances.

Greenhill, has not been required to confirm, and has not confirmed, that resources are available to Bidco to satisfy payments under the CVRs or the Loan Notes.

CVRs

Under the terms of the Offer, for each Share that they hold, Eligible Augean Shareholders will be entitled to receive (in addition to the cash offered) a contingent entitlement of up to 20 pence in Loan Notes.

The CVRs have been constituted by the CVR Deed Poll. The CVRs will not represent any equity or ownership interest in Bidco, and accordingly will not confer on the CVR Holders any right to attend, speak at or vote at any meeting of the shareholders of Bidco or right to any dividends or right to any return of capital by Bidco. The Company shall, following receipt of a Qualifying Tax Repayment (as defined in the CVR Deed Poll), pursuant to the terms of the CVR Deed Poll enter into the Loan Note Instrument and constitute the Loan Notes.

Pursuant to the terms of the CVR Deed Poll, Augean Shareholders who hold fewer than 25 Scheme Shares (or, if the Offer is implemented by way of a Takeover Offer, Augean Shares to which the Takeover Offer relates) will not receive any CVRs. At the date of this announcement the Augean Shares are freely transferable and admitted to trading on AIM. Accordingly, Augean Shareholders who are not currently Eligible Augean Shareholders may choose to increase their shareholding to meet the threshold required to receive a CVR.

Under the terms of the CVR Deed Poll, the principal value of each Loan Note to which a CVR Holder is entitled (“**Loan Note Principal Value**”), and therefore the amount of cash ultimately payable to a Loan Note Holder upon redemption of their Loan Notes, will be an amount equal to each Qualifying Tax Repayment (as defined in the CVR Deed Poll) divided by the number of CVRs that have been issued pursuant to the CVR Deed Poll from time to time. The Loan Note Principal Value is capped at a maximum of 20 pence per Loan Note (and a total aggregate cap of 20 pence for all Loan Notes issued in respect of a single CVR). If the Tax Claim Proceeds arising out of the Outstanding Tax Claims are £100,000 or less no Loan Notes will be issued, and in these circumstances the Augean Shareholders will not receive any additional consideration under the terms of the CVR Deed Poll. In these circumstances, the value of each CVR would be zero. There will be no interest conferred by a CVR in the economic activities of Augean, Bidco or the enlarged group generally.

Bidco has undertaken that the Tax Claim Proceeds (if any) will be transferred to, and thereafter be held in, a separate Ring-fenced Account (as defined in the CVR Deed Poll) until such time as the Loan Notes are redeemed or the CVRs expire in accordance with their terms. No security shall be granted over the funds in the Ring-fenced Account, which shall only be applied in and toward satisfaction of the Loan Notes.

The CVRs will be issued in certificated registered form, and will be non-transferrable save for Transfers to Permitted Transferees (as defined in the CVR Deed Poll) and no application has been or will be made to any investment exchange for the CVRs to be listed or dealt in.

The Panel has determined that an estimate of the value of a CVR in accordance with Rule 24.11 will not be included in the Scheme Document.

Loan Notes

The Loan Notes will be governed by English law and will be issued with a principal value determined in accordance with the terms of the CVR Deed Poll. The Loan Notes will be issued in certificated registered form, and will be non-transferrable save for Transfers to Permitted Transferees (as defined in the Loan Note Instrument) and no application has been or will be made to any investment exchange for the Loan Notes to be listed or dealt in. The Loan Notes will constitute direct, unsecured obligations of Bidco and shall rank *pari passu* with one another, as applicable.

Certificates in respect of the Loan Notes will be issued to each Loan Note Holder (other than Restricted Overseas Persons). If the issue of Loan Notes to any Restricted Overseas Person, or to any person who is reasonably believed to be an Restricted Overseas Person, would or may infringe the laws of a jurisdiction outside England and Wales or would or may require any governmental or other consent or any registration, filing or other formality which cannot be complied with, or compliance with which would be unduly onerous, the Company may, at its discretion, determine that such Restricted Overseas Person shall not have issued to him Loan Notes or certificates in respect of the Loan Notes and that the Loan Notes which would otherwise have been attributable to such Restricted Overseas Person under the terms of the Offer shall be held by a nominee on behalf of such Restricted Overseas Person, and the cash proceeds (if any) following the redemption of any such Loan Notes be forwarded to such Restricted Overseas Person following redemption of the Loan Notes (after deduction of fees and other costs and expenses).

Loan Notes will not represent any equity or ownership interest in Bidco, and accordingly will not confer on the Loan Note Holders any right to attend, speak at or vote at any meeting of the shareholders of Bidco, or right to any dividends in respect of Bidco or right to any return of capital by Bidco.

The Loan Notes will be issued on the Loan Note Issue Date (as defined in the Loan Note Instrument) with a term which shall end on the date that falls 18 months after the Loan Note Issue Date (the “**Final Redemption Date**”).

The Loan Notes may be redeemed in full at par from the date falling 6 months and 1 day after the Loan Note Issue Date and must be redeemed prior to the Final Redemption Date (subject to any deduction or withholding required by law in respect of any tax).

Bidco intends to procure that following the Scheme becoming Effective, the Outstanding Tax Claims are pursued so as to enable the receipt in full by CVR Holders of their respective portion of the Tax Claim Proceeds.

4. Background to and reasons for the Offer

MSIP has been following the waste management sector and the broader UK infrastructure market for a number of years and has spent time and resources evaluating the sector in general and Augean in particular.

MSIP is interested in the opportunity to gain exposure to the UK hazardous waste market and views Augean as an attractive company operating in this sector, focussing on the energy from waste, construction, industrial and nuclear end markets. MSIP believes that Augean is a high quality business with a network of strategically located facilities, a well-known and respected brand, and a customer base operating on long-term contracts. MSIP also considers Augean’s management team members to be experienced and capable partners to further the future development of the Company.

MSIP has extensive experience investing in a variety of infrastructure and infrastructure-like assets. Within the United Kingdom historically this has included investments in Affinity Water, one of the largest regulated water-only companies in the United Kingdom (by revenue), and Eversholt Rail Group, a leading rolling stock company in the United Kingdom. Furthermore MSIP has a track record of acquiring publicly listed companies and investing in regulated utilities.

Leveraging MSIP’s extensive experience, MSIP’s team will work closely with management to refine its private company strategy with a long-term perspective to help the Company achieve its full potential and support management in pursuing their strategy. This will include investment in Augean’s existing business to accelerate both organic and inorganic growth and to ensure that Augean continues to be a partner of choice to its customers.

5. Information on MSIP and Bidco

Established in 2006, Morgan Stanley's global private infrastructure investment platform, MSIP, is a global platform for private infrastructure investments. It employs an established, disciplined process to invest in and manage a diverse portfolio of infrastructure assets predominantly in OECD countries. Its focus sectors include power generation and utilities, natural gas, transportation, and digital infrastructure. The MSIP team possesses considerable infrastructure investing and asset management experience. MSIP has a large and diverse team of professionals with offices across the globe.

Bidco is a newly incorporated company, formed on behalf of, and which is indirectly owned by, funds managed or advised by MSI, which is an indirect subsidiary of Morgan Stanley, and part of Morgan Stanley's global private infrastructure investment platform, MSIP, which forms part of Morgan Stanley Investment Management, for the purpose of implementing the Offer.

6. Information on Augean

Augean is a specialist waste and resource management group serving the hazardous waste management sector, the oil and gas industry and nuclear and radioactives sector operating at locations across the UK. Its subsidiary company, Augean North Sea Services, specialises in the development of innovative solutions to manage all waste streams derived from North Sea exploration, production and decommissioning activities. Augean provides a wide range of services through its treatment, transfer, industrial services, landfill disposal, recovery and recycling capability.

Augean is a public limited company registered in England and Wales. The Augean Shares are currently admitted to trading on AIM.

7. Background to and reasons for the recommendation

As Augean announced in its 2020 full year results on 1 March 2021, Augean has built a leading position in multiple niche and attractive hazardous waste markets. During the last five years, Augean has successfully completed its turnaround programme: building a strong leadership and in depth management team, exiting non-core and underperforming businesses and reducing costs by creating a leaner organisation while focussing on development of leading positions in attractive markets with high barriers to entry and Augean is now transitioning to a period of growth.

The Augean Board notes that the historic strategy has delivered growth in adjusted EBITDA of more than 100 per cent. during the last three years but the Augean share price has performed more strongly increasing 755 per cent. since the start of 2018.

The Augean Board believes that an infrastructure investor such as MSIP is ideally placed to highly value Augean's business activities that are both cash generative and offer defensive characteristics.

The terms of the Offer represent a significant premium in cash to Augean's volume-weighted share price over the preceding two months prior to the date of MSIP's announcement that it was considering making an approach to Augean.

The Directors consider that:

- the terms of the Offer are a fair reflection of the current and potential value of Augean whilst allowing Augean Shareholders to maintain an interest in the outcome of the Outstanding Tax Claims;

- the acquisition of Augean by MSIP offers an excellent opportunity for all Augean Shareholders to realise a significant return on their investment and offers liquidity for those shareholders with large shareholdings; and
- the transaction itself is in line with Augean's long-term strategy of maximising returns for shareholders, whilst looking to mitigate risk.

Accordingly the directors of Augean intend to recommend unanimously that Augean Shareholders vote in favour of the Scheme.

The recommendation follows an extensive review by Augean and its advisers of the options available to Augean.

8. Recommendation

The Augean Directors, who have been so advised by Rothschild & Co as to the financial terms of the Offer, consider the terms of the Offer to be fair and reasonable. In providing its advice, Rothschild & Co has taken into account the commercial assessments of the Augean Directors. Rothschild & Co is providing independent financial advice to the Augean Directors for the purposes of Rule 3 of the Code.

Accordingly, the Augean Directors intend to recommend unanimously that Augean Shareholders vote, or procure the voting, in favour of the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Resolutions to be proposed at the General Meeting as all Augean Directors who hold interests in Augean Shares have irrevocably undertaken to do, or procure to be done, in respect of their own beneficial holdings of 4,789,732 Augean Shares, in aggregate, representing approximately 4.56 per cent. of the Augean Shares in issue on the Latest Practicable Date.

Further details of these irrevocable undertakings are set out below and in Appendix 3 to this announcement.

9. Irrevocable undertakings and letter of intent

Bidco has received irrevocable undertakings to vote (or, where applicable, procure voting) in favour of the Scheme at the Court Meeting and to vote (or, where applicable, procure voting) in favour of the Resolutions to be proposed at the General Meeting, from all Augean Directors who hold interests in Augean Shares in respect of such beneficial holdings of 4,789,732 Augean Shares (in aggregate, representing approximately 4.56 per cent. of the Augean Shares in issue on the Latest Practicable Date).

In addition to the irrevocable undertakings from the Augean Directors, Bidco has also received irrevocable undertakings from the Harwood Entities to vote, or procure the voting, in favour of the Resolutions to be proposed at the General Meeting or, if (subject to the terms of the Co-operation Agreement and with the consent of the Panel) Bidco exercises its right to implement the Offer by way of a Takeover Offer, to accept, or procure the acceptance of such Takeover Offer in respect of a total of 25,100,000 Augean Shares, in aggregate, representing approximately 23.91 per cent. of the Augean Shares in issue on the Latest Practicable Date. The irrevocable undertakings will cease to be binding, inter alia, if any third party announces an offer in accordance with Rule 2.7 of the Code for the entire issued and to be issued ordinary share capital of Augean and the consideration payable for each Augean Share under such proposal represents either: (i) an amount in cash that is at least 7.5 per cent. higher than 280 pence per Augean Share and includes a contingent value right pursuant to which the applicable proportion of any Tax Claim Proceeds payable to shareholders is at least 7.5 per cent. higher than the applicable proportion payable by Bidco under the terms of the CVR Deed Poll and provided that all other terms must be at least equivalent to those offered by Bidco; or (ii) represents an amount in cash that is at least 10 per cent higher than 280 pence per Augean Share

(and, for the avoidance of doubt, need not (but may) include an entitlement to a contingent value right). Bidco has the right to match the terms of any such competing offer.

Gresham House Strategic plc has also provided an irrevocable undertaking to vote, or procure the voting, in favour of the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Resolutions to be proposed at the General Meeting or, if (subject to the terms of the Co-operation Agreement and with the consent of the Panel) Bidco exercises its right to implement the Offer by way of a Takeover Offer, to accept, or procure the acceptance of such Takeover Offer in respect of a total of 5,870,604 Augean Shares representing approximately 5.59 per cent. of the Augean Shares in issue on the Latest Practicable Date. The irrevocable undertaking will cease to be binding if any third party announces an offer in accordance with Rule 2.7 of the Code for the entire issued and to be issued ordinary share capital of Augean and the consideration payable for each Augean Share under such proposal represents an amount in cash that is at least 299.60 pence per Augean Share (and, for the avoidance of doubt, need not (but may) include an entitlement to a contingent value right).

Hargreave Hale Limited (on behalf of Marlborough UK Micro-Cap Growth Fund) has provided a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in respect of 12,500,000 Augean Shares, representing approximately 11.91 per cent. of the Augean Shares in issue on the Latest Practicable Date.

Therefore, as at the date of this announcement, Bidco has received irrevocable undertakings and a non-binding letter of intent to vote, or procure the voting, in favour of the Scheme at the Court Meeting and vote, or procure the voting, in favour of the Resolutions to be proposed at the General Meeting or, if (subject to the terms of the Co-operation Agreement and with the consent of the Panel) Bidco exercises its right to implement the Offer by way of a Takeover Offer, to accept, or procure the acceptance of such Takeover Offer with respect to a total of 48,260,336 Augean Shares, in aggregate, representing approximately 45.97 per cent. of the Augean Shares in issue on the Latest Practicable Date. Full details of the irrevocable undertakings and the letter of intent are set out in Appendix 3 to this announcement.

10. Conditions

The Offer and, accordingly, the Scheme will be subject to a number of conditions, which will be set out in the Scheme Document, and which are set out in Appendix 1 to this announcement, including:

- the Scheme becoming Effective by not later than the Long Stop Date (or such later date as Bidco and the Company may agree and the Panel and the Court may allow), failing which the Scheme will lapse;
- approval of the Scheme by a majority in number of those Scheme Shareholders present and voting at the Court Meeting in person or by proxy, representing at least 75 per cent. in value, of the Scheme Shares held by such Scheme Shareholders;
- approval of the Resolutions by the requisite majority of the Augean Shareholders at the General Meeting;
- the sanction of the Scheme by the Court (with or without modification on terms agreed by the Company and Bidco); and
- following such sanction, the delivery of a copy of the Scheme Court Order to the Registrar of Companies.

11. Management, employees, pensions, research and development and locations

Management and employees

As set out in paragraph 4 (*Background to and reasons for the Offer*), MSIP is interested in the opportunity to gain exposure to the UK hazardous waste market and views Augean as an attractive company operating in this sector.

Bidco attaches great importance to the skills, expertise and experience of the existing management and employees of the Augean Group. Leveraging MSIP's extensive experience, MSIP's team will work closely with management to refine its private company strategy with a long-term perspective to help the Company achieve its full potential and support management in pursuing their strategy. This will include investment in Augean's existing business to accelerate both organic and inorganic growth and to ensure that Augean continues to be a partner of choice to its customers.

In line with market practice for a public offer process, Bidco completed a short period of confirmatory due diligence on Augean prior to this announcement. Following the Scheme becoming Effective, Bidco intends to review Augean's business and operations. As at the date of this announcement, the results of the review are uncertain and no firm decisions have been made in relation to specific actions which may be taken.

Bidco expects that this evaluation will be completed within approximately six months from the Effective Date and has not made any decisions in relation to specific actions that may be taken as a result of the review. The purpose of the review will be to validate the assumptions underlying Bidco's investment thesis which have been confirmed through the management meetings held as part of its confirmatory due diligence exercise.

However, based on the due diligence carried out thus far by Bidco, once Augean ceases to be a public listed company (see below), it is possible that there will be limited headcount reductions related to a small number of public company-related functions. Bidco will work with Augean's management to attempt to reassign individuals involved in these functions where possible.

Bidco expects that, upon the Scheme becoming Effective, each of the Non-Executive Directors of the Augean Board will resign from their office as a Director of Augean.

The Board of Bidco also confirms that, upon the Scheme becoming Effective, the existing contractual and statutory employment rights, including pension rights, of all management and employees of the Augean Group will be fully safeguarded, and envisages that there will be no material change in their conditions of employment or in their balance of the skills and functions.

The Augean Group does not operate any defined benefit pension schemes.

Management incentive arrangements

Bidco has not entered into, and has not had discussions on proposals to enter into any form of incentivisation arrangements with members of Augean's management, but will have discussions and may enter into such arrangements following the Effective Date and intends to operate annual and long term incentive arrangements.

Locations, fixed assets and research and development

Bidco does not have any plans to make any changes to the location of Augean's places of business in the UK, including the location of Augean's headquarters, or to redeploy the fixed assets of Augean following the Scheme becoming Effective, nor does it have any intention to make any changes to Augean's headquarter functions.

Augean does not have a research and development function.

Trading facilities

Prior to the Scheme becoming Effective, as noted in paragraph 17 (*De-listing, cancellation of trading and re-registration*), it is intended that applications will be made to the London Stock Exchange to cancel the trading in Augean Shares on AIM, to take effect on or shortly after the Effective Date.

It is intended that Augean be re-registered as a private limited company as soon as practicable on or following the Effective Date.

12. Augean Share Schemes

There are currently no participants holding equity awards under the Augean Share Schemes. As such, no proposals are required, nor will any be made, under Rule 15 of the Code in respect of the Augean Share Schemes.

13. Disclosure of interests in Augean

As at the Latest Practicable Date, save for the irrevocable undertakings referred to in paragraph 8 (*Recommendation*) and paragraph 9 (*Irrevocable undertakings and letter of intent*) above, neither MSI or Bidco, nor any of their respective directors nor, so far as each of them or their respective directors are aware, any person acting in concert with each of MSI or Bidco for the purposes of the Offer:

- had an interest in, or right to subscribe for, or had any arrangement in relation to, any Augean Shares or any relevant securities of Augean;
- had any short position in relation to any Augean Shares or any relevant securities of Augean, whether conditional or absolute and whether in the money or otherwise, including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery of any Augean Shares or any relevant securities of Augean;
- had any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Code, in relation to Augean Shares or in relation to any securities convertible into Augean Shares;

- had procured an irrevocable commitment or a letter of intent to accept the terms of the Offer in respect of any Augean Shares or any relevant securities of Augean; or
- had borrowed or lent any Augean Shares or any relevant securities of Augean.

For these purposes, “arrangement” includes any indemnity or option arrangement, any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities of Augean which may be an inducement to deal or refrain from dealing in such securities.

Each of MSI and Bidco has confirmed that, as at the Latest Practicable Date, none of its concert parties has an interest in any Augean Shares or any relevant securities of Augean.

14. Financing of the Offer

The consideration payable to Augean Shareholders pursuant to the Offer will be financed by a combination of equity to be invested by North Haven Infrastructure Partners III (AIV-C) LP, a fund managed by MSI, and debt to be provided via a £135,000,000 term loan and £20,000,000 revolving loan facility made available under the Senior Facilities Agreement.

In accordance with Rule 2.7(d) of the Code, Greenhill, as financial adviser to MSI and Bidco, is satisfied that sufficient cash resources are available to Bidco to enable it to satisfy in full the cash consideration payable to Augean Shareholders in connection with the Offer.

Greenhill has not been required to confirm, and has not confirmed, that resources are available to Bidco to satisfy payments under the CVRs or the Loan Notes.

Further information on the financing of the Offer will be set out in the Scheme Document.

15. Offer-related arrangements

Confidentiality Agreement

On 9 June 2021, Augean and MSI entered into a confidentiality agreement (the “**Confidentiality Agreement**”) in relation to the Offer, pursuant to which, amongst other things, MSI undertook to: (i) subject to certain exceptions, keep information relating to Augean confidential and not to disclose it to third parties; and (ii) use such confidential information only in connection with the Offer. These confidentiality obligations and certain other provisions of the Confidentiality Agreement remain in force for a period of 18 months from the date of the Confidentiality Agreement. The Confidentiality Agreement contains certain other provisions, including a customary non-solicit provision, which restricts MSI from soliciting or employing certain Augean employees for a period of 12 months from the date of the Confidentiality Agreement, and standstill provisions which restrict MSI for a period of 12 months from the date of the Confidentiality Agreement from acquiring or agreeing or offering to acquire interests in certain securities of Augean without Augean’s prior written consent.

Co-operation Agreement

Bidco and Augean have entered into a Co-operation Agreement pursuant to which Bidco has undertaken to co-operate with Augean and its advisers for the purposes of implementing, and to use reasonable endeavours to implement the Offer.

Bidco has also undertaken to Augean that it will comply in full with its obligations under the CVR Deed Poll and will not take any steps that could reasonably be expected to prejudice the availability of the Tax Claim Proceeds for Augean Shareholders unless permitted pursuant to the terms of the CVR Deed Poll.

Bidco has agreed to promptly provide Augean with such information, assistance and access as may reasonably be required for the preparation of the Scheme Document and any other document published in connection with the Scheme.

The Co-operation Agreement will terminate if, among others, one or more of the following occurs:

- if agreed in writing between Augean and Bidco;
- if the Offer is, with the permission of the Panel, withdrawn or lapses in accordance with its terms prior to the Long Stop Date (other than where such lapse or withdrawal is as a result of the exercise of Bidco's right to effect a Switch (as defined in the Co-Operation Agreement) in accordance with the terms of the Co-operation Agreement);
- if Scheme Shareholders vote at the Court Meeting and such vote does not achieve the requisite majorities for the Scheme to be approved, Augean Shareholders vote on the Resolutions at the General Meeting and any such vote does not achieve the requisite majority for the Resolutions to be passed or the Court refuses to sanction the Scheme;
- unless otherwise agreed by Bidco and Augean in writing, if the Effective Date has not occurred on or before the Long Stop Date; or
- upon service of written notice by Bidco on Augean if:
 - the Augean Board:
 - withdraws, qualifies or adversely modifies the Augean Board Recommendation (as defined in the Co-operation Agreement);
 - prior to the publication of the Scheme Document, withdraws, qualifies or adversely modifies its intention to make the Augean Board Recommendation in the Scheme Document; or
 - Augean does not include the Augean Board Recommendation in the Scheme Document.

CVR Deed Poll

A summary of the terms of the CVR Deed Poll and the CVRs is set out in paragraph 3 (*CVRs and Loan Notes*) of this announcement.

Loan Notes

A summary of the terms of the Loan Notes is set out in paragraph 3 (*CVRs and Loan Notes*) of this announcement.

16. Structure of the Offer

It is intended that the Offer will be implemented by means of a Court-sanctioned scheme of arrangement of Augean under Part 26 of the Companies Act. The Scheme is an arrangement between Augean and the Scheme Shareholders.

The procedure involves, among other things, an application by Augean to the Court to sanction the Scheme. The purpose of the Scheme is to provide for Bidco to become the owner of the entire issued and to be issued share capital of Augean on the Effective Date, in consideration for which Scheme Shareholders will receive cash and a CVR on the basis set out in paragraph 2 (*The Offer*), above.

The Offer is subject to the Conditions and certain further terms set out in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document. A

brief summary of certain of the Conditions to which the Offer will be subject are set out at paragraph 8 (*Conditions*), above.

In order to become Effective, the Scheme must be approved by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing 75 per cent. in value of the Scheme Shares held by those Scheme Shareholders. In addition, the implementation of the Scheme must also be approved by the requisite majority of Augean Shareholders at the General Meeting.

The Scheme must also be sanctioned by the Court. Any Augean Shareholder is entitled to attend the Scheme Court Hearing in person or through counsel to support or oppose the sanctioning of the Scheme. The Scheme will only become Effective upon delivery to the Registrar of Companies of a copy of the court order sanctioning the Scheme.

Upon the Scheme becoming Effective: (i) it will be binding on all Augean Shareholders, irrespective of whether or not they attended or voted at the Court Meeting and/or the General Meeting (and, if they attended and voted, whether or not they voted in favour of the Scheme at the Court Meeting or in favour of or against the Resolutions at the General Meeting); and (ii) share certificates in respect of Augean Shares will cease to be of value and should be destroyed and entitlements to Augean Shares held within the CREST system will be cancelled.

The Augean Shares will be acquired under the Offer fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of value (whether by reduction of share capital or share premium account or otherwise) made, on or after the Effective Date.

Any Augean Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolutions to be proposed at the General Meeting will, amongst other matters, provide that the Augean Articles be amended to incorporate provisions requiring any Augean Shares issued after the Scheme Record Time (other than to Bidco and/or its nominees) to be automatically transferred to Bidco on the same terms as the Offer (other than terms as to timings and formalities). The provisions of the Augean Articles (as amended) will avoid any person (other than Bidco and/or its nominees) holding shares in the capital of Bidco after the Effective Date.

If the Scheme does not become Effective on or before the Long Stop Date (or such later date as Bidco and the Company may agree and the Panel and the Court may allow), it will lapse and the Offer will not proceed.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting. The Scheme Document will also contain the expected timetable for the Offer, and will specify the necessary actions to be taken by Augean Shareholders.

The Scheme Document together with the notices of the Court Meeting and the General Meeting and the Forms of Proxy will be published within 28 days of this announcement (or on such later date as may be agreed by Bidco and Augean with the consent of the Panel).

The Court Meeting and the General Meeting are expected to be held in September 2021. The Scheme is expected to become Effective in September or October 2021, subject to the satisfaction or waiver (as applicable) of all relevant conditions, including the Conditions and certain further terms set out in Appendix 1 to this announcement.

Augean will continue to monitor the latest government guidance in relation to gatherings and meetings in light of the Covid-19 pandemic and will make appropriate logistical arrangements

for the Court Meeting and General Meeting. Further details of the Court Meeting and the General Meeting will be contained in the Scheme Document.

Bidco reserves the right to elect, subject to the Co-operation Agreement and with the consent of the Panel, to implement the Offer by way of a Takeover Offer for the entire issued and to be issued ordinary share capital of Augean as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on substantially the same terms (subject to appropriate amendments) or, if Bidco so decides, subject to the terms of the Co-operation Agreement, on such other terms being no less favourable, so far as applicable, as those which would apply to the Scheme and subject to the amendment(s) referred to in Appendix 1 to this announcement. Furthermore, if such offer is made and sufficient acceptances of such offer are received, when aggregated with Augean Shares otherwise acquired by Bidco, it is the intention of Bidco to apply the provisions of section 979 of the Companies Act to acquire compulsorily any outstanding Augean Shares to which such offer relates.

17. De-listing, cancellation of trading and re-registration

It is intended that the London Stock Exchange will be requested to cancel trading in Augean Shares on AIM on or shortly after the Effective Date.

It is expected that the last day of dealings in Augean Shares on AIM will be the date of the Scheme Court Hearing, and that no transfers will be registered after 6.00 p.m. (London time) on that date.

It is intended that Augean be re-registered as a private limited company as part of the Offer, and for this to take effect as soon as practicable following the Effective Date.

18. Overseas shareholders

The availability of the Offer (including the CVRs and Loan Notes to be issued under the Offer) and the distribution of this announcement to persons who are not resident in the United Kingdom may be affected by the laws and regulations of the relevant jurisdiction(s). Such persons should inform themselves about and observe any applicable requirements. Augean Shareholders who are in any doubt regarding such matters should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

This announcement does not constitute an offer for sale of any securities or an offer or an invitation to purchase any securities. Augean Shareholders are advised to read carefully the Scheme Document and the Forms of Proxy once these have been dispatched.

19. General

The Offer will be subject to the Conditions and certain further terms set out in Appendix 1 to this announcement and to the full terms and conditions which will be set out in the Scheme Document.

The Scheme Document, along with the notices of the Court Meeting and the General Meeting and the Forms of Proxy, will be published within 28 days of this announcement (or on such later date as may be agreed by Bidco and Augean with the consent of the Panel).

In deciding whether or not to vote or procure votes in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting, Augean Shareholders should rely on the information contained in, and follow the procedures described in, the Scheme Document.

Appendix 1 contains the Conditions and certain further terms of the Offer. Appendix 2 contains details of sources of information and bases of calculation contained in this announcement. Appendix 3 contains certain details relating to the irrevocable undertakings and the letter of intent referred to in this announcement. Illustrative CVR payment calculations are set out in

Appendix 4 to this announcement. Appendix 5 contains definitions of certain terms used in this announcement.

20. Consents

Greenhill and Rothschild & Co have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

21. Documents available on website

Copies of this announcement and the documents listed below will, by no later than 12.00 noon on the Business Day following the date of this announcement until the Scheme has become Effective or has lapsed or been withdrawn, be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, at <https://www.augeanplc.com/offer/> and <https://www.morganstanley.com/im/en-ch/intermediary-investor/about-us/investment-teams/real-assets/private-infrastructure-team.html>. Save as expressly referred to in this announcement, the contents of such websites (including the documents listed below) are not incorporated into and do not form part of this announcement.

- the Confidentiality Agreement;
- the Co-operation Agreement;
- the CVR Deed Poll (to which the draft Loan Note Instrument is appended);
- the documents entered into for the financing of the Offer referred to in paragraph 14 (*Financing of the Offer*) above;
- the irrevocable undertakings and the letter of intent referred to in paragraph 8 (*Recommendation*) and paragraph 9 (*Irrevocable undertakings and letter of intent*) above and described in Appendix 3 to this announcement; and
- the written consents provided by Greenhill and Rothschild & Co referred to in paragraph 20 (*Consents*) above.

Enquiries

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White & Case LLP has been retained as legal adviser to MSIP and Bidco. Ashurst LLP has been retained as legal adviser to Augean.

Important information

Greenhill & Co. International LLP (“**Greenhill**”), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Bidco and MSIP and for no one else in connection with the matters set out in this announcement and will not be responsible to anyone other than Bidco and MSIP for providing the protections afforded to clients of Greenhill, nor for providing advice in relation to the matters set out in this announcement.

N.M. Rothschild & Sons Limited (“**Rothschild & Co**”), which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively for Augean and for no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters referred to in this announcement and will not be responsible to anyone other than Augean for providing the protections afforded to its clients, nor for providing advice in relation to the content of this announcement or any matter referred to herein. Neither Rothschild & Co nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this announcement, any statement contained herein or otherwise.

Singer Capital Markets Advisory LLP, which is authorised and regulated by the FCA in the United Kingdom, is acting exclusively as Nominated Adviser and Broker for Augean and for no one else in connection with the matters set out in this announcement and will not regard any other person as its

client in relation to the matters referred to in this announcement and will not be responsible to anyone other than Augean for providing the protections afforded to its clients, nor for providing advice in relation to the content of this announcement or any other matter referred to herein. Neither Singer Capital Markets nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Singer Capital Markets in connection with this announcement, any statement contained herein or otherwise.

This announcement is for information purposes only, and is not intended to, and does not, constitute or form part of, any offer or inducement to sell or an invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Offer or otherwise, nor shall there be any sale, issuance or transfer of securities of Augean in any jurisdiction in contravention of applicable law.

The Offer will be made solely on the terms to be set out in the Scheme Document and the Forms of Proxy (or, if the Offer is implemented by way of a Takeover Offer, the Offer Document and form of acceptance), which will contain the full terms and conditions of the Offer including details of how to vote in respect of the Offer. Any vote in respect of the Scheme or other decision or response in relation to the Offer should be made only on the basis of the information contained in the Scheme Document (or, if the Offer is implemented by way of a Takeover Offer, the Offer Document). Augean Shareholders are advised to read carefully the Scheme Document and related Forms of Proxy (or, if applicable, the Offer Document) once these have been dispatched.

This announcement does not constitute a prospectus, prospectus equivalent document or prospectus exempted document for the purposes of Article 1(4) or (5) of the UK Prospectus Regulation.

No person should construe the contents of this announcement as legal, financial or tax advice and any interested person should consult their own advisers in connection with such matters.

Overseas jurisdictions

This announcement has been prepared in accordance with and for the purpose of complying with English law, the Code, the AIM Rules, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules, and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

The release, publication or distribution of this announcement in or into certain jurisdictions other than the United Kingdom may be restricted by law and may affect the availability of the Offer (including the CVRs and Loan Notes to be issued under the Offer) to persons who are not resident in the United Kingdom. Persons who are not resident in the United Kingdom, or who are subject to laws of any jurisdiction other than the United Kingdom, should inform themselves about, and observe any applicable requirements. Any person (including, without limitation, nominees, trustees and custodians) who would, or otherwise intends to, forward this announcement, the Scheme Document or any accompanying document to any jurisdiction outside the United Kingdom should refrain from doing so and should seek appropriate professional advice before taking any action. In particular, the ability of persons who are not resident in the United Kingdom to vote their Augean Shares at the Court Meeting or the General Meeting, or to execute and deliver Forms of Proxy appointing another to vote their Augean Shares in respect of the Court Meeting or the General Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located.

If the issue of CVRs to any person, would or may infringe the laws of a jurisdiction outside England and Wales or would or may require any governmental or other consent or any registration, filing or other formality which cannot be complied with, or compliance with which would be unduly onerous, Augean may, at its discretion, determine that such person shall not have issued to him the CVRs or certificates in respect of the CVRs and that the CVRs which would otherwise have been attributable to such person under the terms of the Offer will be held by a nominee on behalf of such person, and the

cash proceeds (if any) following the issue and redemption of any Loan Notes issued under the terms of such CVRs be forwarded to such person following redemption of the Loan Notes (after deduction of fees and other costs and expenses).

Any failure to comply with the applicable legal or regulatory requirements may constitute a violation of the laws and/or regulations of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Offer disclaim any responsibility and liability for the violation of such restrictions by any person.

Unless otherwise determined by Bidco or required by the Code, and permitted by applicable law and regulation, the Offer will not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and the Offer will not be capable of acceptance and no person may vote in favour of the Offer by any such use, means, instrumentality or facility or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded or distributed in, into or from a Restricted Jurisdiction and persons receiving this announcement and all such documents relating to the Offer (including custodians, nominees and trustees) must not distribute or send them into or from a Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Offer.

If the Offer is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction, and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Notice to US investors in Augean

The CVRs and any Loan Notes issued pursuant to the terms of any CVRs have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States absent registration or an exemption from registration under the US Securities Act.

The CVRs are expected to be offered in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(10) thereof. For the purpose of qualifying for this exemption, The Court will be advised that its sanction of the Scheme will be relied upon by Bidco as an approval of the Scheme following a hearing on its fairness to Augean Shareholders at which hearing all such shareholders are entitled to appear in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all Augean Shareholders.

Any Loan Notes issued to Augean Shareholders in exchange for the CVRs issued pursuant to the Scheme will be issued in reliance upon the exemption from the registration requirements of the US Securities Act provided by Section 3(a)(9) thereof.

The CVRs to be issued to Augean Shareholders pursuant to the Scheme and any Loan Notes to be issued to Augean Shareholders in exchange for the CVRs generally should not be treated as "restricted securities" within the meaning of Rule 144(a)(3) under the US Securities Act and persons who receive securities in the Scheme (other than "affiliates" as described in the paragraph below) may resell them without restriction under the US Securities Act.

Under US federal securities laws, a Augean Shareholder who is an “affiliate” of either Augean or the Company within 90 days prior to, or of the Company at any time following, the Effective Date will be

subject to certain US transfer restrictions relating to the CVRs received in connection with the Scheme. The CVRs or Loan Notes held by such affiliates may not be sold without registration under the US Securities Act, except pursuant to the applicable resale provisions of Rule 144 under the US Securities Act or in a transaction not subject to such requirements, including transactions conducted pursuant to Regulation S under the Securities Act. Persons who may be deemed to be “affiliates” of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. A person who believes that he or she may be an affiliate of Augean or the Company should consult his or her own legal advisers prior to any sale of any CVRs or Loan Notes.

The Offer relates to the shares of an English company and it is proposed to be made by means of a scheme of arrangement provided for under English law. The Scheme will relate to the shares of an English company that is a “foreign private issuer” as defined under Rule 3b-4 under the US Exchange Act. A transaction effected by means of a scheme of arrangement is not subject to the shareholder vote, proxy solicitation and tender offer rules under the US Exchange Act. Accordingly, the Scheme is subject to the disclosure requirements, rules and practices applicable in the UK to schemes of arrangement, which differ from the disclosure requirements and practices of US shareholder vote, proxy solicitation and tender offer rules.

Financial statements, and all financial information included in the relevant documentation, will have been prepared in accordance with accounting standards applicable in the UK and may not be comparable to the financial statements of US companies or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.

In the event that the Offer is implemented by way of a Takeover Offer and extended into the US, Bidco will do so in satisfaction of the procedural and filing requirements of the US securities laws at that time, to the extent applicable thereto. If Bidco were to elect to implement the Offer by means of a Takeover Offer, such Takeover Offer shall be made in compliance with applicable UK and US securities laws and regulations, including the US tender offer rules. Such Takeover Offer would be made in the US by Bidco and no one else. In addition to any such Takeover Offer, Bidco, certain affiliated companies and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Augean outside such Takeover Offer during the period in which such Takeover Offer would remain open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the United Kingdom, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com. If such purchases or arrangements to purchase are made they would be made outside the United States in compliance with applicable law, including the US Exchange Act.

The receipt of consideration by a US holder for the transfer of its Augean Shares pursuant to the Scheme may have tax consequences in the US and such consequences, if any, are not described herein. Each Augean Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Offer applicable to them, including under applicable United States state and local, as well as overseas and other, tax laws.

Augean and Bidco are both incorporated under the laws of England and Wales. Some or all of the officers and directors of Augean are residents of countries other than the United States. In addition, some of the assets of Bidco and Augean are located outside the United States. As a result, it may be difficult for US holders of Augean Shares to enforce their rights and any claim arising out of the US federal laws or to enforce against them a judgment of a US court predicated upon the securities laws of the United Kingdom. US holders of Augean Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgement.

Forward-looking statements

This announcement (including information incorporated by reference in this announcement) may contain certain “forward-looking statements” with respect to Bidco or Augean. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often, but do not always, use words such as “anticipate”, “target”, “expect”, “estimate”, “intend”, “plan”, “goal”, “believe”, “will”, “may”, “should”, “would”, “could” or other words or terms of similar meaning or the negative thereof. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco’s, Augean’s, any member of the Bidco Group’s or any member of the Augean Group’s operations and potential synergies resulting from the Offer; and (iii) the effects of global economic conditions and government regulation on Bidco’s, Augean’s, any member of the Bidco Group’s or any member of the Augean Group’s business. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such forward-looking statements.

Such forward looking statements are not guarantees of future performance. By their nature, because they relate to events and depend on circumstances that will occur in the future, these forward-looking statements involve known and unknown risks, uncertainties that could significantly affect expected results and are based on certain key assumptions and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such forward-looking statements.

These factors include, but are not limited to, the satisfaction of the conditions to the Offer, as well as additional factors, such as changes in political and economic conditions, changes in the level of capital investment, retention of key employees, changes in customer habits, success of business and operating initiatives and restructuring objectives, impact of any acquisitions or similar transactions, changes in customers’ strategies and stability, competitive product and pricing measures, changes in the regulatory environment, fluctuations of interest and/or exchange rates and the outcome of any litigation.

These forward-looking statements are based on numerous assumptions regarding present and future strategies and environments. You are cautioned not to place any reliance on such forward-looking statements, which speak only as of the date hereof. All subsequent oral or written forward-looking statements attributable to MSIP, Bidco or Augean or any person acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this announcement.

None of MSIP, Bidco, Augean, or any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur.

MSIP, Bidco and Augean assume no obligation to update publicly or revise forward-looking or other statements contained in this announcement, whether as a result of new information, future events or otherwise, except to the extent legally required.

No profit forecasts, estimates or quantified benefits statements

No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per ordinary share for Augean for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per ordinary share for Augean.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Augean Shareholders, persons with information rights and other relevant persons for the receipt of communications from Augean may be provided to Bidco during the Offer Period, as required under Section 4 of Appendix 4 to the Code, to comply with Rule 2.11(c).

Publication on website and availability of hard copies

In accordance with Rule 26.1 of the Code, a copy of this announcement will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, at <https://www.augeanplc.com/offer/> and <https://www.morganstanley.com/im/en-ch/intermediary-investor/about-us/investment-teams/real-assets/private-infrastructure-team.html> by no later than 12.00 noon (London time) on the Business Day following the date of publication of this announcement. Save as expressly referred to in this announcement, neither the contents of these websites nor any website accessible from hyperlinks is incorporated into and do not form part of this announcement.

In accordance with Rule 30.3 of the Code, Augean Shareholders and persons with information rights may request a hard copy of this announcement by contacting Augean's registrars, Computershare Investor Services PLC, between 9.00 a.m. to 5.30 p.m. (London time), Monday to Friday (except UK public holidays) on +44 (0) 370 889 3205 or at web.queries@computershare.co.uk. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Please note that Computershare Investor Services PLC cannot provide any financial, legal or tax advice, and calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement and any document or information incorporated by reference into this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Offer should be in hard copy form.

Dealing and opening position disclosure requirements

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

Rounding

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

General

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.

Rule 2.9 requirement

In accordance with Rule 2.9 of the Code, Augean confirms that, as at the Latest Practicable Date, its issued share capital consisted of 104,971,924 ordinary shares of £0.10 each. The International Securities Identification Number for Augean's ordinary shares is GB00B02H2F76.

APPENDIX 1

CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE OFFER

Part A: Conditions to the Scheme and the Offer

1. The Offer shall be conditional upon the Scheme becoming Effective, subject to the provisions of the Code, on or before the Long Stop Date or such later date (if any) as Bidco and the Company may, with the consent of the Panel, agree and (if required) the Court may approve, or the Panel may require.
2. The Scheme shall be conditional upon:
 - a) (i) approval of the Scheme at the Court Meeting by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders; and (ii) the Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document in due course, or such later date (if any) as Bidco and the Company may agree and (if required) the Court may allow;
 - b) (i) all resolutions in connection with or required to approve and implement the Scheme as set out in the notice of the General Meeting (including, without limitation, the Resolutions) being duly passed by the requisite majority at the General Meeting; and (ii) the General Meeting being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document in due course, or such later date (if any) as Bidco and the Company may agree and (if required) the Court may allow; and
 - c) (i) the sanction of the Scheme by the Court without modification, or with modification on terms acceptable to Bidco and the Company and the delivery of a copy of the Scheme Court Order to the Registrar of Companies; and (ii) the Scheme Court Hearing being held on or before the 22nd day after the expected date of the Scheme Court Hearing to be set out in the Scheme Document in due course or such later date (if any) as Bidco and the Company may agree and the Panel and (if required) the Court may allow.
3. In addition, Bidco and the Company have agreed that the Offer shall be conditional upon the following Conditions and, accordingly, the Scheme Court Order shall not be delivered to the Registrar of Companies unless such Conditions (as amended, if appropriate) have been satisfied or, where relevant, waived:

Official authorisations, regulatory clearances and third party clearances

- a) the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a “**Third Party**”) of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider Augean Group taken as a whole) arising as a result of or in connection with the Offer including, without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control or management of, Augean by Bidco or any member of the Wider Bidco Group;
- b) all necessary filings or applications having been made in connection with the Offer and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Offer or the acquisition by any member of the Wider Bidco Group

of any shares or other securities in, or control of, Augean and all authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals reasonably deemed necessary or appropriate by Bidco or any member of the Wider Bidco Group for or in respect of the Offer including without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control of, Augean or any member of the Wider Augean Group by any member of the Wider Bidco Group having been obtained in terms and in a form satisfactory to Bidco from all appropriate Third Parties or persons with whom any member of the Wider Augean Group has entered into contractual arrangements and all such material authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals necessary or appropriate to carry on the business of any member of the Wider Augean Group which is material in the context of the Bidco Group or the Augean Group as a whole or of the financing of the Offer remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Offer becomes otherwise Effective and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

- c) no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having enacted, made or proposed any statute, regulation, decision or order, or change to published practice or having taken any other steps, and there not continuing to be outstanding any statute, regulation, decision or order, which in each case would or might reasonably be expected to:
- i. require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider Bidco Group or any member of the Wider Augean Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider Bidco Group or the Wider Augean Group in either case taken as a whole;
 - ii. require, prevent or delay the divestiture by any member of the Wider Bidco Group of any shares or other securities in Augean;
 - iii. impose any material limitation on, or result in a delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Augean Group or the Wider Bidco Group or to exercise voting or management control over any such member;
 - iv. otherwise adversely affect the business, assets, profits or prospects of any member of the Wider Bidco Group or of any member of the Wider Augean Group to an extent which is material in the context of the Wider Bidco Group or the Wider Augean Group in either case taken as a whole;
 - v. make the Offer or its implementation, or the acquisition or proposed acquisition by Bidco or any member of the Wider Bidco Group of any shares or other securities in, or control of Augean void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain,

restrict, prohibit, delay or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto;

- vi. require any member of the Wider Bidco Group or the Wider Augean Group to offer to acquire any shares or other securities (or the equivalent) or interest in any member of the Wider Augean Group or the Wider Bidco Group owned by any third party;
- vii. impose any limitation on the ability of any member of the Wider Augean Group to co-ordinate its business, or any part of it, with the businesses of any other members which is adverse to and material in the context of the Wider Augean Group taken as a whole or in the context of the Offer; or
- viii. result in any member of the Wider Augean Group ceasing to be able to carry on business under any name under which it presently does so, and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Offer, or the acquisition or proposed acquisition of any Augean Shares having expired, lapsed or been terminated;

Certain matters arising as a result of any arrangement, agreement etc.

- d) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Augean Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, or any circumstance which in consequence of the Offer or the proposed acquisition of any shares or other securities (or equivalent) in Augean or because of a change in the control or management of Augean or otherwise, would or might reasonably be expected to result in any of the following to an extent which is material and adverse in the context of the Wider Augean Group, or the Wider Bidco Group, in either case taken as a whole, or in the context of the Offer:
 - i. any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
 - ii. any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;
 - iii. any asset or interest of any such member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member otherwise than in the ordinary course of business;
 - iv. the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any such member;
 - v. the rights, liabilities, obligations or interests of any such member, or the business of any such member with, any person, firm, company or body (or any

arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;

- vi. the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected;
- vii. any such member ceasing to be able to carry on business under any name under which it presently does so; or
- viii. the creation or acceleration of any liability, actual or contingent, by any such member (including any material tax liability or any obligation to obtain or acquire any material authorisation, notice, waiver, concession, agreement or exemption from any Third Party or any person) other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Offer,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Augean Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (viii) of this Condition;

Certain events occurring since Last Accounts Date

- e) save as Disclosed, no member of the Wider Augean Group having, since the Last Accounts Date:
 - i. save as between Augean and wholly-owned subsidiaries of Augean or for Augean Shares issued under or pursuant to the exercise of options and vesting of awards granted under the Augean Share Schemes, issued or agreed to issue, authorised or proposed the issue of additional shares of any class;
 - ii. save as between Augean and wholly-owned subsidiaries of Augean or for the grant of options and awards and other rights under the Augean Share Schemes, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
 - iii. other than to another member of the Augean Group, prior to completion of the Offer, recommended, declared, paid or made any dividend or other distribution payable in cash or otherwise or made any bonus issue;
 - iv. save for intra-Augean Group transactions, merged or demerged with any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent which is material in the context of the Wider Augean Group taken as a whole;
 - v. save for intra-Augean Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent which is material in the context of the Wider Augean Group taken as a whole;

- vi. issued, authorised or proposed the issue of, or made any change in or to, any debentures or (save for intra-Augean Group transactions), save in the ordinary course of business, incurred or increased any indebtedness or become subject to any contingent liability;
- vii. purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs (i) or (ii) above, made any other change to any part of its share capital in each case, to the extent which is material in the context of the Wider Augean Group taken as a whole;
- viii. save for intra-Augean Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, merger, demerger, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business;
- ix. entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves or could involve an obligation of such a nature or magnitude other than in the ordinary course of business, in each case, to the extent which is material in the context of the Wider Augean Group taken as a whole;
- x. (other than in respect of a member which is dormant and was solvent at the relevant time) taken any corporate action or steps or had any legal proceedings started or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, in each case, to the extent which is material in the context of the Wider Augean Group taken as a whole;
- xi. entered into any contract, transaction or arrangement which would be restrictive on the business of any member of the Wider Augean Group or the Wider Bidco Group other than of a nature and extent which is normal in the context of the business concerned;
- xii. waived or compromised any claim otherwise than in the ordinary course of business which is material in the context of the Wider Augean Group taken as a whole;
- xiii. made any material alteration to its memorandum or articles of association or other incorporation documents;
- xiv. been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- xv. entered into any contract, commitment, arrangement or agreement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any

intention to, or proposed to, effect any of the transactions, matters or events referred to in this Condition (e);

- xvi. made or agreed or consented to any change to:
 - A. the terms of the trust deeds constituting the pension scheme(s) established by any member of the Wider Augean Group for its directors, employees or their dependents;
 - B. the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
 - C. the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - D. the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made,in each case, to the extent which is material in the context of the Wider Augean Group taken as a whole;
- xvii. proposed, agreed to provide or modified the terms of any of the Augean Share Schemes or other benefit constituting a material change relating to the employment or termination of employment of a material category of persons employed by the Wider Augean Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Augean Group, save as agreed by the Panel (if required) and by Bidco, or entered into or changed the terms of any contract with any director or senior executive;
- xviii. taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Augean Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Code;
- xix. entered into or varied in a material way the terms of, any contract, agreement or arrangement with any of the directors or senior executives of any members of the Wider Augean Group; or
- xx. waived or compromised any claim which is material in the context of the Wider Augean Group taken as a whole, otherwise than in the ordinary course.

No adverse change, litigation or regulatory enquiry

- f) save as Disclosed, since the Last Accounts Date:
 - i. no adverse change or deterioration having occurred in the business, assets, financial or trading position or profits or operational performance of any member of the Wider Augean Group which, in any such case, is material in the context of the Wider Augean Group taken as a whole and no circumstances have arisen which would or might reasonably be expected to result in such adverse change or deterioration;
 - ii. no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Augean Group is or may become a party (whether as a plaintiff, defendant or otherwise) and no enquiry, review or investigation by, or complaint or reference to, any Third Party or other investigative body against or in respect of any member of the Wider Augean Group having been instituted, announced, implemented or threatened by or

against or remaining outstanding in respect of any member of the Wider Augean Group which in any such case has had or might reasonably be expected to have an adverse effect on the Wider Augean Group taken as a whole or in the context of the Offer;

- iii. no contingent or other liability of any member of the Wider Augean Group having arisen or become apparent to Bidco or increased which has had or might reasonably be expected to have an adverse effect on the Wider Augean Group taken as a whole; or in the context of the Offer;
- iv. no enquiry or investigation by, or complaint or reference to, any Third Party having been threatened, announced, implemented, instituted by or remaining outstanding against or in respect of any member of the Wider Augean Group which in any case is material in the context of the Wider Augean Group taken as a whole;
- v. no member of the Wider Augean Group having conducted its business in breach of any applicable laws and regulations and which is material in the context of the Wider Augean Group as a whole or material in the context of the Offer; and
- vi. no steps having been taken which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider Augean Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, an adverse effect on the Wider Augean Group taken as a whole;

No discovery of certain matters

- g) save as Disclosed, Bidco not having discovered:
 - i. that any financial, business or other information concerning the Wider Augean Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider Augean Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which was not subsequently corrected before the date of this Announcement by disclosure either publicly or otherwise to Bidco or its professional advisers, in each case, to the extent which is material in the context of the Wider Augean Group taken as a whole;
 - ii. that any member of the Wider Augean Group or partnership, company or other entity in which any member of the Wider Augean Group has a significant economic interest and which is not a subsidiary undertaking of Augean, is subject to any liability (contingent or otherwise) which is not disclosed in the annual report and accounts of Augean for the year ended 31 December 2020 in each case, to the extent which is material in the context of the Wider Augean Group taken as a whole; or
 - iii. any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Augean Group and which is material in the context of the Wider Augean Group taken as a whole;
- h) save as Disclosed, Bidco not having discovered that:
 - i. any past or present member of the Wider Augean Group has failed to comply with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage,

release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a non-compliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) or cost on the part of any member of the Wider Augean Group and which is material in the context of the Wider Augean Group taken as a whole;

- ii. there is, or is likely to be, for any reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider Augean Group to make good, remediate, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider Augean Group (or on its behalf) or by any person for which a member of the Wider Augean Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, regulation, notice, circular or order of any Third Party and which is material in the context of the Wider Augean Group taken as a whole or the Offer;
- iii. circumstances exist (whether as a result of the making of the Offer or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any member of the Wider Bidco Group or any present or past member of the Wider Augean Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider Augean Group (or on its behalf) or by any person for which a member of the Wider Augean Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider Augean Group taken as a whole or the Offer; or
- iv. circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider Augean Group which claim or claims would be likely, materially and adversely, to affect any member of the Wider Augean Group and which is material in the context of the Wider Augean Group taken as a whole or the Offer; and

Anti-corruption, economic sanctions, criminal property and money laundering

- i) save as Disclosed, Bidco not having discovered that:
 - i. (A) any past or present member, director, officer or employee of the Wider Augean Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-

bribery law, rule or regulation or any other applicable law, rule or regulation concerning improper payments or kickbacks or (B) any person that performs or has performed services for or on behalf of the Wider Augean Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule or regulation concerning improper payments or kickbacks; or

- ii. any asset of any member of the Wider Augean Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider Augean Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering; or
- iii. any past or present member, director, officer or employee of the Wider Augean Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from:
 - A. any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HMRC; or
 - B. any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable blocking law; or
- iv. any past or present member, director, officer or employee of the Wider Augean Group, or any other person for whom any such person may be liable or responsible:
 - C. has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act;
 - D. has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
 - E. has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or

- F. is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organisation or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or
- v. any member of the Wider Augean Group is or has been engaged in any transaction which would cause Bidco to be in breach of any law or regulation upon its Offer of Augean, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HMRC, or any other relevant government authority.

For the purposes of these Conditions the “**Wider Augean Group**” means Augean and its subsidiary undertakings, associated undertakings and any other undertaking in which Augean and/or such undertakings (aggregating their interests) have a significant interest and the “**Wider Bidco Group**” means Bidco and those funds managed or advised by MSI and each of Bidco’s and such funds’ respective parent undertakings, subsidiary undertakings, associated undertakings and any other undertaking in which Bidco, such funds and/or such undertakings (aggregating their interests) have a significant interest and for these purposes subsidiary undertaking and undertaking have the meanings given by the Companies Act, associated undertaking has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose, and significant interest means a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act).

Part B: Waiver and Invocation of the Conditions

1. Bidco reserves the right to waive, in whole or in part, all or any of the Conditions set out in Part A of Appendix 1 above, except for Conditions (2)(a)(i), (2)(b)(i) and (2)(c)(i) which cannot be waived. The Offer will be subject to the satisfaction (or waiver, if permitted) of the Conditions set out in this Appendix 1, and to the full terms and conditions which will be set out in the Scheme Document.
2. The Scheme will not become Effective unless the Conditions have been fulfilled or (if capable of waiver) waived by Bidco or, where appropriate, have been determined by Bidco to be or remain satisfied by no later than the date referred to in Condition 1 of Part A (subject to the rules of the Code and where applicable the consent of the Panel).
3. Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied any of Conditions 3(a) to (i) (inclusive) of Part A by a date earlier than the latest date specified above for the fulfilment of the relevant Condition, notwithstanding that the other Conditions to the Offer may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Condition(s) may not be capable of fulfilment.
4. Under Rule 13.5(a) of the Code, Bidco may not invoke a Condition to the Offer so as to cause the Offer not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Offer.
5. Bidco may only invoke a condition that is subject to Rule 13.5(a) with the consent of the Panel and any condition that is subject to Rule 13.5(a) may be waived by Bidco.
6. Conditions (2)(a)(i), (2)(b)(i), (2)(c)(i) (Scheme approval) and, if applicable, any acceptance condition if the Offer is implemented by means of a Takeover Offer, are not subject to Rule 13.5(a) of the Code.

7. Bidco reserves the right to elect to implement the Offer by way of a Takeover Offer as an alternative to the Scheme (subject to the Panel's consent and the terms of the Co-operation Agreement). In such event, the Offer will be implemented on the same terms and conditions (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 75 per cent. of the Augean Shares (or such other percentage as Bidco and Augean may, subject to the rules of the Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide) of the Augean Shares and any amendments required by, or deemed appropriate by, Bidco under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient Augean Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the Companies Act to acquire compulsorily any outstanding Augean Shares to which such Takeover Offer relates.
8. If Bidco is required by the Panel to make an offer or offers for Augean Shares under the provisions of Rule 9 of the Code, Bidco may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
9. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
10. The Offer will be governed by the laws of England and Wales and be subject to the jurisdiction of the English courts and to the Conditions set out above. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange, the AIM Rules and the Registrar of Companies.
11. The Augean Shares will be acquired pursuant to the Offer with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital or value (whether by reduction of share capital or share premium account or otherwise) made on or after the Effective Date.
12. If, on or after the date of this announcement and before the Effective Date, any dividend, distribution and/or other return of capital is declared, made or paid or becomes payable in respect of the Augean Shares, Bidco reserves the right to reduce the cash consideration payable under the terms of the Offer by the amount of any such dividend, distribution and/or return of capital which is paid or becomes payable by the Company to Augean Shareholders, in which case the relevant eligible Augean Shareholders will be entitled to receive and retain such dividend, distribution and/or return of capital declared, made or paid. If any such dividend or distribution or return of value is paid or made after the date of this announcement and Bidco exercises its rights described above, any reference in this announcement to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme.
13. The Offer is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction.
14. The availability of the Offer (including the CVRs and Loan Notes to be issued under the Offer) to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Any persons who are subject to the laws of any jurisdiction other than the United

Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.

15. If the issue of CVRs to any person, would or may infringe the laws of a jurisdiction outside England and Wales or would or may require any governmental or other consent or any registration, filing or other formality which cannot be complied with, or compliance with which would be unduly onerous, Augean may, at its discretion, determine that such person shall not have issued to him the CVRs or certificates in respect of the CVRs and that the CVRs which would otherwise have been attributable to such person under the terms of the Offer will be held by a nominee on behalf of such person, and the cash proceeds (if any) following the issue and redemption of any Loan Notes issued under the terms of such CVRs be forwarded to such person following redemption of the Loan Notes (after deduction of fees and other costs and expenses).

APPENDIX 2

BASES AND SOURCES

1. The value attributed to the existing issued and to be issued ordinary share capital of the Company is based upon a fully diluted share capital figure of 104,971,924 Augean Shares.
2. Unless otherwise stated, the financial information on Augean is extracted (without material adjustment) from Augean's annual report and accounts for the year ended 31 December 2018, 31 December 2019 and 31 December 2020.
3. All prices quoted for Augean Shares are Closing Prices.
4. Volume weighted average prices have been derived from Bloomberg and have been rounded to the nearest one decimal place.

APPENDIX 3

DETAILS OF IRREVOCABLE UNDERTAKINGS AND LETTER OF INTENT

1. Augean Directors

The following Augean Directors who hold Augean Shares have given irrevocable undertakings to vote in favour of, or accept, the Offer in respect of the following Augean Shares, in which they or their family members and connected persons are beneficially interested, representing, in aggregate, approximately 4.56 per cent. of Augean Shares in issue on the Latest Practicable Date:

Name	Number of Augean Shares	Percentage of issued ordinary share capital of the Company (to two decimal places)
Jim Meredith	2,500,000	2.38
Mark Fryer	100,220	0.10
John Rauch	89,512	0.09
John Grant	100,000	0.10
Roger McDowell	2,000,000	1.91
Total	4,789,732	4.56

The irrevocable undertakings given by the Augean Directors will cease to be binding if:

- the Scheme Document is not posted to Augean Shareholders within 28 days (or such longer period as the Panel may agree) after the date of this announcement;
- Bidco announces, with the consent of the Panel, that it does not intend to make or proceed with the Offer and no new or replacement offer or scheme is announced pursuant to the Code at the same time;
- the Scheme lapses or is withdrawn;
- the Scheme has not become effective by 5:30 pm (London time) on the Long Stop Date, or such later time or date as Bidco and Augean (with the consent of the Panel) agree, or the Panel may require; or
- any competing offer for the entire issued and to be issued share capital of Augean is declared wholly unconditional or, if proceeding by way of a scheme of arrangement, becomes effective in accordance with its terms.

2. Other Augean Shareholders

The following Augean Shareholders have given irrevocable undertakings to vote in favour of, or accept, the Offer in respect of the following Augean Shares, in which they are beneficially interested, representing, in aggregate, approximately 29.50 per cent. of Augean Shares in issue on the Latest Practicable Date:

Name	Number of Augean Shares	Percentage of issued ordinary share capital of the Company (to two decimal places)
Harwood Capital Nominees Limited	100,000	0.10
North Atlantic Smaller Companies Investment Trust Plc	17,000,000	16.19
Oryx International Growth Fund	8,000,000	7.62
Gresham House Strategic plc	5,870,604	5.59
Total	30,970,604	29.50

The irrevocable undertakings given by each of Harwood Capital Nominees Limited, North Atlantic Smaller Companies Investment Trust Plc and Oryx International Growth Fund (together “**Harwood**”) will cease to be binding if:

- the Scheme or Offer lapses or is withdrawn;
- the Scheme has not become effective by 5:30 pm (London time) on or before the Long Stop Date, or such later time or date as Bidco and Augean (with the consent of the Panel) agree, or the Panel may require; or
- an announcement is made in accordance with Rule 2.7 of the Code of an offer, whether by way of a takeover offer or a scheme of arrangement, or any other transaction which constitutes a takeover offer for the purposes of the Code, for Augean and, in the reasonable opinion of Augean’s financial adviser, the consideration payable to Augean Shareholders per Augean Share under such offer:
 - represents an amount in cash that is at least 7.5 per cent. higher than 280 pence per Augean Share and includes a contingent value right pursuant to which the applicable proportion of the proceeds of any Tax Claim Proceeds payable to shareholders is at least 7.5 per cent. higher than the proportion payable by Bidco under the terms of the CVR Deed Poll (a “**Qualifying Competing CVR Offer**”) and provided that all other terms of the Qualifying Competing CVR Offer must be at least equivalent to those offered by Bidco, including in relation to:
 - the amount of costs, taxes or other amounts to be deducted from the Tax Claim Proceeds; and
 - the definition of Outstanding Tax Claims; or
 - represents an amount in cash that is at least 10 per cent. higher than 280 pence per Augean Share (and, for the avoidance of doubt, need not (but may) include an entitlement to a contingent value right) (a “**Qualifying Competing Cash Offer**”),

and Bidco does not announce an increase to the consideration offered under the terms of the Offer within three Business Days of the announcement made in accordance with Rule 2.7 of the Code of a Qualifying Competing Offer to an amount which, in the reasonable opinion of Augean’s financial adviser:

- is, in the context of a Qualifying Competing CVR Offer, not less than the cash consideration offered under the terms of such Qualifying Competing CVR Offer

and includes a contingent value right on the same or more favourable financial terms as offered under the Qualifying Competing CVR Offer (a “**Matching CVR Offer**”); or

- is, in the context of a Qualifying Competing Cash Offer, not less than the cash consideration offered under the terms of such Qualifying Competing Cash Offer (and, for the avoidance of doubt, need not (but may) include an entitlement to a contingent value right) (a “**Matching Cash Offer**”); or

following the announcement of a Matching Offer, an announcement is made of an increased offer, or of an offer in accordance with Rule 2.7 of the Code, whether by way of a takeover offer or a scheme of arrangement, or any other transaction which constitutes a takeover offer for the purposes of the Code, for Augean and, in the reasonable opinion of Augean’s financial adviser, the consideration payable to Augean Shareholders per Augean Share under such increased offer or offer, is higher than the consideration being offered under the relevant Matching Offer when calculated on the same basis as the Matching CVR Offer or Matching Cash Offer, as applicable (a “**Second Qualifying Competing Offer**”) and Bidco does not announce an increase to the consideration offered under the terms of the Matching Offer within three Business Days of the announcement made in accordance with Rule 2.7 of the Code, which is, in the reasonable opinion of Augean’s financial adviser higher than the consideration payable to Augean Shareholders per Augean Share under the Second Qualifying Competing Offer when calculated on the same basis as the Matching CVR Offer or Matching Cash Offer, as applicable.

The irrevocable undertaking given by Gresham House Strategic plc will cease to be binding if:

- the Scheme or Offer lapses or is withdrawn;
- the Scheme has not become effective by 5:30 pm (London time) on or before the Long Stop Date, or such later time or date as Bidco and Augean (with the consent of the Panel) agree, or the Panel may require; or
- an announcement is made in accordance with Rule 2.7 of the Code of an offer, whether by way of a takeover offer or a scheme of arrangement, or any other transaction which constitutes a takeover offer for the purposes of the Code, for Augean and the consideration payable to Augean Shareholders per Augean Share under such offer represents an amount in cash that is at least 299.60 pence per Augean Share (and, for the avoidance of doubt, need not (but may) include an entitlement to a contingent value right).

3. Letters of Intent

Hargreave Hale Limited (on behalf of Marlborough UK Micro-Cap Growth Fund) has provided a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in respect of 12,500,000 Augean Shares, representing approximately 11.91 per cent. of the Augean Shares in issue on the Latest Practicable Date.

APPENDIX 4

ILLUSTRATIVE CVR PAYMENT CALCULATION

The illustrations and examples contained in this Appendix 4 are being provided for illustrative purposes only and should not be regarded as any guarantee or indication of likely performance. Nothing in this Appendix 4 constitutes any commitment on the part of Bidco or any other member of the Wider Bidco Group.

The below tables set out the indicative Tax Claim Proceeds per CVR which may be available to CVR Holders. Table A assumes the Tax Claim Proceeds are received (for tax purposes) on or before the last day of the 2022/23 tax year and Table B assumes they are received (for tax purposes) after the last day of the 2022/23 tax year. In the event that individual claim receipts are split between the period before and after that date, then proceeds will be calculated pro-rata using the respective percentages.

The indicative figures are subject to a number of variable factors including Augean's actual effective taxation rate paid in the year the proceeds are received (for tax purposes) and costs payable in respect of pursuing the Tax Claim Proceeds. In all circumstances the maximum amount payable to CVR Holders will be 20 pence per CVR.

Table A

Example assuming Tax Claim Proceeds received (for tax purposes) before Apr-23							
Proportion of Outstanding Tax Claims received¹	Amount received	Taxable amount ²	Tax paid ³	Costs paid ⁴	Net amount	To CVR holders	Value per share⁵
	(£m)	(£m)	(£m)	(£m)	(£m)	at 56.9% (£m)	(p)
100%	43.0	26.8	(5.1)	(1.0)	36.9	21.0	20.0
80%	34.4	18.2	(3.5)	(1.0)	29.9	17.0	16.2
60%	25.8	9.6	(1.8)	(1.0)	23.0	13.1	12.5
40%	17.2	1.0	(0.2)	(1.0)	16.0	9.1	8.7
20%	8.6	-	-	(1.0)	7.6	4.3	4.1
0%	-	-	-	(1.0)	(1.0)	-	-

¹ Assuming the total amount of the Outstanding Tax Claims received does not exceed £43 million

² Indicative taxable amount; actual amount brought into charge may be different

³ Indicative amount assuming effective tax rate; actual rates paid may be different

⁴ Indicative level of costs paid

⁵ Calculated on the basis of 100% of Augean Shares

Table B

**Example assuming Tax Claim
Proceeds received (for tax
purposes) after Apr-23**

Proportion of Outstanding Tax Claims received⁶	Amount received	Taxable amount⁷	Tax paid⁸	Costs paid⁹	Net amount	To CVR holders	Value per share¹⁰
	(£m)	(£m)	(£m)	(£m)	(£m)	at 59.5% (£m)	(p)
100%	43.0	26.8	(6.7)	(1.0)	35.3	21.0	20.0
80%	34.4	18.2	(4.6)	(1.0)	28.9	17.2	16.3
60%	25.8	9.6	(2.4)	(1.0)	22.4	13.3	12.7
40%	17.2	1.0	(0.3)	(1.0)	16.0	9.5	9.0
20%	8.6	-	-	(1.0)	7.6	4.5	4.3
0%	-	-	-	(1.0)	(1.0)	-	-

The Panel has determined that an estimate of the value of a CVR in accordance with Rule 24.11 will not be included in the Scheme Document.

⁶ Assuming the total amount of the Outstanding Tax Claims received does not exceed £43 million

⁷ Indicative taxable amount; actual amount brought into charge may be different

⁸ Indicative amount assuming effective tax rate; actual rates paid may be different

⁹ Indicative level of costs paid

¹⁰ Calculated on the basis of 100% of Augean Shares

APPENDIX 5

DEFINITIONS

The following definitions apply throughout this announcement unless the context requires otherwise.

“£”, “Sterling”, “pence” or “p”	the lawful currency of the UK;
“AIM”	AIM, a market operated by the London Stock Exchange;
“AIM Rules”	the rules of AIM as set out in the 'Aim Rules for Companies' issued by the London Stock Exchange from time to time relating to AIM traded securities and the operation of AIM;
“Augean” or the “Company”	Augean Plc, a company incorporated and registered in England and Wales with company number 5199719 whose registered office is at 4 Rudgate Court, Walton, Near Wetherby, West Yorkshire, LS23 7BF;
“Augean Articles”	Augean’s articles of association currently adopted and filed with Companies House;
“Augean Directors” or “Augean Board”	the board of directors of Augean, and “Augean Director” means any of them;
“Augean Group”	Augean and its subsidiary undertakings and, where the context permits, each of them;
“Augean Share Schemes”	the Augean Unapproved Share Option Scheme, the Augean Approved Share Option Scheme, the Augean 2014 Long Term Incentive Plan, and any other Augean equity incentive schemes;
“Augean Shareholder”	a holder of Augean Shares;
“Augean Shares”	ordinary shares of £0.10 each in the capital of Augean;
“Authorisations”	for the purposes of the Conditions, regulatory authorisations, orders, grants, recognitions, determinations, certificates, confirmations, consents, licences, clearances, provisions and approvals, in each case, of a Third Party;
“Bidco”	Antwerp Management Limited, a company incorporated and registered in England and Wales with company number 13507270, whose registered office is at Suite 1, 3rd Floor 11-12 St James’s Square, London, United Kingdom, SW1Y 4LB;
“Bidco Group”	North Haven Infrastructure Partners III (AIC-C) LP and its direct and indirect subsidiaries including, following the Offer becoming Effective, the Augean Group;
“Business Day”	any day (other than a Saturday, Sunday or public or bank holiday in the UK, USA and Netherlands) on which banks in London, New York and Amsterdam are open for business;
“Closing Price”	the closing middle-market quotation of a share as derived from the AIM appendix to the Daily Official List;

“Co-operation Agreement”	the co-operation agreement dated on or before the date of this announcement entered into between Bidco and Augean;
“Code”	the City Code on Takeovers and Mergers, as issued and as amended from time to time by the Panel;
“Companies Act”	the Companies Act 2006, as amended from time to time;
“Conditions”	the conditions of the Offer set out in Appendix 1 of this announcement and to be set out in the Scheme Document, and “Condition” means any one of them;
“Confidentiality Agreement”	the confidentiality agreement dated 9 June 2021 entered into between Augean and Morgan Stanley Infrastructure Inc.;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting(s) of Scheme Shareholders (and any adjournment thereof) to be convened pursuant to an order of the Court under section 896 of the Companies Act, notice of which will be set out in the Scheme Document, for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
“CREST”	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form;
“CVR”	the contingent value rights constituted by the CVR Deed Poll issued to holders of Scheme Shares;
“CVR Deed Poll”	the deed poll dated the date of this announcement and entered into by Bidco, under which the CVRs have been constituted;
“CVR Holder”	a holder of a CVR;
“Daily Official List”	the Daily Official List published by the London Stock Exchange;
“Dealing Disclosure”	has the same meaning as in Rule 8 of the Code;
“Disclosed”	(i) the information disclosed by, or on behalf of, Augean in the annual report and accounts of the Augean Group for the 12 month period to 31 December 2020;
	(ii) the information disclosed in this announcement or in any other public announcement (including information the availability of which has been announced by way of a Regulatory Information Service) by, or on behalf of, Augean prior to the date of this announcement;
	(iii) the information fairly disclosed in writing in connection with any management presentation in connection with the Offer attended by Augean and any of Bidco or MSIP (or their respective officers, employees, agents or advisers in their capacity as such); or
	(iv) the information fairly disclosed in writing prior to the date of this announcement by or on behalf of Augean to MSIP and/or

	Bidco (or their respective officers, employees or advisers in their capacity as such) including (but not limited to) via the virtual data room operated on behalf of Augean in respect of the Offer or via email;
“Disclosure Guidance and Transparency Rules”	the Disclosure Guidance and Transparency Rules made by the FCA (as amended from time to time);
“Disclosure Table”	the disclosure table on the Panel’s website at http://thetakeoverpanel.org.uk ;
“Effective”	in the context of the Offer: (i) if the Offer is implemented by way of the Scheme, means the Scheme having become effective in accordance with its terms; or (ii) if the Offer is implemented by way of a Takeover Offer, such offer having been declared or become unconditional in all respects in accordance with the requirements of the Code;
“Effective Date”	the date on which the Offer becomes Effective;
“Eligible Augean Shareholders”	(i) holders of Scheme Shares, where the Offer is implemented by way of a Scheme; or (ii) holders of such Augean Shares where the Offer is implemented by way of a Takeover Offer who validly accept the Takeover Offer, in each case which would, assuming a maximum pay-out under the CVRs for each Augean Share held of 20 pence, provide an aggregate anticipated entitlement of at least £5.00;
“Excluded Shares”	(i) any Augean Shares beneficially owned by Bidco or any other member of the Bidco Group; (ii) any Augean Shares held in treasury by the Company; and (iii) any other Augean Shares which Bidco and the Company agree will not be subject to the Scheme;
“Final Redemption Date”	has the meaning given in paragraph 3 of this announcement;
“FCA”	the Financial Conduct Authority of the United Kingdom and any successor or replacement body from time to time;
“Forms of Proxy”	the forms of proxy for use in connection with the Court Meeting and the General Meeting (as applicable), which shall accompany the Scheme Document;
“FSMA”	the Financial Services and Markets Act 2000 (as it may have been, or may from time to time be, amended, modified, re-enacted or replaced);
“General Meeting”	the general meeting of the Company to be convened in connection with the Scheme, including any adjournment thereof, notice of which will be set out in the Scheme Document;
“Greenhill”	Greenhill & Co. International LLP;
“Harwood Entities”	means each of: (i) Harwood Capital Nominees Limited;

	(ii) North Atlantic Smaller Companies Investment Trust Plc; and (iii) Oryx International Growth Fund;
“Last Accounts Date”	31 December 2020;
“Latest Practicable Date”	close of business on 29 July 2021, being the latest practicable date prior to the date of this announcement;
“Listing Rules”	the listing rules, made by the FCA under Part 6 of FSMA, as amended from time to time
“London Stock Exchange”	London Stock Exchange plc, together with any successor thereto;
“Loan Note Holder”	a holder of a Loan Note;
“Loan Note Instrument”	the deed poll constituting the Loan Notes to be made by Bidco in certain circumstances following receipt of a Qualifying Tax Repayment;
“Loan Note Principal Value”	has the meaning given in paragraph 3 of this Announcement;
“Loan Notes”	the loan notes to be issued by Bidco pursuant to the terms of the CVR Deed Poll;
“Long Stop Date”	11.59 pm on 31 December 2021 or such later date (if any) as Bidco may, with the consent of Augean or with the consent of the Panel, specify;
“Market Abuse Regulation”	Regulation (EU) No.596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as applicable in the UK by virtue of section 3 of the European Union (Withdrawal) Act 2018, as amended from time to time (including by the Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310));
“MSI”	Morgan Stanley Infrastructure Inc.;
“MSIP”	Morgan Stanley’s global private infrastructure investment platform, Morgan Stanley Infrastructure Partners;
“Matching Cash Offer”	has the meaning given in appendix 3 of this announcement;
“Matching CVR Offer”	has the meaning given in appendix 3 of this announcement;
“Matching Offer”	a Matching Cash Offer or Matching CVR Offer (as applicable);
“Offer Document”	if the Offer is effected by way of a takeover offer as defined in Part 28 of the Companies Act, the offer document to be sent by or on behalf of Bidco to Augean Shareholders in connection with the Offer;
“Offer”	the proposed direct or indirect acquisition of the entire issued and to be issued share capital of Augean by Bidco (other than Augean Shares already held by Bidco, if any), on behalf of MSIP, to be implemented by way of the Scheme or (should Bidco so elect, subject to the consent of the Panel) by way of a Takeover Offer,

	including, where the context so requires, any subsequent variation, revision, extension or renewal thereof;
“Offer Period”	the offer period (as defined by the Code) relating to the Company, which commenced on 27 May 2021, and ending on the date on which the Offer becomes Effective, lapses or is withdrawn (or such other date as the Code may provide or the Panel may decide);
“Opening Position Disclosure”	has the meaning given to it in Rule 8 of the Code;
“Outstanding Tax Claims”	means any amounts paid by way of landfill tax (including interest and penalties thereon) that may be paid or repaid to Augean or any member of the Augean Group in consequence of: <ul style="list-style-type: none"> (a) the appeals of Augean or its subsidiaries in relation to landfill tax, including without limitation the appeals of Augean North Limited and Augean South Limited proceeding before the First Tier Tribunal with case reference numbers TC/2018/07241, TC/2019/05264, TC/2019/01281, TC/2020/03692, TC/2021/00631 and TC/2021/02366; and (b) the requests for review of assessments or any subsequent appeals that may be made by Augean or its subsidiaries in respect of any assessment for landfill tax received by Augean or its subsidiaries as at the date of this announcement, to the extent it has been paid by Augean or any member of the Augean Group prior to the date of this announcement, including without limitation the assessments dated 27 October 2017, 29 January 2018, 27 April 2018, 30 July 2018, 24 August 2017, 24 November 2017, 28 February 2018, 30 May 2018 and 31 August 2018 which are under review by HMRC; and (c) any claim for repayment interest payable by HMRC, for repayment of penalties or for recovery of costs in connection with the matters referred to in paragraphs (a) to (b) above;
“Overseas Shareholders”	Augean Shareholders (or nominees of, or custodians or trustees for, Augean Shareholders) not resident in, or who are nationals or citizens or residents of countries other than, the United Kingdom;
“Panel”	the Panel on Takeovers and Mergers;
“Qualifying Competing Cash Offer”	has the meaning given in appendix 3 of this announcement;
“Qualifying Competing CVR Offer”	has the meaning given in appendix 3 of this announcement;
“Qualifying Competing Offer”	a Qualifying Competing Cash Offer or Qualifying Competing CVR Offer (as applicable);
“Qualifying Tax Repayment”	receipt of any Tax Claim Proceeds in excess of £100,000;
“Registrar of Companies”	the Registrar of Companies in England and Wales;

“Regulatory Information Service” or “RIS”	any of the services set out in Appendix I to the Listing Rules made under FSMA by the FCA and contained in the FCA’s publication of the same name, as amended from time to time;
“Resolutions”	the special resolution (or special resolutions) to be proposed by Augean at the General Meeting in connection with the approval of the Scheme, the alteration of the Company’s articles of association and such other matters as may be necessary to implement the Scheme and the delisting of the Augean Shares, together with such other resolutions as may be proposed by Augean at the General Meeting in connection with the Offer;
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to Augean Shareholders in that jurisdiction;
“Restricted Overseas Person”	means an Overseas Shareholder who has not, by or prior to a Loan Note Issue Date, been able to satisfy Bidco in their absolute discretion, that the receipt of Loan Notes is exempt from or not subject to the registration or other legal or regulatory requirements or restrictions of the relevant jurisdiction;
“Rothschild & Co”	N.M. Rothschild & Sons Limited;
“Scheme”	the scheme of arrangement proposed to be made under Part 26 of the Companies Act between Augean and the Scheme Shareholders in connection with the Offer, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Augean and Bidco;
“Scheme Court Hearing”	the hearing by the Court of the application to sanction the Scheme under Part 26 of the Companies Act;
“Scheme Court Order”	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
“Scheme Document”	the document to be sent to Augean Shareholders (and persons with information rights) containing and setting out, among other things, the full terms and conditions of the Scheme and the notices convening the Court Meeting and the General Meeting;
“Scheme Record Time”	the time and date specified as such in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the Effective Date;
“Scheme Shareholder”	a holder of Scheme Shares at any relevant date or time;
“Scheme Shares”	a definition to be specified in the Scheme Document, expected to be: <ul style="list-style-type: none"> (a) Augean Shares in issue as at the date of the Scheme Document; (b) (if any) Augean Shares issued after the date of the Scheme Document but prior to the Voting Record Time; and

- (c) (if any) Augean Shares issued at or after the Voting Record Time and before the Scheme Record Time, either on terms that the original or any subsequent holders thereof shall be bound by the Scheme, or in respect of which the holders thereof shall have agreed in writing to be, bound by the Scheme,

and, in each case (where the context requires), remaining in issue at the Scheme Record Time, but excluding Excluded Shares;

“Second Qualifying Competing Offer”

has the meaning given in appendix 3 of this announcement;

“Senior Facilities Agreement”

the £155,000,000 senior facilities agreement dated 27 July 2021 between, among others, Bidco as borrower and National Westminster Bank Plc, HSBC UK Bank Plc and NatWest Markets Plc as arrangers, to provide funding for the Offer.

“Takeover Offer”

if the Offer is effected by way of a takeover offer as defined in Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the whole of the issued and to be issued ordinary share capital of Augean on the terms and subject to the conditions to be set out in the applicable offer document;

“Third Party”

any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction;

“Tax Claim Proceeds”

- (a) 56.9 per cent. of:
- (i) the cash proceeds (including without limitation any repayment of landfill tax, repayment interest, repayment of penalties or recovery of costs) received by Augean or any member of the Augean Group after the date of this announcement pursuant to a final determination of any proceedings or other matter forming part of the Outstanding Tax Claims and relating to any profit chargeable to corporation tax in respect of any period (or part thereof) ended on or before 31 March 2023; less
 - (ii) all properly incurred costs to Augean or any member of the Augean Group (and that are not reimbursed by HMRC) in respect of such Outstanding Tax Claims incurred after the date of this announcement (excluding any VAT recoverable by Augean or any member of the Augean Group) and all taxes payable, suffered or required to be accounted for after the date of this announcement on or in connection with the cash proceeds received under paragraph (a)(i) above; plus

- (b) 59.5 per cent. of:
- (i) the cash proceeds (including without limitation any repayment of landfill tax, repayment interest, repayment of penalties or recovery of costs) received by Augean or any member of the Augean Group after the date of this announcement pursuant to a final determination of any proceedings or other matter forming part of the Outstanding Tax Claims and relating to any profit chargeable to corporation tax in respect of any period (or part thereof) commencing on or after 1 April 2023; less
 - (ii) all properly incurred costs to Augean or any member of the Augean Group (and that are not reimbursed by HMRC) in respect of such Outstanding Tax Claims incurred after the date of this announcement (excluding any VAT recoverable by Augean or any member of the Augean Group) and all taxes payable, suffered or required to be accounted for after the date of this announcement on or in connection with the cash proceeds received under paragraph (b)(i) above,

provided that the total aggregate costs to be deducted pursuant to paragraphs (a)(ii) and (b)(ii) above shall not exceed the Agreed Costs Amount (as defined in the CVR Deed Poll);

“treasury shares”	shares held as treasury shares, as defined in section 724(5) of the Companies Act, and references to shares “held in treasury” have the same meaning;
“Voting Record Time”	the time and date to be specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“US” or “United States”	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia and all other areas subject to its jurisdiction and any political sub-division thereof; and
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

References in this announcement to “parent undertaking”, “subsidiary”, “subsidiary undertaking”, “undertaking” and “associated bodies corporate” have the meanings given to such terms by the Companies Act.

References in this announcement to an enactment include references to that enactment as amended, replaced, consolidated or re-enacted by or under any other enactment before or after the date of this announcement.

References to “Part A” or “Part B” of Appendix 1 to this announcement are to the applicable part of such Appendix.

A reference to “includes” shall mean “includes without limitation”, and references to “including” and any other similar term shall be interpreted accordingly.

Words importing the singular shall include the plural and vice versa, unless the context otherwise requires.

All references to time in this announcement are to London time unless otherwise stated.