

# ASX Announcement

03 SEPTEMBER 2021

## ACQUISITION OF MAWPUMP PTY LTD



Parkway Corporate Limited (“**Parkway**” or the “**Company**”) (ASX: PWN) is pleased to advise that earlier today (3 September 2021), Parkway Process Solutions (“**PPS**”, a wholly owned subsidiary of the Company) entered into a Share Purchase Agreement (“**SPA**”) with the shareholders of Mawpump Pty Ltd (“**Mawpump**”), an established Darwin based pump supplies business, to acquire 100% of all shares in the capital of Mawpump (“**Mawpump Transaction**”). Completion of the Mawpump Transaction also occurred earlier today (3 September 2021) (“**Completion**”), contemporaneously with execution of the SPA.

### KEY TERMS OF ACQUISITION

The total consideration payable by Parkway to the vendors in relation to the Mawpump Transaction is up to \$1,300,000 (before agreed adjustments), comprising:

- **Upfront Consideration**
  - \$715,000 (before agreed adjustments). Following finalisation of the agreed adjustments, the amount paid by the Company to the vendors at Completion was \$1,228,423, by way of compensation to the vendors for Mawpump’s net receivables and net cash at Completion; and
- **Contingent Consideration**
  - up to \$455,000 is payable 12 months after Completion (“**Contingent Consideration**”), provided that Mawpump meets and exceeds a baseline revenue threshold (\$2,250,000, ex-GST) (“**Warranted Revenue**”) in the 12 months immediately following Completion; and
  - if, during the 12 months immediately following Completion, there is a shortfall between Mawpump’s baseline revenue as compared to the Warranted Revenue (“**Revenue Shortfall**”), the amount of that Revenue Shortfall will be deducted from the Contingent Consideration which is payable to the vendors (up to a total amount of \$585,000); and
- **Equity Consideration**
  - \$130,000 of shares (“**Consideration Shares**”) in Parkway will be issued to the vendors, 18 months after Completion, provided that Mr Kevin Mawson (Mawpump’s founder) has remained an employee of Mawpump and performed his duties consistent with Parkway’s expectations (acting reasonably) for a period of no less than 18 months.
  - The number of Consideration Shares to be issued or allotted to the vendors, will be determined by way of reference to the volume weighted average price of ordinary shares in the capital of Parkway, as traded on the Australian Securities Exchange, for the 20 trading days preceding the date of issue or allotment of the Consideration Shares.

Pursuant to Parkway’s acquisition of all shares in the capital of Mawpump, Parkway has also acquired all of Mawpump’s assets (including, amongst others, plant & equipment, inventory, work in progress, intellectual property and all associated goodwill).

Consistent with good market practice for transactions of this nature, the SPA is a fulsome legal document, comprising (amongst other things) a detailed schedule of warranties which the vendors have provided in favour of Parkway.

## **ABOUT MAWPUMP**

Mawpump is an established Darwin based supplier of pumping related products, services and packaged solutions, with a primary focus on the mining industry in Northern Australia. Mawpump has been successfully operating since 1996, during which time it has provided various products and/or services, to most of the major mining operations in the Northern Territory of Australia. Mawpump operates a fabrication and maintenance workshop, and also maintains a large product inventory (together with associated plant and equipment), enabling Mawpump to provide a fast and reliable service and maintain its position as a preferred vendor for various mining operations predominantly in the Northern Territory of Australia.

## **ACQUISITION RATIONALE**

- Parkway has identified several major industrial wastewater (including mining related) opportunities in Northern Australia (“**Project Opportunities**”).
- The acquisition of Mawpump:
  - Supports Parkway’s evaluation and potential participation in the delivery of the Project Opportunities and other opportunities elsewhere in Australia;
  - Immediately integrates into the PPS products and services offering, with several operational and strategic synergies between the two businesses;
  - Assists PPS in developing and offering integrated end-to-end mine dewatering solutions, incorporating Mawpump derived solutions;
  - Provides Mawpump’s clients with a broader range of products, services, and solutions, available through PPS;
  - Provides PPS with a platform for introducing next-generation technologies to Mawpump’s established client base;
  - Provides PPS with an established client base, particularly in the large-scale mining sector; and
  - Provides PPS with operational critical mass, as well as an incremental source of revenue, with numerous growth opportunities

## **ADDITIONAL INFORMATION**

Additional details about Mawpump and Parkway’s acquisition rationale, in the broader context of Parkway’s corporate strategy, is outlined separately in a corporate presentation released on the ASX announcements platform concurrently with this announcement.

## **COMMENTS FROM MANAGING DIRECTOR**

Parkway’s Managing Director, Bahay Ozcakmak, makes the following comments:

*“At Parkway, our technology portfolio is predominantly based on innovations that enable the more efficient and sustainable processing of wastewater, particularly from the energy and mining sectors. The journey for processing these typically problematic wastewater streams, often starts with some form of tailings pumping infrastructure. Over many years, the team at Mawpump have developed significant capabilities and proven designs that enable the reliable performance of pumps, and related infrastructure, often in quite challenging applications. Mawpump’s client-base includes most global miners with operations in the Northern Territory, with significant recurring business, highlighting Mawpump’s well-earned reputation as a preferred vendor. We welcome the Mawpump team to the Parkway family and look forward to*

*working together to grow the Mawpump business, through Parkway Process Solutions.”*

## **COMMENTS FROM MAWPUMP**

Founder of Mawpump, Kevin Mawson, makes the following comments:

*“Over the last 25 years, we’ve worked hard to assist our customers with all their pumping related requirements. In addition to supplying and maintaining high quality equipment, we’ve also developed a strong reputation based on our track-record of successfully developing innovative pumping solutions, particularly in the field of mine dewatering and pumping related applications. We’ve worked with many of the large miners in Northern Australia, with the Mawpump name synonymous with the delivery of reliable and durable pumping solutions, for many years. Our team is looking forward to being able to support our existing customer base with a broader range of products and services, as well as being able to expand into broader markets through Parkway.”*

The release of this announcement has been approved by Parkway’s Managing Director, Bahay Ozcakmak.

## **ADDITIONAL INFORMATION**

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## FORWARD-LOOKING STATEMENTS

This announcement may contain certain “forward-looking statements”. The words “continue”, “expect”, “forecast”, “potential” and other similar expressions are intended to identify “forward-looking statements”. Indications of (and any guidance on) future earnings, financial position, capex requirements and performance are also “forward-looking statements”, as are statements regarding internal management estimates and assessments of market outlook.

Where Parkway expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, “forward-looking statements” are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Parkway, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results, because events and actual circumstances frequently do not occur as forecast and their differences may be material.

Parkway does not undertake any obligation to publicly release any revisions to any “forward-looking statements” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.

## ABOUT PARKWAY CORPORATE LIMITED

Parkway Corporate Limited is an Australian cleantech company focused on developing and implementing, industrial-scale innovative water treatment solutions. Parkway is listed on the Australian Securities Exchange (ASX: PWN) and is emerging as an innovative player in water related sustainability solutions. With significant inhouse technical expertise and established partnerships, Parkway is well-placed to deliver the next generation of wastewater treatment plants, incorporating the company’s portfolio of world-class technologies.

Parkway operates through three (3) core business units, comprising:

- Parkway Process Solutions (PPS) – Parkway’s primary operating division and an emerging provider of industrial water treatment products, services, solutions and associated technology to customers throughout Australia. PPS has recently established commercial relationships with key water industry participants, including globally recognised OEMs;
- Parkway Process Technologies (PPT) – Parkway’s technology development, acquisition, and commercialisation division. PPT owns a portfolio of industrial wastewater treatment technologies, including the patented aMES® and iBC® process technologies. PPT has global aspirations and is supported by a network of strategic partners, including global engineering company Worley; and
- Parkway Ventures (PV) – holds a portfolio of project equity and royalty interests, including interests relating to Parkway’s Karinga Lakes Potash Project in the Northern Territory of Australia.

Additional information regarding Parkway, including an overview of the corporate structure of Parkway and the companies in its corporate group, can be found at: [www.pwnps.com/pages/about-us](http://www.pwnps.com/pages/about-us).

## SOCIAL MEDIA & EMAIL ALERTS

Parkway is committed to communicating with the investment community through all available channels. Whilst the ASX announcements platform remains the most appropriate channel for market-sensitive news about Parkway, investors and other interested parties are also encouraged to:

- follow Parkway on LinkedIn, Twitter, Facebook and YouTube; and
- subscribe for our email alert service, Parkway News Alerts, on our website ([www.pwnps.com](http://www.pwnps.com)).