WasteCo Group Limited

Annual Report 2025

Making waste work for communities means more than recycling.

It's about being there —after the flood, during the festival, and every day in between— delivering safe, reliable services that people can count on.

WASTECO

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Building strong foundations for a sustainable future

At WasteCo, we understand that our success is built on strong, enduring relationships—with the councils we partner, the households we serve, and the commercial and industrial clients who trust us to deliver. Our commitment to customer satisfaction, health and safety, and environmental responsibility underpins everything we do.

Our strategy remains focused on running our current operations well, while pursuing strategic acquisitions that support our goal of building a successful nationwide waste solutions business.

Who we are

We're proud to be one of New Zealand's leading waste management providers

Over the past year, we've continued to grow organically and through strategic acquisitions, securing long-term contracts that underpin our momentum and provide a strong foundation for future success.

Looking ahead, our unwavering focus is on improving our health and safety, while at the same time accelerating sales growth. We are optimising our operations for peak efficiency and investing in groundbreaking technologies—all to strengthen our market position and unlock new revenue opportunities. As we scale success, strategic acquisitions will play a key role in driving expansion and securing long-term growth.

These efforts will drive WasteCo's growth and long-term value for our shareholders.

Our purpose

At WasteCo, we see ourselves as more than just a waste company, we're stewards of the full waste lifecycle

Our responsibility goes beyond diversion; it's about recovering resources, protecting public health, and helping our communities, councils and business partners meet their environmental goals.

Our mission is simple: to deliver smarter, safer, and more sustainable waste solutions that make a real difference and deliver cleaner environments.

Revenue growth

$48,000,000 → $56,000,000

Sales increased from $48 million to $56 million, marking strong year-on-year growth

Highlights of our year

Improved profitability

EBITDA

↑ $1.27M

Our operating EBITDA rose by $1.27 million, reflecting an uplift in performance

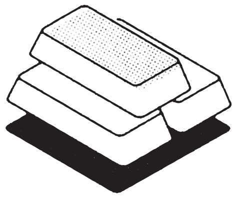
Strategic expansion

We successfully expanded into the North Island through our acquisition of Civic Waste

Major new investment

The NZ$15 million investment we secured from Empire Waste Technology supported the Civic Waste acquisition and reinforced our platform for future growth

Strong shareholder support



Our NZ$5 million Share Purchase Plan was fully subscribed, demonstrating investor confidence in our strategy and direction

Productivity gains

We prioritised operational efficiency, unlocking synergies and maximising asset utilisation

Sustainable fleet transition

We introduced hybrid Toyota RAV4s into the sales fleet and added a Polestar 2 EV to the WasteCo fleet, reinforcing our commitment to sustainability

Strengthened governance

Appointed a new Board Chair and welcomed additional directors in December 2024, enhancing our leadership capability

Cleaner Antarctica Initiative

We continued our partnership with Antarctica New Zealand, managing frozen waste on the ice to protect one of the world's most pristine environments

Sector performance

New Zealand's waste management sector sits at the intersection of essential public service and industrial infrastructure, making it both resilient and exposed to broader economic trends.

This past year has illustrated both sides of that dynamic.

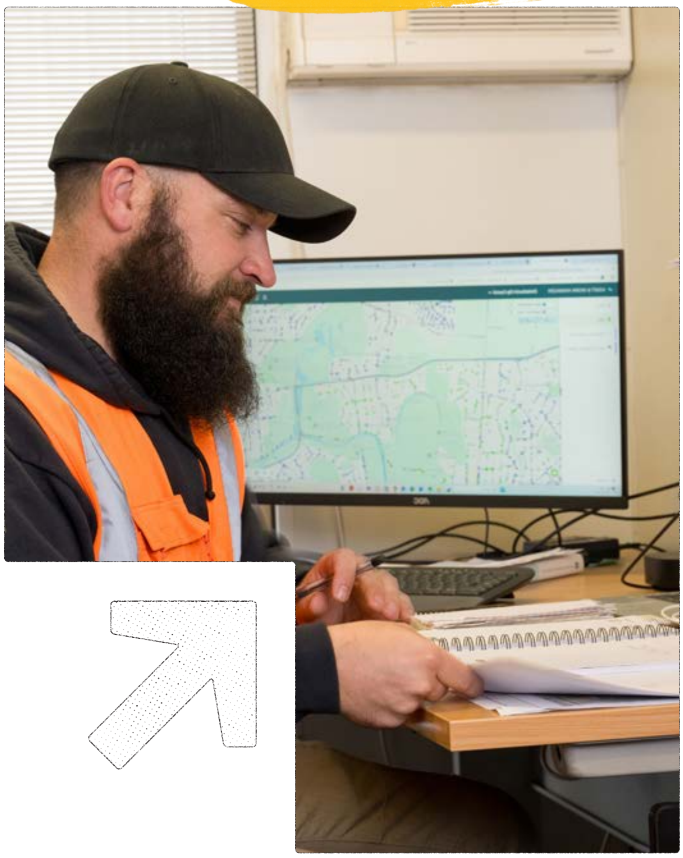
Overall sector performance in FY2024/25 was subdued, reflecting broader macroeconomic conditions. Slower GDP growth, the slowdown in manufacturing, and delayed investment across construction and infrastructure projects, led to reduced waste volumes in key commercial and industrial segments.

However, core municipal services have remained stable, underpinned by long-term contracts and the non-discretionary nature of household and civic waste collection. This consistency provides a foundation of reliability for operators like WasteCo, even in turbulent times.

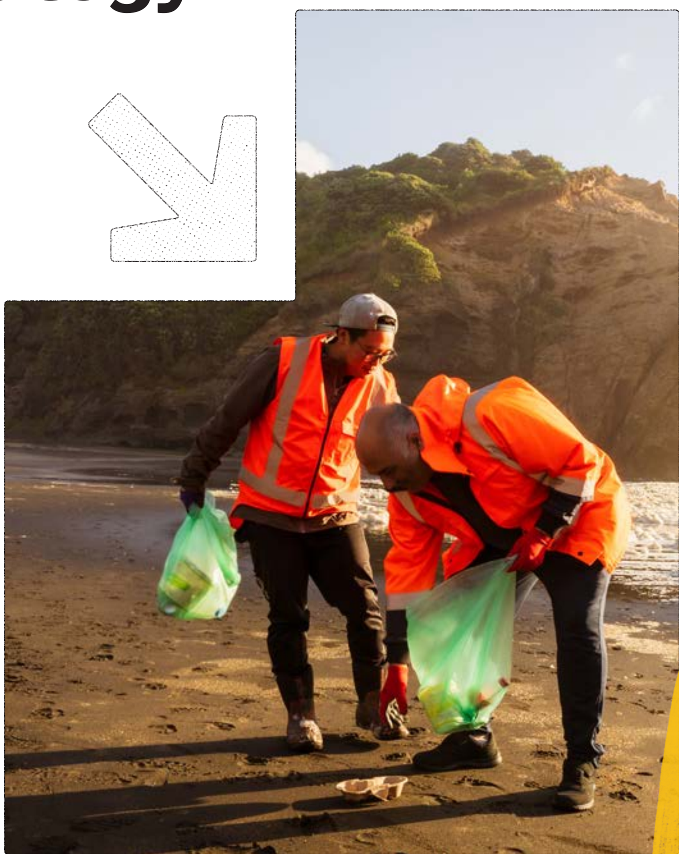
Environmental regulation has also played a dual role. While compliance costs have increased across the sector, heightened scrutiny and tighter standards are creating opportunities for innovation and differentiation, particularly for providers with the scale and systems to respond effectively.

Focus on our team

Optimise our current business



Our strategy



Make acquisitions in core areas

Deliver cleaner environments

Chair's report

At our core, WasteCo is in the business of making waste work better, for the communities, councils and businesses we serve. But managing waste well means much more than just diverting it. It means taking responsibility from end to end—being there during the event and turning up after the flood to clear culverts. It means earning and maintaining the trust of our partners through safe, reliable service. And it means protecting our people by embedding rigorous risk management and learning from the toughest of challenges.

This year, we were deeply tested. The tragic death of our colleague Lynda Kelly shook us all and it is a loss that will remain with us. The Board extends its heartfelt condolences to Lynda's family, friends, and teammates. We were, and remain, deeply concerned. As directors, we carry the weight of ensuring that such an incident never happens again. In the weeks since, we have acted with urgency and care, embedding stronger accountability for safety at every level of the business.

Financial outlook

The 2025 financial year saw WasteCo maintain its commitment to sustainable sales growth and operational efficiency.

The Group reported a sales increase of NZ$8.18 million and a rise in operating EBITDA of NZ$1.27 million, reflecting a positive shift in performance. However, despite these improvements, the Group recorded a total comprehensive loss of NZ$9.85 million (2024: NZ$4.14 million loss). This result was primarily influenced by several one-off and non-operational factors, including restructuring costs of NZ$1.76 million, acquisition-related expenses of NZ$605k and ongoing finance costs amounting to NZ$5.1 million.

These exceptional costs reflect a year of strategic transformation as WasteCo continues to reshape its operations for long-term sustainability and growth. The company is in a transition phase, positioning itself for future growth through acquisition, consolidation and efficiency. Notably, the acquisition activity undertaken during the year supports our growth ambitions.

An income tax benefit of NZ$1.14 million partially offset the net loss, recognising the impact of restructuring and investment on taxable earnings.

Setting the building blocks in place

Waste volumes and service demand in New Zealand are closely tied to industrial activity, population growth and construction—all of which have been impacted in the last twelve months due to a slow down in the economy, which has been slower to rebound than anticipated. However we've maintained a clear focus on productivity and efficiency, which is now underpinning our ability to drive performance and win new business across the country.

Strengthening our national footprint remains a cornerstone of our long-term strategy. We continue to diversify across sectors and build deeper partnerships with major enterprises—enhancing both the resilience and reach of our business.

The municipal and public service sector provides a stable foundation, and we are focused on growing WasteCo's presence as a trusted provider nationally.

Strategic investment is critical to our long-term value creation. The acquisition of Civic Waste significantly extended our geographic coverage and improved our capacity to service large, multi-regional contracts. Upgrades to our fleet and the overhaul of our health and safety systems are more than operational improvements—they are key investments in reliability, risk mitigation and our reputation. These initiatives ensure we are well-positioned to scale efficiently and meet increasing demand as economic conditions improve.

The NZ$15 million investment from Empire Waste Technology Limited, via Convertible Note, was instrumental in supporting the Civic Waste acquisition and strengthening our platform for future growth. Our NZ$5 million Share Purchase Plan also met with strong investor demand, reflecting confidence in our strategy and growth trajectory.

Looking ahead

While the bottom-line result is disappointing, the underlying trend is positive. WasteCo enters the new financial year with a leaner operating model, a clearer strategic direction, and the early benefits of consolidation and renewal.

Our focus in 2025/26 is on translating these foundations into consistent financial performance and long-term value for shareholders.

We are well-positioned to prosper as macro-economic conditions improve next year, and we continue to investigate and execute upon further investment and acquisition opportunities in New Zealand's fragmented waste sector.

On behalf of the Board, I want to thank our team for their commitment, our partners for their continued support and our shareholders for their confidence. Together, we are building a stronger, more resilient WasteCo.

Roger Gower
Chair

Prioritising health, safety and wellbeing

The safety and wellbeing of our people is our highest priority. For the senior leadership team, health and safety is not simply a compliance obligation—it is the most important responsibility we carry. Good safety is good business, but more importantly, nothing matters more than making sure every team member goes home safely at the end of each day.

The tragic loss of Lynda Kelly, a valued member of our team, who lost her life in an accident at our Te Anau site in May 2025 was devastating. Although the incident occurred outside the reporting period, its impact has been deeply felt across our organisation. Our thoughts remain with Lynda's family, friends, and colleagues during this incredibly difficult time.

We are working closely with WorkSafe to fully understand the circumstances surrounding the incident and to ensure any lessons are implemented without delay. In the immediate aftermath, we undertook a comprehensive operational review across all six of our transfer stations and started an internal investigation. These assessments and our review have reinforced our commitment to identifying, understanding and managing every critical risk within our operations.

We remain resolute in our commitment to building a culture where safety is embedded in every decision, every action and every site across our business.

Prior to this tragedy, we had already launched a major health and safety initiative, **A Road to a Safer Tomorrow.** This programme is a company-wide effort to embed a stronger safety culture at every level of our organisation. We are reviewing and redesigning our safety policies, procedures and training frameworks to ensure they are practical, relevant and fit for purpose—especially in the diverse environments where our people work, from urban centres to remote locations.

We are also implementing clearer safety expectations, measurable performance indicators and stronger accountability for both leadership and frontline teams. Increased investment in training, field engagement and fleet upgrades reflect our commitment to reducing physical risks across the business.

The loss of a colleague is a stark and painful reminder of why this work matters. It strengthens our resolve to do better and be better. Our commitment to continuous improvement in health and safety is unwavering, and we will take every necessary step to protect our people to ensure they return home safely each day.

ASHBURTON DISTRICT COUNCIL AWARDS WASTECO MULTI-MILLION-DOLLAR CONTRACT

Since the reporting period, we are proud to announce that WasteCo has secured a significant new partnership with Ashburton District Council. The nine-year, $40 million contract will see WasteCo deliver comprehensive waste management services to more than 12,000 households and facilities across the district, with potential for a further nine-year extension.

The scope of the contract includes kerbside rubbish and recycling collection, operation of the district's resource recovery parks in Ashburton and Rakaia, and management of school and rural recycling drop-off sites.

This represents a major milestone for the company's national growth strategy and is the first major waste contract awarded to WasteCo in the Canterbury region. It allows us to deliver innovative, future-focused waste solutions that enhance service delivery, environmental performance and community outcomes.

The contract, which commences on 1 September 2026, will support 23 full-time employees and involves the purchase of nine new collection vehicles and associated plant.

Diverse operations

A strong foundation for growth

In FY2024 we expanded our operational footprint into Southland, Central Otago and the top of the South Island through three strategic acquisitions. Establishing a strong presence in these regions has been key to our continued growth and ability to deliver integrated services to both new and existing customers.

Our acquisition of Civic Waste in FY2025 has significantly increased our position as a truly national operator, enhancing our North Island presence while complementing our established South Island network. The integration has progressed well, enabling us to broaden our service offering and compete for large-scale, multi-site contracts across priority sectors such as retail, education and residential services.

Strengthening our core while enabling growth

We remain focused on improving our core business through critical risk management, cost efficiency, sales growth and operational excellence. While strategic acquisitions have played a key role in expanding our national footprint, sustainable growth depends on getting the fundamentals right.

The diversity of our operations across the South Island is a core strength, underpinned by multiple revenue streams spanning waste management and industrial services. This year, we prioritised productivity gains, unlocking operational synergies and making smarter use of our assets. For example, Civic Waste began to deliver on a major new Waikato contract by redeploying a specialist vehicle from the South Island, enabling service delivery ahead of new fleet investment.

These kinds of efficiencies are improving performance across our network and enhancing our competitiveness in the market. As we grow, our success will rely on maintaining a disciplined focus on our core business, making it stronger, more efficient and better positioned to support long-term expansion.

Embedding environmental leadership

As a company deeply connected to the environment, sustainability is not a bolt-on, it's an essential part of how we operate and grow. This year, we partnered with environmental specialists to develop an integrated sustainability plan that will guide our transition to lower emissions and better resource use. This includes building out supporting policies, setting clear KPIs, and streamlining our carbon auditing processes to ensure transparency and accountability.

To reduce emissions and improve operational efficiency we implemented Teletrac Navman tracking technology across our fleet. This gives us real-time visibility over vehicle movements, helping us cut emissions, optimise logistics and support safer, more efficient driving behaviour.

We are also transitioning our fleet to more sustainable vehicles. Hybrid Toyota RAV4s have been introduced into our sales fleet, and Civic Waste has added a Polestar 2 electric vehicle, marking a step forward on our journey toward a zero-emissions future.

Our focus

Making waste work for communities means more than recycling, it's about being there after the flood, during the festival and every day in between, delivering safe, reliable services that people can count on.

Our focus remains clear—to look after our people, lead with integrity, grow responsibly and build a sustainable business that supports our communities and protects the environment for future generations.

Thank you to all the staff at WasteCo for your commitment to delivering cleaner environments.

David Peterson
CEO

Opportunities and trends for growth in waste management

Despite short-term constraints, several structural trends signal long-term opportunity and growth potential

1

Urbanisation and infrastructure investment

Continued urban expansion, especially in regional hubs, will drive higher demand for construction and demolition waste services. As councils and developers increase investment in housing and transport, waste services will need to scale to support delivery.

2

Circular economy and sustainability demands

Businesses and government are under growing pressure to improve environmental performance. This has accelerated interest in diversion from landfill, resource recovery and integrated waste solutions—areas where WasteCo is actively investing and expanding capabilities.

3

Technology and efficiency

The sector is undergoing a quiet transformation through digitisation, automation and data-led service delivery. Companies that invest in smart routing, predictive maintenance and customer-facing platforms will unlock productivity gains and competitive advantages.

4

Sector consolidation and national service demand

As large enterprises and government bodies seek fewer suppliers with broader national reach, consolidation is accelerating. WasteCo's strategic expansion positions us to win larger contracts and deliver consistent service across multiple regions.

5

Climate adaption and resilience

Natural disasters and climate-related events are increasing in frequency and impact. The waste sector plays a critical role in emergency response and recovery—a growing area of demand where agility matters.

Making waste work for communities

At WasteCo, we're more than just a waste services provider —we're an active part of the communities we serve, committed to making a positive impact through environmental leadership, local partnerships and supporting regional events

Supporting healthcare access at Canterbury Charity Hospital

CANTERBURY CHARITY HOSPITAL TRUST

WasteCo is committed to creating positive impact in the communities we serve. This year, we continued our proud partnership with the **Canterbury Charity Hospital Trust**, a volunteer-run facility providing free healthcare to individuals who fall outside public healthcare eligibility and cannot afford private treatment.

By providing complimentary waste management services, including handling both general and medical waste, we help reduce operational costs for this vital communityresource. This support enables the hospital to redirect funds towards patient care and essential services like colorectal cancer screening for under–60s.

Our partnership reflects WasteCo's values as a national leader with strong local roots, investing not only in innovative waste solutions but also in community-driven initiatives that make a real difference in people's lives.

Supporting Electric Avenue 2025

It was great to be part of the **Electric Avenue Music Festival**, Australasia's biggest party. With more than 70,000 attendees across two days and a visitor spend of nearly $10.5 million, the event was a major boost for Christchurch. We played our part by managing waste and diverting as much as possible from landfill.

CORDE City2Surf

We were on the ground at the **CORDE City2Surf** event, providing waste sorting services and successfully recycling all waste to divert as much rubbish as possible from landfill. It was another step towards making the event more sustainable.

A cleaner Antarctica

We continued to work with **Antarctica New Zealand,** managing frozen waste generated on the ice. From sterilising food waste to deep-burying treated human waste, we're committed to keeping one of the world's most pristine environments clean for future generations.

On the ground at the Goldfields Cavalcade

We loved supporting the **Goldfields Cavalcade** in Twizel, providing Portaloos, managing septic services and ensuring participants had safe, clean facilities throughout the 1200km journey. A huge thanks to Donny Lewis and the Central Otago team for making it all happen seamlessly.

The Mitre 10 MEGA grand opening

We were proud to support the grand opening of **Mitre 10 MEGA** Brougham Street, providing waste services in the lead-up to the event. Our team helped keep the site clean and launch-ready, demonstrating our commitment to supporting local businesses and community success.

Local innovation in action: new trucks in Balclutha

In partnership with the Clutha District Council, we rolled out new sideloader trucks in Balclutha. These trucks reduce manual handling, improve efficiency and cut emissions—showcasing how local innovation is helping deliver smarter, more sustainable services.

Investing in smarter fleet management

To improve fleet efficiency and sustainability, we installed Teletrac Navman tracking across our vehicle network. This technology gives us real-time visibility over fleet movements, helping reduce emissions, optimise resources and improve driver performance.

Teletrac Navman

Investing in a greener fleet

We introduced hybrid vehicles, including Toyota RAV4 hybrids, into our sales fleet to lower emissions and improve fuel efficiency. WasteCo has also added a Polestar 2 electric vehicle to its fleet, moving closer to its zero-emission goals.

We are also working with Green Halo to understand our base line position on carbon emissions.

Supporting local roots: sponsoring the Crusaders

We are a proud to support our local roots by sponsoring the **Crusaders.** This partnership is part of our commitment to sustainability and community, and we're excited to help the team stay focused on their game while managing waste sustainably at every home match.

Embracing Toitū Enviromark certification: a pathway to a sustainable future

As a **Toitū Diamond-Certified** waste solutions provider, we're committed to reducing landfill waste through advanced sorting facilities and environmentally responsible processes.

Toitū Enviromark is a New Zealand-based environmental certification programme designed to help organisations manage, reduce and offset their environmental impacts. It provides the framework and tools for businesses to measure, manage and mitigate their carbon footprint and other environmental impacts. To gain this certification an organisation must have a robust Environmental Management System to manage environmental impacts.

WasteCo Board of Directors

Roger Gower

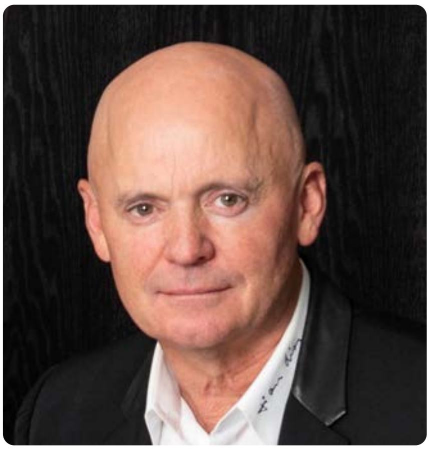
Chair

Roger is an experienced executive, director and chairman of public and private companies. He had an executive career in logistics and transportation and was a key executive in the listing of a New Zealand transport company on the NASDAQ, and organising significant offshore financing for transport assets.

Roger became WasteCo's Chairman last December. He is currently also the Chairman of PrimePort, Timaru. Roger is an independent director of NZX-listed Me Today and of a number of private companies.

Following his executive career, he completed a Master of Philosophy degree at Cambridge University, in the UK, researching the use of economic tools to improve environmental outcomes and the key attributes of successful spinouts. He also holds a B.Com from Auckland University and an MBA from Massey University.

Simon Herbert



Non-Independent Director

Simon brings more than 25 years of experience in business and property investment, combined with an 18-year legal career in major New Zealand law firms.

As principal of Empire Capital, Simon has spearheaded transformative projects, including acquisitions across marine; residential, industrial and commercial property; and technology sectors. Notable achievements include the acquisition of three of Auckland's privately-owned marinas and associated waterfront land holdings and growing them into thriving enterprises.

Lesser known is his investment in technological infrastructure, reflecting his strategic vision and entrepreneurial leadership. His proven expertise, experience and forward-thinking leadership will be valuable as WasteCo continues on its aggressive growth trajectory.

Sean Joyce

Non-Independent Director

Sean has more than 30 years' experience in the corporate sector as a corporate lawyer and a market participant. He has a particular focus on the capital markets and securities laws in New Zealand. This includes regulatory compliance, initial public offerings, compliance listings, reverse listings, takeovers, fundraising and offerings of various types of securities in New Zealand.

Sean is a Chartered Member of the Institute of Directors (CMinstD) and holds a Bachelor of Arts and a Bachelor of Laws (Hons) from Auckland University. Sean is a director of a number of private and listed companies.

Shane Edmond

Director

Shane has extensive experience in financial markets, having worked in London and New Zealand for more than 30 years.

He was previously a member of the Financial Market Authority's Code Committee for Financial Advisers for seven years. Shane became a shareholder and a director of WasteCo Holdings NZ in December 2020 (prior to the reverse listing) and served as Chair from December 2022 to December 2024.

James Redmayne

Non-Independent Director

James is one of WasteCo's founders.

Before launching WasteCo with Carl Storm, James gained 18 years of cost and management accounting experience in banking, foreign exchange, broadcasting, manufacturing and pharmaceuticals.

James and Carl are no longer working in the business, but James remains on the Board.

Rodney Malam

Non-Independent Director

Rodney is a qualified Chartered Accountant with over 30 years' experience. He has a strong financial background and commenced his career at KPMG Auckland in the financial accounting and insolvency areas.

After a solid grounding in CA practice, he then began his commercial journey in the manufacturing sector, with various senior finance roles in multinational printing groups Blue Star Print and PMP Print, including experience in managing business acquisitions and startups. More recently he has moved into the private sector with a CFO role in the Hospitality industry for 5 years and is currently CFO of the Empire Capital Group.

He brings significant commercial business experience, strategic thinking, and broad financial analysis and interpretation skills to the Board.

Corporate Governance Statement

for the year ended 31 March 2025

The Board is committed to achieving best practice corporate governance and the highest standards of ethical behaviour. The governance principles adopted by the Board are designed to achieve these goals.

The full content of the company's Governance Code and related polices and charters can be found on the company's website (**'website'**).

This statement is a summary of the corporate governance arrangements approved and observed by the Board as at 31 March 2025. The corporate governance arrangements are based on the principles set out in the NZX Corporate Governance Code (**'NZX Code'**). This statement has been approved by the Board.

Code of ethics

The Board has documented a Code of Ethics, which can be found on the website. The Code of Ethics details the ethical standards to which the directors and employees of the Company and its subsidiaries (Group) are expected to adhere. The Code of Ethics includes the items listed under Recommendation 1.1 of the NZX Code.

Roles of the Board

The objective of the Board is to enhance shareholder value by directing the company in accordance with sound governance principles. The Board assumes the following primary responsibilities:

- formulation and approval of the strategic direction, objectives and goals of the Company;
- monitoring the financial performance of the Company, including approval of the Company's financial statements;
- ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained;
- review of performance and remuneration of directors and executive officers; and
- establishment and maintenance of appropriate ethical standards for the Company to operate by.

A formal Governance Code, which can be found on the website, has been adopted by the Board and further outlines roles and responsibilities of the board, and distinguishes and discloses the respective roles and responsibilities of the Board and management.

The Company regularly evaluates the performance of the directors, Board and Board committees internally. In addition, the Company continues to assess the size, diversity and skills of the Board. Directors also receive appropriate training to remain current on how to best perform their duties as directors of the Company.

The Company enters into written agreements with newly appointed directors establishing the terms of their appointment.

Board composition

In accordance with the Company's constitution and the NZX Listing Rules, the Board will comprise not less than three directors. The Board will be comprised of persons with complementary skills appropriate to the Company's objectives and strategies. The Board must include not less than two persons who are deemed to be independent. A profile for each director is set out on page 23 of this Annual Report and on the website.

Independence is assessed in accordance with the NZX Listing Rules, the factors listed under Recommendation 2.4 of the NZX Code, and up to date information about a director. The Board also has regard to the purpose of the composition requirements under the NZX Listing Rules.

WasteCo's Board currently comprises five directors as follows:

Roger Gower (Chair)	Independent Director
Shane Edmond	Independent Director
Sean Joyce	Non-independent Director
Simon Herbert	Non-independent Director
James Redmayne	Non-independent Director

Rodney Malam was also appointed as a Non-Independent Alternate Director in December 2024. He is an alternate for Sean Joyce and Simon Herbert and is authorised to act in their place if his appointer is absent.

As outlined above, **Roger Gower** and **Shane Edmond** are considered independent directors by the Board, in accordance with the **NZX Listing Rules**, as of **31 March 2025**.

This determination is based on the fact that **Mr. Gower** and **Mr. Edmond** are **not employees** of the Group and **do not have any 'Disqualifying Relationship'** as defined in the NZX Listing Rules.

Additionally, after careful consideration, the Board has found no other factors, including those referenced in **Table 2.4 of the NZX Code**, that would affect the independence status of **Mr. Gower**, or **Mr. Edmond**.

The following individuals are considered non-independent directors:

- **Sean Joyce**—has a Disqualifying Relationship as he was appointed to the Board by a substantial product holder of the Company, Empire Waste Technology Limited.

- **Simon Herbert**—has a Disqualifying Relationship as he was appointed to the Board by a substantial product holder of the Company, Empire Waste Technology Limited.

- **James Redmayne**—is a substantial product holder of the Company as a joint trustee of a family trust.

- **Rodney Malam** (alternate for Sean Joyce and Simon Herbert)—has a Disqualifying Relationship as he was appointed to the Board by a substantial product holder of the Company, Empire Waste Technology Limited.

Note that while Sean Joyce and Rodney Malam are appointed to the Board in their capacity as representatives of substantial product holder, Empire Waste Technology Limited, they do not hold a personal relevant interest in those shares. Simon Herbert is the sole shareholder of the ultimate holding company of Empire Waste Technology Limited, Empire Holdings Trustee Limited.

Additionally, **James Redmayne** held an executive role within the Company during the financial year ending **31 March 2025.**

The Chair is an independent director, and the Chair and the CEO of the Company are different people.

Resignations & role changes

- **James Redmayne** resigned from his executive role effective **30 June 2024**.

- **Carl Storm** resigned from his executive role on **5 July 2024** and later stepped down from his director role on **16 August 2024.**

- **Angus Cooper** resigned from the Board on **31 October 2024.**

The Board considers that, although it does not have a majority of independent Board members, it has the right balance for the current size and structure of the Company. The Board will continue to reassess this to ensure that the balance of Board members remains appropriate for the Company's needs.

Board meetings

Board meetings are held on a monthly basis and are attended by key management personnel as required. Additional meetings are held as and when required. Each Board meeting involves discussions and review of health and safety, finance, market information, strategy and other operational matters.

The following table shows director attendance at Board meetings and Board committee meetings for the FY25 financial year:

Board member	Board Meetings attended
Roger Gower	8
Shane Edmond	9
James Redmayne	9
Angus Cooper	6
Carl Storm	4
Simon Herbert	2
Sean Joyce	2

Criteria for Board membership

The Company's Governance Code sets out the nomination and appointment procedures for directors. When a vacancy arises, the Board will identify candidates with a mix of diversity, capabilities and perspectives considered necessary for the Board to carry out its responsibilities effectively in accordance with its nomination and appointment procedure. A director appointed by the Board must stand for election at the next Annual Meeting. A director may not hold office for longer than three years or past the third annual meeting following that director's appointment. Retiring directors are eligible for re-election.

Board committees

The Board has established an Audit, Finance and Risk Committee and a Remuneration, Nomination and Health & Safety Committee.

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee operates under a Charter approved by the Board and is accountable to the Board for:

- the business relationship with, and the independence of, external auditors;
- the reliability and appropriateness of the disclosure of the financial statements and external financial communication; and

- the maintenance of an effective business risk management framework including compliance and internal controls.

Part of the Audit, Finance and Risk Committee's role is to oversee financial reporting to ensure it is balanced, clear and objective.

The current members of the Audit, Finance and Risk Committee are Shane Edmond (Chair), Roger Gower and James Redmayne, all of whom are non-executive directors and being a majority of independent directors. Shane Edmond is both an independent director and has an adequate financial background, determined in accordance with section 3.2.1 of the NZX's Governance Guidance Note (January 2025). Shane Edmond is an independent chair of the Audit, Finance and Risk Committee and is not Chair of the Board. Employees only attend the Audit, Finance and Risk Committee meetings at the invitation of the committee.

The Audit, Finance and Risk Committee Charter can be found on the website.

Remuneration, Nomination and Health & Safety Committee

The Remuneration, Nominations and Health & Safety Committee operates under a Charter approved by the Board and is accountable to the Board for:

- the appointment, remuneration and evaluation of the CEO and succession planning in relation to them;
- the remuneration of the leadership team;
- reviewing risks and compliance with statutory and regulatory requirements relative to human resources;
- reviewing health and safety policies to ensure the Company is providing a safe working environment for all employees and contractors; and
- recommending to the Board, candidates to be appointed as a director.

The current members of the Remuneration, Nominations and Health & Safety Committee are Roger Gower and Shane Edmond, who are both independent directors. Management only attends Remuneration, Nominations and Health & Safety Committee meetings at the invitation of the committee. The remuneration paid to the directors during the financial year ended 31 March 2025 is set out on page 101 of this Annual Report.

WasteCo has a remuneration policy for the remuneration of executives and directors, contained in the Company's Governance Code. The Board promotes the alignment of the interests of the directors, the CEO and management with the long-term interests of shareholders. The remuneration received by directors in FY25 is disclosed on page 101 of this Annual Report. The remuneration arrangements for the CEO are disclosed on page 108 of this Annual Report. This includes a base salary and a short term incentive but no long term incentives.

The Remuneration, Nomination and Health Committee Charter can be found on the website.

Other Committees

The Board has adopted a set of protocols to be followed in the event of a control transaction (as defined in the NZX Code) being made. In the event of a control transaction, a control transaction committee of independent directors would be formed and would have responsibility for managing the control transaction in accordance with the Board protocols and applicable laws, including the New Zealand Takeovers Code.

The Company does not currently have any other standing Board committees. The Board has considered whether any other Board committees are required and has determined they are not required.

Trading in Shares

The Company has a detailed Share Trading Policy which applies to all directors and employees, and their associated persons, and can be found on the website. The procedures outlined in this policy must be followed by all directors and any employees to obtain consent to trade in the Company's shares. Under the policy, trading restrictions apply during the following specific blackout periods:

- two weeks before 30 September until 48 hours after the half-year results are released to NZX;
- two weeks before 31 March until 48 hours after the full-year results are released to NZX; and
- 30 days prior to release of an offer document (such as a product disclosure statement) for a general public offer of the same class of shares.

Outside the black-out periods specified above, any trading is subject to the notification and consent requirements outlined in the policy.

Continuous disclosure

The Company has in place procedures designed to ensure compliance with the NZX Listing Rules such that all investors have equal and timely access to material information concerning the Company, including its financial situation, performance, ownership and governance.

Announcements are factual and presented in a clear and balanced way. Significant market announcements, including the announcements of the half-year and full-year results and the financial statements for those periods are reviewed by the Board prior to release.

The Group's NZX Market Disclosure Policy has been put in place to ensure that the Company complies with its continuous disclosure obligations at all times and can be found on the website.

Health & Safety

The Board ensures that the Group effectively manages health and safety. Providing leadership and securing and allocating resources, as well as ensuring the Company has the appropriate team, systems and equipment to manage the risks related to its work activities, are important aspects of the Board's responsibility to health and safety management. The Group has a health and safety incident reporting system by which it reports all incidents to the Board for its information, review and assurance on a monthly basis.

Diversity

The Board recognises the wide-ranging benefits that diversity brings to an organisation. The Company endeavours to incorporate diversity to ensure a balance of skills and perspectives are available to benefit our shareholders. The Company's Diversity Policy can be found on the website.

WasteCo Group's diversity focuses on gender, age, ethnicity, sexual orientation, inclusion and flexibility. The activity we undertake across these areas of focus is aligned to the following principles:

- increasing the diversity of our workforce at senior levels;
- creating a flexible and inclusive work environment that values difference and enhances business outcomes;
- harnessing diversity of thought and capitalising on individual differences;
- leadership behaviours that reflect our belief in the value of inclusion and diversity; and
- retaining and attracting a talented workforce through increasing the diversity of the candidate pool and maintaining a recruitment strategy that is attractive to all candidates.

As at 31 March 2025, the gender balance of the Company's directors (excluding alternates) and officers were as follows:

	2025		2024	
	FEMALE	MALE	FEMALE	MALE
Directors	–	5	–	5
Officers (exluding directors)	–	2	–	2
Total	**–**	**7**	**–**	**7**

As the opportunity arises to expand the Board, the Company will look to diversify in terms of both gender and skills.

The waste industry has historically had a larger percentage of male employees. WasteCo has taken active steps to increase the percentage representation of female employees through equal employment opportunity initiatives and policies, assessments of gender pay gap, employee wellbeing initiatives and a focus on an inclusive family-oriented work culture.

Risks

The Board is responsible for ensuring that material business and financial risks are identified, and that appropriate controls and procedures are in place to effectively manage those risks. The Audit, Finance and Risk Committee has overall responsibility for ensuring that the Company's risk management framework is appropriate and that risks are identified, considered and managed. Risk management is a standing item on the agenda for Audit, Finance and Risk Committee meetings. During the year ended 31 March 2025 the Group implemented a number of risk management initiatives. Health and safety continues to be a key area of focus and external reviews were conducted on insurance and information technology risk.

Auditor

External auditor

The Board has established a framework for the Group's relationship with its external auditors, which ensures that external audit independence is maintained. The External Audit Policy is set out in the Company's Governance Code, available on the website. Oversight of the Group's external audit arrangements is the responsibility of the Audit, Finance and Risk Committee. The External Audit Policy covers:

- communication between the Audit, Finance and Risk Committee and the external auditors;
- maintaining independence of the external auditors; and
- the process for reporting on non-audit work.

The external auditor attends the Company's annual meeting each year to answer questions from shareholders in relation to the audit.

Internal audit

The Company does not have an internal audit function, however it has internal processes and processes that are considered to be appropriate for the size, structure and complexity of the Group. As set out in the Company's Governance Code, the Audit, Finance and Risk Committee is responsible for regularly reviewing the Company's internal controls and systems, and regularly reporting to the Board on the Company's internal control processes.

Shareholder rights & relations

The Company has a **dedicated page** on its website where investors and stakeholders can access financial and operational information and key corporate governance information about the Company.

Shareholders can raise queries via the contact information on the website or at the Company's Annual Meeting of shareholders. Shareholders can elect to receive communications electronically.

As required by the NZX Listing Rules, the Company seeks shareholder approval for major decisions. In December 2024, the Company sought shareholder approval under the NZX Listing Rules and the Takeovers Code for the issue and conversion of convertible notes.

The Company seeks to offer new equity pro rata to existing shareholders. In December 2024, the Company announced a Share Purchase Plan, where new equity was offered to existing shareholders, enabling shareholders that participated to maintain at least pro rata holdings, if they wished.

As set out in the Company's Governance Code, the Board endeavours to release all notices of meeting at least 20 business days prior to the date of the meeting, where practical.

NZX Corporate Governance Code (31 January 2025)

During the year ended 31 March 2025, the Company has followed the NZX Code (31 January 2025) in all material aspects, with the following exceptions:

Reference	Recommendation	Alternative Governance Practice & Reason for the Practice
Recommendation 2.8	A majority of the board should be independent directors.	James Redmayne, Sean Joyce, Simon Herbert and Rodney Malam (alternate for Sean Joyce and Simon Herbert) are not classified as independent directors due to their status as either substantial product holders of the Company, or having been appointed to the Board by a substantial product holder of the Company. While the Board does not currently have a majority of independent directors, it believes that the existing composition provides an appropriate balance given the Company's current size and structure. The Board remains committed to ongoing reassessment of its structure to ensure that the composition continues to align with the Company's strategic needs and governance requirements.

Recommendation 4.4	An issuer should provide non-financial disclosure at least annually, including considering environmental, social sustainability and governance factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the board.	WasteCo has not yet provided comprehensive reporting on environmental, economic, and social sustainability factors. Moving forward, the Board, in collaboration with the appropriate committees, will continue to identify relevant measures for these key areas. Efforts are underway to develop and implement systems that will effectively capture, refine, and structure this information to support future reporting and transparency in these domains.
Recommendation 6.1	An issuer should have a risk management framework for its business and the issuer's board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.	**Risk Management Implementation—FY25** Throughout **FY25**, the Board has remained committed to implementing and refining the Group's **risk management plan**, ensuring it effectively addresses the **material risks** impacting business operations. This approach follows the **reverse takeover transaction completed in December 2022**, providing a framework for managing evolving challenges and opportunities. The risk management plan has been designed with a specific focus on **strategic, operational, and project-related risks**, ensuring comprehensive oversight and mitigation efforts. In particular, the following key areas have been a priority: → **Health & Safety:** Strengthening workplace safety protocols and compliance measures. → **Information Technology & Systems:** Enhancing cybersecurity, data management, and digital infrastructure to mitigate technology-related risks. → **Financial Risk Management:** Implementing robust financial controls to safeguard stability and improve operational resilience. By prioritising these critical areas, the Board aims to ensure long-term sustainability, operational efficiency, and proactive risk mitigation across the Group.

The alternative governance practices described in the table above have been approved by the Board.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2025

	Note	2025 NZ$000	2024 NZ$000
Revenue	5	**56,409**	**48,233**
Other income	6	321	99
Expenses			
Labour related expenses	7.1	(24,598)	(21,624)
Collection, recycling and waste disposal expenses		(10,798)	(8,988)
Fleet operating expenses		(9,988)	(6,876)
Depreciation and amortisation expenses	7	(8,169)	(6,192)
Property expenses		(1,012)	(730)
Other expenses		(5,680)	(6,710)
Loss from operations		**(3,515)**	**(2,788)**
Finance costs	7.2	(5,114)	(3,078)
Restructuring costs	7.3	(1,755)	–
Acquisition costs	7.4	(605)	(639)
Gain on bargain purchase		–	762
Loss before income tax		**(10,989)**	**(5,743)**
Income tax benefit	9	1,135	1,608
Loss for the year		**(9,854)**	**(4,135)**
Other comprehensive income			
Other comprehensive income for the year		–	–
Total comprehensive loss for the year		**(9,854)**	**(4,135)**
Loss per share			
Basic and diluted loss per share (NZ$)	10	(0.011)	(0.005)

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with them.

Consolidated Statement of Changes in Equity

for the year ended 31 March 2025

	Note	Share capital NZ$000	Convertible notes reserve NZ$000	Share based payments reserve NZ$000	Retained earnings NZ$000	Total equity NZ$000
Balance at 1 April 2024		**19,931**	**343**	**564**	**(4,451)**	**16,387**
Loss for the year		–	–	–	(9,854)	(9,854)
Other comprehensive income net of income tax		–	–	–	–	–
Total comprehensive loss		**–**	**–**	**–**	**(9,854)**	**(9,854)**
Transaction with owners in their capacity as owners						
Shares issued during the year	19	5,000	–	–	–	5,000
Less: share issue costs	19	(298)	–	–	–	(298)
Equity component recognised in convertible notes reserve	18.4	–	4,270	–	–	4,720
Less: transaction costs allocated to the equity component of convertible costs	18.4	–	(148)	–	–	(148)
Share options issued	20, 21	–	–	144	–	144
Share options forfeited	20, 21	–	–	(297)	94	(203)
Balance at 31 March 2025		**24,633**	**4,465**	**411**	**(14,211)**	**15,298**

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with them.

	Note	Share capital NZ$000	Convertible notes reserve NZ$000	Share based payments reserve NZ$000	Retained earnings NZ$000	Total equity NZ$000
Balance at 1 April 2023		**9,871**	**–**	**304**	**(316)**	**9,859**
Loss for the year		–	–	–	(4,135)	(4,135)
Other comprehensive income net of income tax		–	–	–	–	–
Total comprehensive loss		**–**	**–**	**–**	**(4,135)**	**(4,135)**
Transaction with owners in their capacity as owners						
Shares issued during the year	19	10,527	–	–	–	10,527
Less: share issue costs	19	(507)	–	–	–	(507)
Equity component recognised in convertible notes reserve	18.4	–	343	–	–	343
Share options issued	20, 21	–	–	321	–	321
Share options forfeited	20, 21	–	–	(46)	–	(46)
Share options exercised	20, 21	40	–	(15)	–	25
Balance at 31 March 2024		**19,931**	**343**	**564**	**(4,451)**	**16,387**

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with them.

Consolidated Statement of Financial Position

as at 31 March 2025

	Note	2025 NZ$000	2024 NZ$000
ASSETS			
Current assets			
Cash at bank	25.1	5,854	1,751
Trade receivables and other current assets	11	8,678	7,622
Inventories	12	72	273
Income tax receivable		–	26
		14,604	**9,672**
Assets classified as held for sale	13	199	–
Total current assets		**14,803**	**9,672**
Non-current assets			
Property, plant and equipment	14	41,394	41,279
Right-of-use assets	15.1	14,620	10,545
Intangible assets	16	9,319	6,163
Total non-current assets		**65,333**	**57,987**
Total assets		**80,136**	**67,659**

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with them.

	Note	2025 NZ$000	2024 NZ$000
LIABILITIES			
Current liabilities			
Trade payable and other current liabilities	17	7,766	5,859
Lease liabilities	15.2	2.276	1,162
Borrowings	18	8,652	10,640
Income tax payable		142	–
Total current liabilities		**18,836**	**17,661**
Non-current assets			
Lease liabilities	15.2	13,704	10,422
Borrowings	18	32,298	23,189
Total non-current liabilities		**46,002**	**33,611**
Total liabilities		**64,838**	**51,272**
Net assets		**15,298**	**16,387**
EQUITY			
Share capital	19	24,633	19,931
Convertible notes reserve	18.4	4,465	343
Share based payments reserve	20	411	564
Retained earnings		(14,211)	(4,451)
Total equity		**15,298**	**16,387**

These consolidated financial statements were approved by the Board on 29 May 2025.
Signed on behalf of the Board by:

Roger Gower
Director

Shane Edmond
Director

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with them.

Consolidated Statement of Cash Flows

for the year ended 31 March 2025

	Note	2025 NZ$000	2024 NZ$000
Cash flows from operating activities			
Receipts from customers		57,879	46,022
Government grants received		2	15
Payments to suppliers and employees		(53,447)	(44,913)
Interest received		14	–
Income tax (paid)/refunded		21	73
Net cash from operating activities	25.2	**4,469**	**1,197**
Cash flows from investing activities			
Payments for property, plant and equipment	14	(1,038)	(3,560)
Receipts from sale of property, plant and equipment		531	299
Payments for intangible assets	16	(12)	(35)
Acquisition of business	24	(5,581)	(13,458)
Acquisition costs	7.4	(393)	–
Contribution to acquisition expenses	6	75	–
Net cash used in investing activities		**(6,418)**	**(16,754)**

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with them.

	Note	2025 NZ$000	2024 NZ$000
Cash flows from financing activities			
Proceeds from issue of share capital	19	5,000	8,347
Payments for share issue costs	19	(298)	(507)
Proceeds from borrowings	25.3	32,132	18,858
Principal repayment of borrowings	25.3	(36,488)	(8,202)
Interest paid on borrowings	25.3	(3,160)	(2,264)
Proceeds from convertible notes	18.4	15,000	–
Payments for convertible note issue costs	18.4	(510)	–
Interest paid on convertible notes	18.4	(547)	–
Principal repayment of lease liabilities	25.3	(1,700)	(1,323)
Interest paid on lease liabilities	25.3	(1,037)	(799)
Other interest paid		–	(15)
Net cash from financing activities		**8,392**	**14,095**
Net increase in cash and cash equivalents		**6,443**	**(1,462)**
Cash and cash equivalents at the beginning of the year		(589)	873
Cash and cash equivalents at the end of the year	25.1	**5,854**	**(589)**

The accompanying notes form part of these consolidated financial statements and should be read in conjunction with them.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2025

1 General information

WasteCo Group Limited (**'WasteCo'** or **'the Company'**) and its subsidiaries (together **'the Group'**) are limited liability companies, incorporated under the Companies Act 1993 and domiciled in New Zealand.

The Group provides solutions in the collection of waste and recycling, sweeping services and industrial cleaning services. WasteCo is the holding company for the Group. Details of subsidiary companies and their principal activities are set out in note 22.

The address of the Company's registered office is 421 Blenheim Road, Christchurch.

2 Material accounting policies

The following are the material accounting policies adopted by the Group in the preparation and presentation of the consolidated financial statements. There have been no changes in the material accounting policies since the previous year end unless otherwise stated.

2.1 Statement of compliance and reporting framework

The consolidated financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (**'NZ GAAP'**). The Group is a for-profit entity for the purposes of complying with NZ GAAP. The consolidated financial statements comply with New Zealand equivalents to IFRS Accounting Standards (**'NZ IFRS'**) and other applicable New Zealand Financial Reporting Standards as appropriate for for-profit entities.

The Company is an FMC reporting entity under the Financial Markets Conduct Act 2013. The Company is listed on the NZX Main Board (**'NZX'**). These consolidated financial statements have been prepared in accordance with the requirements of the Financial Markets Conduct Act 2013 and the NZX Main Board Listing Rules.

2.2 Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis apart from those items measured at fair value as described below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The consolidated financial statements are presented in New Zealand dollars which is the Group's functional and presentation currency, rounded to the nearest thousand dollars unless otherwise stated.

2.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets, liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value at the acquisition date, except that deferred tax assets or liabilities, and liabilities related to employee benefit arrangements, are recognised and measured in accordance with NZ IAS 12 Income Taxes and NZ IAS 19 Employee Benefits respectively.

Goodwill is measured as the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired, and the liabilities assumed.

2.4 Revenue recognition

The Group derives revenue from the following major sources:

- Waste collection and recycling services;
- Sweeping services; and
- Industrial cleaning services.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties, such as goods and service tax and customs duties.

Waste collection and recycling services

The Group provides waste collection and recycling services via front load bins, hook bins, skip bins and wheelie bins to both commercial and private customers. Recycling services include a dedicated sorting facility with a focus on diversion from landfill.

Revenue from collection and disposal of waste is recognised when the performance obligation to the customer has been fulfilled, which is generally when the waste has been collected from the customer. Costs to dispose of the waste are generally incurred at, or close to, the time of collection.

Revenue from the sale of recycled materials is recognised when control of the goods has transferred, being when the goods have been shipped to the customer's specific location or when the customer collects the goods.

Sweeping services

The Group provides sweeping services for Councils and commercial customers. Contracts for the provision of sweeping services to Councils are usually for ongoing sweeping over multi-year periods. Revenue from sweeping services provided to Councils are recognised over time as the services are performed. Revenue from sweeping services provided to commercial customers is recognised when the performance obligation to the customer has been fulfilled, which is generally when the sweeping service has been provided.

Industrial cleaning services

The Group provides industrial scrubbing, high pressure water blasting, urgent spill response services, port-a-loo hire and collection, and septic tank cleaning. Revenue from industrial cleaning services is recognised when the performance obligation to the customer has been performed, which is generally when the cleaning services have been performed, or in the case of port-a-loos, when the regular cleaning and waste collection has been completed.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

2.6 Borrowing costs

Borrowing costs include interest expense calculated using the effective interest method and finance charges in respect of lease arrangements. Borrowing costs are expensed as incurred.

2.7 Income Tax

Income tax expense comprises both current and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from ‘profit before tax’ as reported in the Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit, unless the initial recognition gives rise to equal amounts of taxable and deductible temporary differences.

2.8 Goods and services tax

Revenue, expenses, assets, liabilities, cash receipts and cash payments are recognised net of the amount of goods and services tax (GST) except:

- where the amount of GST incurred is not recovered from the Inland Revenue Department, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables, which are recognised inclusive of GST.

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventories less estimated costs of completion and costs necessary to make the sale.

2.10 Assets held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. The Group must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

2.11 Property, plant and equipment

Each class of property, plant and equipment is measured at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values, over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period.

The following depreciation rates are applied:

Class of asset	Depreciation rates	Depreciation basis
Plant and equipment	4%—20%	Straight line
	16%—67%	Diminishing value
Vehicles	7%—20%	Straight line
	13%—30%	Diminishing value
Office equipment	16%—50%	Diminishing value
Leasehold improvements	10%	Diminishing value

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2.12 Intangible assets

Acquired intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised so as to write off the cost of the assets over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The following amortisation rates are applied:

Class of asset	Depreciation rates	Depreciation basis
Customer contracts	26.67%	Straight line
Computer software	50%	Diminishing value
Brand names	The brand names acquired on the acquisition of Civic Waste Limited have been fully impaired as the Group has decided to not continue with these brand names.	

Goodwill is measured at cost less accumulated impairment losses. Goodwill is reviewed at each reporting date to determine whether there is any objective evidence of impairment and is tested annually for impairment.

2.13 Leases

The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and lease of low value assets.

The lease liability is initially measured at the present value of the future lease payments, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate or if the Group changes its assessment of whether it will exercise a purchase, extension of termination option, with a corresponding adjustment made to the carrying value of the right-of-use asset.

The right-of-use assets comprise the initial measurement of the corresponding lease liability. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and the useful life of the underlying asset.

2.14 Financial instruments

The Group's financial assets at amortised cost include cash at bank and trade and other receivables.

Financial liabilities (including trade payables and other current liabilities, borrowings and lease liabilities) are measured at amortised cost using the effective interest method.

Convertible notes

The Group has issued convertible notes which are compound financial instruments.

The component parts of convertible loan notes issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share capital. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognised in equity will be transferred to retained earnings.

Transaction costs that relate to the issue of the convertible loan notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible loan notes using the effective interest method.

2.15 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.16 Share based payment transactions

The fair value of share options issued to directors and employees is determined at the grant date and is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the share options that will eventually vest, with a corresponding increase in equity.

At the end of each reporting period, the Group revises its estimate of the number of share options expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payments reserve.

3 Application of new and revised New Zealand IFRS Accounting Standards (NZ IFRSs)

3.1 New and amended standards and interpretations

All new and amended standards were implemented and the impact deemed not to be material.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective. Early adoption of these new standards, interpretations or amendments would not have had a material impact on the financial result or financial position of the Group.

The Group has not yet assessed the impact of NZ IFRS 18 Presentation and Disclosure in Financial Statements which becomes mandatory for reporting periods beginning on or after 1 January 2027. It is expected that the standard will impact the presentation of the financial statements.

4 Key accounting estimates and judgements

In the application of the Group's accounting policies, which are described in note 2, the directors of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Below are the key accounting judgements.

4.1 Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group has the intention and ability to continue its operations for the foreseeable future.

The Group incurred an after-tax loss of $9.9 million in the year to 31 March 2025 (2024: $4.1 million loss). The Group's net cashflows from operating activities was $4.5 million (2024: $1.2 million).

At the reporting date the Group had cash of $5.9 million (2024: $1.8 million), negative working capital of $4.0 million (2024: $8.0 million negative) and net assets of $15.3 million (2024: $16.4 million).

As at 31 March 2025, the Group had borrowings of $41 million (2024: $33.8 million) of which $8.7 million were current (2024: $10.6 million) and $32.3 million were non-current (2024: $23.2 million).

As described in Note 16, the Directors have considered forecast financial information and associated assumptions in their assessment of whether there is potential impairment of intangible assets, including goodwill. There are inherent uncertainties in forward-looking assumptions which can be different, sometimes materially, to actual outturns. However, the Directors are of the view that the inherent uncertainties are not material in the context of the assessment of going concern. Additionally, the Group maintains a positive liquidity position, with enough cash on hand and access to undrawn balance facilities at year end to provide further comfort in this respect. The Group is currently in the process of negotiating updated financial covenants with our lender.

The Directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. They have therefore continued to adopt the going concern basis of accounting in preparing the consolidated financial statements.

The Directors have formed this expectation having regards to the Group's current financial budget and forecasts, the available headroom under existing funding facilities, and the Group's ability to comply with the renegotiated Kiwibank borrowing covenants (which have currently been agreed and are subject to final approvals).

4.2 Determining fair values on acquisition

On 30 November 2024 the Group acquired Civic Waste Limited (note 24). At acquisition date the identifiable assets acquired, and the liabilities assumed, are recognised at their fair value. Judgement is required in determining fair value of the assets acquired. The fair value of assets acquired is determined by reference to market prices for similar items. Independent valuers were engaged to determine fair value.

4.3 Impairment of goodwill

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The Board has undertaken value in use impairment testing and reviewed sensitivity analysis relating to the carrying value of the goodwill. Judgement is required in determining whether there has been an impairment in goodwill (note 16.1).

4.4 Impairment of non-financial assets

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the Group. Impairment triggers include technology changes, adverse changes in the economic or political environment and future product expectations. If an indicator of impairment exists, the recoverable amount of the asset is determined.

4.5 Recognition of deferred tax asset

The future benefit of tax losses is recognised as a deferred tax asset to the extent that it is probable that taxable profits will be available against which those tax losses can be utilised. Judgement is required in determining the probability and timing of future profits.

4.6 Determining the lease term and incremental borrowing rate

When determining the lease term, judgement is required in determining whether it is reasonably certain that an extension option will be exercised. The Group considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend. The Group included the extension period as part of the lease term for leases of premises.

Lease liabilities are measured by discounting the lease payments using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security, and conditions. To determine the incremental borrowing rate, the Group uses recent third-party financing received as a starting point, adjusted to reflect any changes in financing conditions since the third-party financing was received.

4.7 Share options

The directors used judgement in determining the fair value of the share options. Share options were independently valued using the Black-Scholes model to estimate fair value at grant date. The expected volatility in the measure of fair value has been based on the observed volatility levels of movements in WasteCo's share price from 5 December 2022 up to 11 March 2025 and for overseas comparable companies, as a proxy of the Company's future volatility. The Company did not have three years' trading history at the valuation date to provide a three-year historical volatility to support the share option valuation (refer note 21).

5 Revenue

	2025 NZ$000	2024 NZ$000
Revenue from waste collection and recycling	32,039	25,431
Revenue from sweeping services	13,299	11,027
Revenue from industrial cleaning services	11,071	11,775
	56,409	**48,233**

The details above disaggregate the Group's revenue from contracts with customers into primary markets and major service lines. All revenue is generated in New Zealand.

6 Other income

	2025 NZ$000	2024 NZ$000
Insurance claims	169	14
Contribution to acquisition costs	75	–
Rental income	55	34
Interest income	14	35
Miscellaneous other income	8	16
	321	**99**

7 Expenses

The profit or loss for the year includes the following expenses:

	Note	2025 NZ$000	2024 NZ$000
Expenses relating to short-term leases		(268)	(222)
Net foreign currency (losses)/gains		(8)	(4)
Loss on disposal of property, plant and equipment		(553)	(199)
Depreciation and amortisation expenses			
Depreciation of property, plant and equipment	14	(4,423)	(3,902)
Depreciation of right of use assets	15.1	(2,019)	(1,550)
Amortisation of intangible assets	16	(1,727)	(740)
		(8,169)	**(6,192)**
Fees incurred for services provided by the auditor			
Audit of financial statements			
Audit of the financial statements		(207)	(215)
For prior audit—paid to previous auditor		–	(79)
		(207)	**(294)**
Other services			
Acquisition due digilence services		(62)	–
Total other services		**(62)**	**–**
Total fees incurred for services provided by the auditor		**(269)**	**(294)**

7.1 Labour related expenses

	Note	2025 NZ$000	2024 NZ$000
Salary and wages		(23,725)	(20,668)
Temporary staff costs		(306)	(170)
Employer Kiwisaver contributions		(639)	(554)
Share based payments	20	72	(232)
		(24,598)	**(21,624)**

7.2 Finance costs

	2025 NZ$000	2024 NZ$000
Interest on asset finance borrowings	(2,497)	(2,105)
Interest on lease liabilities	(1,037)	(799)
Interest on convertible notes	(917)	—
Brokerage fees	(432)	—
Interest on bank overdraft	(161)	(159)
Bank fees	(69)	—
Interest charged by suppliers	—	(13)
Use of money interest	(1)	(2)
	(5,114)	**(3,078)**

7.3 Restructuring costs

	Note	2025 NZ$000	2024 NZ$000
Restructuring costs		(755)	–
Write down of assets held for sale	13	(66)	–
Loss on disposal of assets		(556)	–
Impairment of property plant & equipment	14	(378)	–
		(1,755)	**–**

7.4 Acquisition costs

	Note	2025 NZ$000	2024 NZ$000
Acquisition costs		(393)	(639)
Impairment of intangible assets	16	(212)	–
		(605)	**(639)**

8 Segment information

The Group provides solutions in the collection of waste and recycling, sweeping services and industrial cleaning services. All of these collection and disposal services are provided in New Zealand.

2025	Waste collection & recycling NZ$000	Sweeping services NZ$000	Industrial cleaning NZ$000	Corporate /unallocated NZ$000	Total NZ$000
Total revenue	**32,039**	**13,299**	**11,071**	–	**56,409**
Operating EBITDA	6,990	5,126	2,551	(10,027)	4,640
Finance income	–	–	–	14	14
Finance costs	(161)	(25)	(172)	(4,756)	(5,114)
Depreciation & amortisation	(1,509)	(348)	(1,169)	(5,143)	(8,169)
Restructuring costs	(90)	(45)	(800)	(820)	(1,755)
Acquisition expenses	–	–	–	(605)	(605)
Net profit/(loss) before taxation	5,230	4,708	410	(21,337)	(10,989)
Income tax benefit	–	–	–	1,135	1,135
Net profit/(loss) for the year	**5,230**	**4,708**	**410**	**(20,202)**	**(9,854)**

2024	Waste collection & recycling NZ$000	Sweeping services NZ$000	Industrial cleaning NZ$000	Corporate /unallocated NZ$000	Total NZ$000
Total revenue	**25,431**	**11,027**	**11,775**	—	**48,233**
Operating EBITDA	5,439	4,529	2,897	(9,496)	3,369
Finance income	—	—	—	35	35
Finance costs	(27)	—	—	(3,051)	(3,078)
Depreciation & amortisation	(428)	(80)	(284)	(5,400)	(6,192)
Gain on bargain purchase	—	—	—	762	762
Acquisition expenses	—	—	—	(639)	(639)
Net profit/(loss) before taxation	4,984	4,449	2,613	(17,789)	(5,743)
Income tax benefit	—	—	—	1,608	1,608
Net profit/(loss) for the year	**4,984**	**4,449**	**2,613**	**(16,181)**	**(4,135)**

The Group has identified its operating segments based on the internal reports reviewed and used by the Chief Operating Decision Maker ('CODM'), being the Board of Directors, in assessing the Group's performance and in determining the allocation of resources.

The operating segments are identified by the CODM based upon the nature of services provided.

The Group has provided only a measure of profit and loss for each reportable segment as the CODM is not provided with total assets and liabilities for each segment when assessing the Group's performance and allocating resources.

8.1 Information about major customers

For the year ended 31 March 2025 there was two customers who individually accounted for more than 10% of the Group's total sales. Sales to these customers were $8.6 million and $5.8 million (31 March 2024: one customer with sales of $6.3 million). These customers purchased sweeping, industrial & waste services.

9 Taxation

9.1 Income tax benefit

The analysis of income tax expense is as follows:

	2025 NZ$000	2024 NZ$000
Current income tax	–	–
Deferred tax	(1,135)	(1,608)
Total income tax benefit recognised in the current year	**(1,135)**	**(1,608)**

9.2 Reconciliation of income tax benefit

The charge for the year can be reconciled to the loss before tax as follows:

	2025 NZ$000	2024 NZ$000
Loss before income tax	**(10,989)**	**(5,743)**
Prima facie tax at 28% (2024: 28%)	(3,077)	(1,608)
Non-assessable income	–	(213)
Non-deductible expenses	469	88
Tax losses not recognised	1,473	125
Income tax benefit	**(1,135)**	**(1,608)**

9.3 Deferred tax

2025	Opening balance NZ$000	Recognised in loss NZ$000	Acquisition of business NZ$000	Closing balance NZ$000
Deferred tax assets(liabilities) in relation to:				
Provisions	17	2	—	19
Accrued expenses	404	(66)	188	526
Customer contracts asset	(1,319)	479	(715)	(1,555)
Property, plant & equipment	(3,302)	(258)	(608)	(4,168)
Leases	291	90	—	381
Tax losses offset against deferred tax liability	3,909	888	—	4,797
	—	**1,135**	**(1,135)**	—

2024	Opening balance NZ$000	Recognised in loss NZ$000	Acquisition of business NZ$000	Closing balance NZ$000
Deferred tax assets(liabilities) in relation to:				
Provisions	21	(4)	—	17
Accrued expenses	177	227	—	404
Customer contracts asset	—	203	(1,522)	(1,319)
Property, plant & equipment	(1,978)	(1,324)	—	(3,302)
Leases	227	64	—	291
Share options	85	(85)	—	—
Tax losses offset against deferred tax liability	1,382	2,527	—	3,909
	(86)	**1,608**	**(1,522)**	—

9.4 Imputation credits

	2025 NZ$000	2024 NZ$000
Imputation credits available for use in subsequent periods	153	235

10 Earnings/(loss) per share

	2025 NZ$	2024 NZ$
Basic and diluted (loss) per share	(0.011)	(0.005)

The loss and weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

	2025	2024
Loss from continuing operations NZ$000	(9,854)	(4,135)
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share '000	913,172	800,946

The 29.6 million share options on issue (refer note 21) and the $18 million convertible notes on issue (refer note 18.4) at the reporting date were not considered to be dilutive due to the Group's net loss for the year (2024: 20.8 million share options and $3 million convertible notes on issue were not considered to be dilutive).

11 Trade receivables and other current assets

	2025 NZ$000	2024 NZ$000
Trade receivables from contracts with customers	7,719	6,760
Other receivables	22	38
Prepayments	937	824
	8,678	**7,622**

The standard credit terms on sales are 30 days. No interest is charged on outstanding trade receivables. Due to the short-term nature of current receivables, their carrying amount is considered to be the same as their fair value.

11.1 Allowance for expected credit loss

	2025 NZ$000	2024 NZ$000
Reconcilliation for allowance for expected credit losses		
Balance at the beginning of the year	62	34
Impairment losses recognised on receivables	67	56
Amounts written off as uncollectable	(61)	(28)
Balance at the end of the year	**68**	**62**

The Group has assessed expected loss rates for trade receivables based on its judgement of the impact of current economic conditions and its experiences with customers to date. There has been no significant change in the estimation techniques used for assessing the expected loss rates during the current reporting period.

The Group's receivables aging is as follows:

2025	Current NZ$000	Less than 30 days past due NZ$000	30 to 60 days past due NZ$000	More than 60 days past due NZ$000	Total NZ$000
Trade receivables	5,736	1,036	554	461	7,787
Loss allowance	(11)	(3)	(9)	(45)	(68)
					7,719

2024	Current NZ$000	Less than 30 days past due NZ$000	30 to 60 days past due NZ$000	More than 60 days past due NZ$000	Total NZ$000
Trade receivables	3,649	1,603	1,002	506	6,760
Loss allowance	(4)	(1)	(1)	(56)	(62)
					6,698

12 Inventories

	2025 NZ$000	2024 NZ$000
Finished goods	72	273
	72	**273**

$200,467 of inventory was included as an expense in the net loss for the year (2024: $182,793).

13 Assets held for sale

	2025 NZ$000	2024 NZ$000
Property, plant & equipment	199	–
Total assets held for sale	**199**	–

	Note	2025 NZ$000	2024 NZ$000
Balance at 1 April			
Reclassified from property, plant & equipment:	14		
– cost		294	–
– accumulated depreciation		(29)	–
Write down of assets held for sale		(66)	–
Balance at 31 March		**199**	–

Assets held for sale relate to a mowing business that was acquired as part of the acquisition of the Cleanways in 2024. The Group decided to sell this mowing business as it is not part of the Group's core strategy. The sale of the business went unconditional on 23 May 2025 with settlement to take place on 1 June 2025. The assets held for sale have been written down to their recoverable value.
This business was part of the Industrial cleaning segment.

14 Property, plant and equipment

	Plant and equipment NZ$000	Vehicles NZ$000	Office equipment NZ$000	Leasehold improvements NZ$000	Assets under construction NZ$000	Total NZ$000
Cost						
At 1 April 2023	**17,419**	**20,707**	**361**	**177**	**—**	**38,664**
Additions	1,655	1,227	214	140	324	3,560
Transfers	21	—	—	114	(135)	—
Business acquisiton	783	10,745	10	—	—	11,538
Disposals	(449)	(460)	—	—	—	(909)
At 31 March 2024	**19,429**	**32,219**	**585**	**431**	**189**	**52,853**
Additions	390	276	180	108	84	1,038
Transfers	—	189	—	—	(189)	—
Business acquisition (Note 24)	929	4,215	20	41	—	5,205
Reclassified to assets held for sale (Note 13)	(5)	(289)	—	—	—	(294)
Disposals	(193)	(1,231)	(20)	—	—	(1,444)
At 31 March 2025	**20,550**	**35,379**	**765**	**580**	**84**	**57,358**

	Plant and equipment NZ$000	Vehicles NZ$000	Office equipment NZ$000	Leasehold improvements NZ$000	Assets under construction NZ$000	Total NZ$000
Accumulated depreciation and impairments						
At 1 April 2023	**(3,548)**	**(4,005)**	**(217)**	**(41)**	–	**(7,811)**
Depreciation expense	(1,642)	(2,039)	(179)	(42)	–	(3,902)
Disposals	107	32	–	–	–	139
At 31 March 2024	**(5,083)**	**(6,012)**	**(396)**	**(83)**	–	**(11,574)**
Depreciation expense	(1,920)	(2,317)	(143)	(43)	–	(4,423)
Reclassified to assets held for sale (Note 13)	2	27	–	–	–	29
Disposals	75	291	16	–	–	382
Impairments	(378)	–	–	–	–	(378)
At 31 March 2025	**(7,304)**	**(8,011)**	**(523)**	**(126)**	–	**(15,964)**
Carrying amount						
At 31 March 2025	**13,246**	**27,368**	**242**	**454**	**84**	**41,394**
At 31 March 2024	14,346	26,207	189	348	189	41,279
At 1 April 2023	13,871	16,702	144	136	–	30,853

15 Leases

The Group leases vehicles, and premises for waste sorting, vehicle storage and administration.

15.1 Right-of-use asset

	Equipment NZ$000	Vehicles NZ$000	Premises NZ$000	Total NZ$000
Cost				
At 1 April 2023	–	**1,526**	**6,302**	**7,828**
Additions	–	2,500	1,376	3,876
Lease modifications	–	(322)	72	(250)
Business acquisition	–	–	2,089	2,089
At 31 March 2024	–	**3,704**	**9,839**	**13,543**
Additions	200	901	–	1,101
Lease modifications	–	120	123	243
Disposals	–	(618)	–	(618)
Business acquisition (Note 24)	–	3,192	1,559	4,751
At 31 March 2025	**200**	**7,299**	**11,521**	**19,020**
Accumulated depreciation				
At 1 April 2023	**–**	**(483)**	**(1,482)**	**(1,965)**
Depreciation expense	–	(741)	(809)	(1,550)
Lease modifications	–	517	–	517
At 31 March 2024	–	**(707)**	**(2,291)**	**(2,998)**
Depreciation expense	(30)	(1,009)	(980)	(2,019)
Disposals	–	617	–	617
At 31 March 2025	**(30)**	**(1,099)**	**(3,271)**	**(4,400)**

	Equipment NZ$000	Vehicles NZ$000	Premises NZ$000	Total NZ$000
Carrying amount				
At 31 March 2025	**170**	**6,200**	**8,250**	**14,620**
At 31 March 2024	—	2,997	7,548	10,545
At 1 April 2023	—	1,043	4,820	5,863

The average lease term is 8.06 years (2024: 7.77 years). The average IBR rate is 8.07% (2024: 8.81%).

15.2 Lease liabilities

	2025 NZ$000	2024 NZ$000
Maturity analysis—contractual undiscounted cash flows		
Up to one year	3,479	2,021
One to two years	3,354	1,901
Two to five years	8,569	5,615
More than five years	5,228	6,349
Total undisclosed lease liabilities at reporting date	**20,630**	**15,886**
Less: future finance charges	(4,650)	(4,452)
Total discounted lease liabilities at reporting date	**15,980**	**11,584**

Lease liabilities included in the Consolidated Statement of Financial Position at reporting date		
Current	2,276	1,162
Non-current	13,704	10,422
	15,980	**11,584**

16 Intangible assets

	Goodwill NZ$000	Customer contracts NZ$000	Brand names NZ$000	Computer software NZ$000	Total NZ$000
Cost					
At 1 April 2023	**137**	**—**	**—**	**96**	**233**
Additions	—	—	—	35	35
Business acquisition	1,276	5,435	—	—	6,711
At 31 March 2024	**1,413**	**5,435**	**—**	**131**	**6,979**
Additions	—	—	—	12	12
Business acquisition (Note 24)	2,293	2,554	212	47	5,106
Disposals	—	—	—	(112)	(112)
At 31 March 2025	**3,706**	**7,989**	**212**	**78**	**11,985**
Accumulated amortisation/impairment					
At 1 April 2023	**—**	**—**	**—**	**(76)**	**(76)**
Amortisation expense	—	(725)	—	(15)	(740)
At 31 March 2024	**—**	**(725)**	**—**	**(91)**	**(816)**
Amortisation expense	—	(1,711)	—	(16)	(1,727)
Impairment expense	—	—	(212)	—	(212)
Disposals	—	—	—	89	89
At 31 March 2025	—	**(2,436)**	**(212)**	**(18)**	**(2,666)**
Carrying amount					
At 31 March 2025	**3,706**	**5,553**	—	**60**	**9,319**
At 31 March 2024	1,413	4,710	—	40	6,163
At 1 April 2023	137	—	—	20	157

The brand names acquired on the acquisition of Civic Waste Limited have been fully impaired as the Group has decided to not continue with these brand names.

16.1 Impairment testing for cash-generating units ('CGUs') containing goodwill

The carrying amount of goodwill has been allocated to CGUs as follows:

	2025 NZ$000	2024 NZ$000
Industrial services	1,550	1,276
Waste collection	1,330	137
Sweeping	826	–
Balance at reporting date	**3,706**	**1,413**

The Directors have assessed the goodwill for impairment at the reporting date and have concluded that no impairment has occurred. The following provides a summary of the analysis performed.

The recoverable amount of each CGU was determined on a 'value in use' basis. Value in use was determined by discounting the future cash flows generated from the continuing use of each CGU based on the key assumptions set out below. Cash flows were projected on actual operating results, the 12-month budget reviewed and approved by the Board of Directors, and multi-year forecasts.

Industrial services

The value in use calculation for the 'Industrial services' CGU used cash flow projections based on the 2026 budget and financial projections covering a five-year period (2024: five-year period). The calculation used a weighted average cost of capital rate of 9.5% per annum (2024: 14.83% per annum). A terminal value of the CGU was then determined after the forecast period and applied to the calculated value in use.

Solely for the purposes of this assessment, anticipated annual revenue growth of the CGU has been projected at 37% in 2026 which includes 12 months of Civic revenue's compared to 4 months in FY25, with ongoing 5% per annum increase in free cash flows which is reflective of the model being used in the current year (2024: anticipated revenue growth of 10% in 2025 with no further growth assumed for the remaining forecast years as a conservative estimate. Gross margin percentages projected to remain consistent and other operating costs to increase by 6% per annum).

The following adjustment to the key assumptions would individually reduce the Industrial services CGU's recoverable value to the level of its carrying value:

- an increase in the discount rate by 1.9 percentage points;
- a reduction in the terminal growth rate by 2.6 percentage points; and
- a reduction in free cash flows by 21%.

Waste collection

The value in use calculation for the 'Waste collection' CGU used cash flow projections based on the 2026 budget and financial projections covering a five-year period (2024: five-year period). The calculation used a weighted average cost of capital rate of 9.5% per annum (2024: 14.83% per annum). A terminal value of the CGU was then determined after forecast period and applied to the calculated value in use.

Solely for the purposes of this assessment, anticipated annual revenue growth of the CGU has been projected at 31% in 2026 which includes 12 months of Civic revenue's compared to 4 months in FY25 with ongoing 5% per annum growth in free cash flows which is reflective of the model being used in the current year (2024: anticipated revenue growth of 20% in 2025 with no further growth assumed for the remaining forecast years as a conservative estimate. Gross margin percentages projected to remain consistent and other operating costs to increase by 6% per annum).

The following adjustment to the key assumptions would individually reduce the Waste Collection services CGU's recoverable value to the level of its carrying value:

- an increase in the discount rate by 15.8 percentage points; and
- a reduction in free cash flow by 68%.

Sweeping

The value in use calculation for the 'Sweeping' CGU used cash flow projections based on the 2026 budget and financial projections covering a five-year period. The calculation used a weighted average cost of capital rate of 9.5% per annum. A terminal value of the CGU was then determined after forecast period and applied to the calculated value in use.

Solely for the purposes of this assessment, anticipated annual revenue growth of the CGU has been projected at 25% in 2026 which includes 12 months of Civic revenue's compared to 4 months in FY25 with ongoing 5% per annum growth in free cash flows which is reflective of the model being used in the current year.

The following adjustment to the key assumptions would individually reduce the Sweeping services CGU's recoverable value to the level of its carrying value:

- an increase in the discount rate by 18.2 percentage points; and
- a reduction in free cashflow by 71%.

17 Trade payables and other current liabilities

	Note	2025 NZ$000	2024 NZ$000
Trade payables		3,131	2,812
Accrued expenses		2,483	1,959
Contingent consideration	24	880	–
PAYE payable		582	511
GST payable		512	338
Revenue received in advance		127	183
Other payables		51	56
		7,766	**5,859**

The carrying amount of trade payables and other current liabilities are assumed to be the same as fair value due to the short-term nature of these amounts.

18 Borrowings

	Note	2025 NZ$000	2024 NZ$000
Secured borrowings at amortised cost			
Bank overdraft	18.1	–	2,340
Asset finance	18.2	25,930	28,177
Convertible notes	18.4	10,581	–
Unsecured borrowings at amortised cost			
Convertible notes	18.4	2,839	2,657
Other loans	18.5	1,600	655
Total borrowings		**40,950**	**33,829**
Current		8,652	10,640
Non-current		32,298	23,189
		40,950	**33,829**

All borrowings are denominated in NZD.

18.1 Bank overdraft

	2025 NZ$000	2024 NZ$000
Balance at 1 April	**2,340**	**–**
Net drawdown on overdraft facility	–	2,340
Repayment of overdraft	(2,340)	–
Balance at 31 March	–	**2,340**

At 31 March 2025 the Group had a total available overdraft facility of $3 million (31 March 2024: $3 million). Interest is payable at a rate of 10.6% per annum (2024: 12.1%). The bank overdraft is secured under the General Security Agreement detailed in note 18.2.

18.2 Asset finance

	2025 NZ$000	2024 NZ$000
Balance at 1 April	28,177	21,176
Proceeds from asset finance	29,875	14,433
Repayment of loans	(32,122)	(7,432)
Balance at 31 March	**25,930**	**28,177**

Asset finance is used to fund the purchase of assets and business acquisitions.

On 6 May 2024 WasteCo NZ Limited entered into a new funding arrangement with Kiwibank Limited (**'Kiwibank'**) replacing previous asset finance arrangements. The Kiwibank facilities comprise:

- a $17 million Kiwi Asset Finance KiwiPlus facility with principal and interest payable over a term of 48 months. Interest is charged at a rate calculated as Kiwibank's cost of funds plus a cost of funds margin of 2.80% per annum;
- a $15.45 million Kiwi Asset Finance KiwiPlus facility with interest only payable over an initial term of 24 months. The term was subsequently extended to 30 May 2027. Interest is charged at a rate calculated as Kiwibank's cost of funds plus a cost of funds margin of 2.80% per annum; and
- a $3 million Kiwibank Overdraft facility to fund working capital.

The facilities are secured by:

- a first ranking and exclusive General Security Agreement over WasteCo NZ Limited and the entities within the Group, including WasteCo Group Limited;
- an unlimited cross guarantee between each Group entity; and
- a specific Security Agreement over each individual asset of Wasteco NZ Limited with a value greater than $50,000.

The weighted average interest rates on asset finance loans during the period was 8.65% (2024: 8.27%).

Asset finance facilities at 31 March 2024

At 31 March 2024 the Group borrowed from a range of lenders. Each finance drawdown was secured by the respective assets acquired through the transaction and by guarantees from James Redmayne and Carl Storm (refer note 26.5). The terms of the asset finance arrangements were between 2 to 5 years.

The Group had the following financing facilities with Kiwibank Limited:

- a $12.1 million KiwiPlus Facility dated 13 April 2022. The facility has a variable interest rate which was 9.25% per annum at the reporting date. The Group had $10.5 million in borrowings under this facility at the reporting date; and

- a $2.25 million fixed term Facility dated 27 September 2021 which is to be repaid over 5 years. The interest rate on this facility at the reporting date was 9.19% per annum. The Group had $584,621 in borrowings under this facility at the reporting date.

Both facilities were secured by a first ranking General Security Agreement (GSA) and second ranking financing agreement with Kiwi Asset Finance Limited. The GSA was secured by all present and after acquired personal property, together with all proceeds arising from that property, including goods, money, accounts receivable, chattel paper, intangibles, negotiable instruments, documents of title and investment securities.

18.3 Bank covenants

In the 3-month period to 30 June 2024, the Group breached its quarterly interest cover ratio and leverage ratio covenants with Kiwibank. The covenant breaches occurred as a result of weaker quarterly trading, with revenue down against budget, particularly from some of the Group's larger customers.

Following review, Kiwibank agreed to waive the covenant requirements through to 31 March 2025. Instead, the Group agreed to provided regular reporting of performance against budget. All other essential terms of the facilities remained unchanged.

The funding arrangements, including covenant requirements are currently being renegotiated.

18.4 Convertible notes

	2025 NZ$000	2024 NZ$000
Balance at 1 April	2,657	–
Value of convertible notes issued	15,000	3,000
Equity component recognised in convertible notes reserve	(4,270)	(343)
Interest expense	917	–
Interest paid	(547)	–
Transaction costs allocated to the debt component of the convertible notes	(366)	–
Amortisation of transaction costs	29	–
Balance at 31 March	**13,420**	**2,657**
Secured convertible notes (issued December 2024)	10,581	–
Unsecured convertible notes (issued March 2024)	2,839	2,657
	13,420	**2,657**

On 19 December 2024 the Company issued $15 million convertible notes. The funds from the issue of the notes were applied to the completion payment for the Civic Waste Limited acquisition (note 24) and provide working capital for the Group to fund further acquisitions and strengthen its balance sheet. The notes have a five-year term, pay the holder interest of 6% per annum, and provide the holder with the option to convert the notes into equity at $0.02 per share at any time during the term. The notes are secured by a second ranking general security deed over the present and after acquired property of the Company. The interest expense on the liability component of these convertible notes is calculated by applying an effective annual interest rate of 14%.

On 27 March 2024 the Group issued $3 million unsecured convertible notes to two wholesale investors. The notes mature on 15 October 2025. They offer the holders the right to redeem for cash on the maturity date, or convert to fully paid ordinary shares at $0.05 each prior to maturity. The notes pay the holders interest of 10% per annum, paid quarterly, up until the date of conversion or redemption. The interest expense on the liability component of these convertible notes is calculated by applying an effective annual interest rate of 18%.

18.5 Other loans

	Note	2025 NZ$000	2024 NZ$000
Balance at 1 April		655	–
Proceeds from loans		2,256	1,425
Loans acquired on business acquisition	24	2,596	–
Overdraft acquired on business acquisition	24	458	–
Repayment of loans		(4,365)	(770)
Balance at 31 March		**1,600**	**655**

$702,000 of other loans fund insurance premiums and are secured against the funded policies. The loans are repayable within eight months of the commencement of the relevant insurance policies. Interest is fixed with a weighted average rate of 7.26% at the reporting date (2024: $655,000 with a weighted average interest rate of 7.76%).

The $898,000 remaining balance of other loans is unsecured and is repayable over 3.5 years to 31 March 2028. Variable interest is charged. The interest rate at the reporting date was 10.91% (2024: nil).

19 Share capital

	Note	2025 NZ$000	2024 NZ$000
At 1 April		19,931	9,871
Shares issued during the year		5,000	8,322
Share issue costs		(298)	(507)
Shares issued on acquisition of business		–	2,205
Share options exercised	20, 21	–	40
At 31 March		**24,633**	**19,931**

The table below details the movement in ordinary shares issued by the Company.

	2025 '000	2024 '000
Ordinary shares as at 1 April	848,373	688,000
Shares issued during the year	250,000	160,373
Ordinary shares as at 31 March	**1,098,373**	**848,373**

On 23 December 2024 the Company issued 250,000,000 ordinary shares at $0.02 per share under a share purchase plan to existing shareholders.

All ordinary shares on issue are fully paid, have equal voting rights, and share equally in dividends and any surplus on winding up.

20 Share based payments reserve

	Note	2025 NZ$000	2024 NZ$000
Balance at 1 April		**564**	**304**
Share options issued	21	144	321
Share options forfeited	21	(297)	(46)
Share options exercised	21	–	(15)
Balance at 31 March		**411**	**564**
Share based payments are included in:			
Directors' remuneration		12	43
Employees' remuneration (reversal of expense)		(72)	232
		(60)	**275**

21 Share options

The Company has a share option scheme for directors and selected employees of the Company and its subsidiaries to purchase ordinary shares in the Company.

Each share options converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry no rights to dividends and no voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at 1 April	**20,800,000**	**$0.050**	**21,300,000**	**$0.050**
Granted during the year	18,500,000	$0.023	6,000,000	$0.050
Exercised during the year	–	–	(500,000)	$0.050
Forfeited during the year	(9,700,000)	$0.050	(6,000,000)	$0.050
Balance at 31 March	**29,600,000**	**$0.032**	**20,800,000**	**$0.050**
Exercisable at 31 March	**16,266,667**	**$0.040**	**11,200,000**	**$0.050**

The options vest in 3 equal tranches: one third on the grant date, one third on the first anniversary of the grant date and the final third on second anniversary of the grant date. Each tranche can be exercised at any time within 3 years from the vesting date.

At 31 March 2025, 13.3 million of the share options granted had not yet vested to option holders (31 March 2024: 9.6 million).

The weighted average contractual life of the share options outstanding at 31 March 2025 was 3.15 years (31 March 2024: 2.8 years).

21.1 Fair value of share options granted in the year

The fair values of the share options granted during the year were:

	Vesting date	Fair value per option NZ$
Tranche 1	11 March 2025	0.0071
Tranche 2	11 March 2026	0.0082
Tranche 3	11 March 2027	0.0091

Options were valued using the Black-Scholes option pricing model. The key inputs used in valuing the options are detailed in the table below.

Grant date	11 March 2025
Options granted	18,500,000
Grant date one month VWAP	$0.0246
Exercise price	$0.0233
Expected volatility	0.4—0.5
Option life (from vesting date)	36 months
Dividend yield	0%
Average risk free interest rate	3.77%—4.06%

The expected volatility in the measurement of fair value at grant date has been based on the volatility of the Company's share price from 5 December 2022 up to 11 March 2025 and for overseas comparable companies, as a proxy of the Company's future volatility.

The Black-Scholes formula assumes that the options being valued can be sold on a secondary market. The terms of the options forbid their trading. Accordingly, a 20% discount to the values derived from the Black-Scholes formula was applied to reflect the restrictive terms.

22 Subsidiaries

Name of subsidiary	Principal activity	Ownership interest held by Group 2025	2024
Civic Waste Limited	Waste collection, recycling & disposal	100%	–
Safeco Training NZ Limited	Safety management training	100%	100%
Sortco NZ Limited	Waste sorting and recycling	100%	100%
WasteCo Finance NZ Limited	Credit card merchant account holder for group	100%	100%
WasteCo Holdings NZ Limited	Holding company	100%	100%
WasteCo NZ Limited	Waste collection, recycling & disposal	100%	100%
WasteCo NZ (Southern) Limited	Waste collection, recycling & disposal	100%	100%
WasteCo Port Services NZ Limited	Industrial cleaning	100%	100%

All subsidiaries are domiciled in New Zealand and have a balance date of 31 March.

23 Financial instruments

23.1 Classes and categories of financial instruments

The Group has entered into a number of non-derivative financial instruments all of which are classified as financial assets and liabilities at amortised cost. The carrying values of these items approximate their fair value and represent the maximum exposures for each type of financial instrument. They are listed as follows:

	Note	2025 NZ$000	2024 NZ$000
Financial assets at amortised rate			
Cash at bank		5,854	1,751
Trade receivables and other current assets	11	7,741	6,798
Total financial assets		**13,595**	**8,549**
Financial liabilities at amortised rate			
Trade payables and other current liabilities	17	6,545	4,827
Borrowings—current	18	8,652	10,640
Borrowings—non-current	18	32,298	23,189
Lease liabilities—current	15.2	2,276	1,162
Lease liabilities—non-current	15.2	13,704	10,422
Total financial liabilities		**63,475**	**50,240**

The Group does not have any derivative financial instruments (2024: nil).

23.2 Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance.

Risk management is carried out under policies approved by the Board of Directors.

23.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control the market risk exposures within acceptable parameters, while optimising the return on risk.

The Group's main market risk relates to interest rate risk. Interest rate risk is the risk that the fair value of the financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates.

The Group's interest rate risk exposure primarily relates to its exposure to variable interest rates on borrowings. The Group has managed this risk exposure through:

- refinancing through Kiwibank during the year after going to the market for the best funding solutions. This delivered significant savings in interest costs and preferential repayment terms;

- the issue of convertible notes which require no repayment until the end of the term of the notes, and even then repayment is only required if the notes are not settled through the issue of shares. This has enabled the Group to focus on the repayment of Kiwibank borrowings. The convertible notes have a fixed interest rate payable that is significantly lower than the bank borrowings interest rate; and

- a focus on debt repayment.

A 1% increase in the interest rates of variable rate borrowings, taking into account scheduled repayments, would increase the annual interest expense on the borrowings from these facilities by $97,674. A decrease in the variable interest rates of 1%, taking into account scheduled repayments, would decrease the annual interest expense on the borrowings from these facilities by $96,701.

23.4 Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from cash and cash equivalents, and the Group's receivables from customers. The Group's maximum credit risk is represented by the carrying value of these financial assets.

The credit risk associated with cash transactions and deposits is managed through the Group's policies that limit the use of counterparties to high credit quality financial institutions.

The Group minimises concentrations of credit risk in receivables by undertaking transactions with a large number of customers. In addition, receivable balances are monitored on an ongoing basis with the objective that the Group's exposure to expected credit losses is minimised. The Group considers information developed internally or obtained from external sources to determine whether a debtor is unlikely to pay the balances due in full. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

23.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's liquidity risk management includes maintaining sufficient cash reserves to meet future commitments.

The following table provides a maturity analysis of the Group's remaining contractual cash flows relating to non-derivative financial liabilities. Contractual cash flows include contractual undiscounted principal and interest payments.

	Carrying amount	Contractual cash flows	Payable 0–6 months	Payable 6–12 months	Payable 1–2 years	Payable 2–5 years	Payable 5+ years
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
As at 31 March 2025							
Trade payables and other current liabilities	7,766	7,766	7,766	–	–	–	–
Borrowings	40,950	55,933	4,568	6,782	21,630	22,953	–
Lease liability	15,980	20,630	1,749	1,730	3,354	8,569	5,228
	64,696	**84,329**	**14,083**	**8,512**	**24,984**	**31,522**	**5,228**

As at 31 March 2024							
Trade payables and other current liabilities	5,859	5,859	5,859	–	–	–	–
Borrowings	33,829	36,268	5,529	5,131	11,817	13,791	–
Lease liability	11,584	15,886	1,048	973	1,901	5,615	6,349
	51,272	**58,013**	**12,436**	**6,104**	**13,718**	**19,406**	**6,349**

The liquidity table assumes convertible noteholders request repayment of the notes at the end of their respective terms and do not choose to convert the notes to shares.

23.6 Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of debt and equity.

The capital structure of the Group consists of equity, comprising issued capital and retained earnings, and debt. The Group reviews the capital structure on a regular basis including assessing equity ratios and ensuring compliance with bank covenants, to ensure that entities in the Group are able to continue as going concerns and to fund its acquisition strategy.

24 Acquisition of Civic Waste Limited

WasteCo entered into a sale and purchase agreement for the purchase of 100% of the shares of Civic Waste Limited (**'CWL'**) on 22 November 2024. The purchase was completed on 19 December 2024 with an effective date of 30 November 2024.

CWL is a leading North Island based waste management company providing collection of waste and recycling services, sweeping services and industrial cleaning services. The acquisition expands WasteCo's geographic footprint and provides additional operational scale.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below.

	NZ$000
Net assets acquired at fair value:	
Cash	(458)
Accounts receivable	2,173
Inventory	2
Other current assets	157
Property, plant and equipment	5,205
ROU asset	4,751
Computer software	47
Customer relationship asset	2,554
Brand	212
Accounts payable and accruals	(1,844)
Income tax payable	(149)
Term loans	(2,596)
Lease liabilities	(4,751)
Deferred tax liability	(1,135)
Net assets acquired	**4,168**
Goodwill	2,293
	6,461

	NZ$000
Satisfied by:	
Cash	8,635
Contingent consideration	880
Less: acquisition date bank overdraft	(458)
Less: acquisition date loan	(2,596)
Total consideration	**6,461**

The fair value of assets and liabilities acquired has been determined by an independent valuer.

The total purchase price for the acquisition was $9.5 million. $8.6 million of the purchase price was paid in cash to the vendors and to the repayment of debt. In addition, contingent consideration is payable to the vendors based upon CWL's actual EBITDA results during the 12 months to 30 November 2025. Contingent consideration of $500,000 up to $1 million is payable if CWL achieves EBITDA of $2.5 million to $3.0 million respectively. For EBITDA exceeding $3.0 million the contingent consideration payable is equal to $1.0 million plus 20% of the amount of EBITDA exceeding $3.0 million. Management consider EBITDA of $3.0 million will be achieved. The fair value of the contingent consideration is calculated as $880k, which is the $1 million forecast payment discounted to present value using the CWL weighted average cost of capital of 13.6%.

The cash paid for the acquisition was funded by the issue of convertible notes (refer note 18.4) and the issue of shares to existing shareholders under a share purchase plan (refer note 19).

CWL contributed $6.0 million and $0.2 million to the Group's revenue and profit before tax for the period between the date of acquisition and the reporting date. If CWL had been acquired on 1 April 2024 the Group estimates the new business would have contributed $20.9 million and $0.6 million to the Group's revenue and net profit before tax for the 2025 year.

The goodwill arising from the acquisition relates to expected synergies, and the capability and expertise developed within the acquired business.

The fair value of acquired receivables is their gross contractual amount.

25 Notes to the cash flow statement

25.1 Cash and cash equivalents

	Note	2025 NZ$000	2024 NZ$000
Cash at bank		5,854	1,751
Bank overdraft	18.1	–	(2,340)
		5,854	**(589)**

25.2 Reconciliation of profit or loss after taxation with cash flow from operating activities

	Note	2025 NZ$000	2024 NZ$000
Net loss after taxation		**(9,854)**	**(4,135)**
Adjustments for:			
Depreciation of property, plant and equipment	14	4,423	3,902
Depreciation of right of use assets	15	2,019	1,550
Amortisation of intangible assets	16	1,727	740
Impairment of plant and equipment	14	378	—
Impairment of intangible assets	16	212	—
Loss on disposal of of property, plant and equipment		553	199
Share based payments	20	(60)	275
Interest paid on borrowings		3,160	2,279
Interest paid on lease liabilities		1,037	799
Interest on convertible notes	18.4	917	—
Amortisation of convertible note issue costs	18.4	29	—
Write down of assets held for sale	13	66	—
Acquisition related costs includes in investing activities		393	—
Contribution towards acquisition costs	6	(75)	—
Income tax benefit	9	(1,135)	(1,608)
Gain on bargain purchase		—	(762)
Other non-cash adjustments		—	272

	Note	2025 NZ$000	2024 NZ$000
Movements in working capital			
(Increase)/decrease in trade receivables and other current assets		(1,056)	(2,584)
(Increase)/decrease in inventory		201	(43)
Increase/(decrease) in trade payables and other current liabilities		1,907	656
Increase/(decrease) in income tax payable		168	74
Movement in working capital due to business acquisition		(541)	(417)
Net cash received from operating activities		**4,469**	**1,197**

25.3 Reconciliation of liabilities arising from financing activities

	Note	2025 NZ$000	2024 NZ$000
Borrowings			
At 1 April		**33,829**	**21,176**
Cash:			
Proceeds from borrowings		32,132	18,858
Principal repayment of borrowings		(36,488)	(8,202)
Interest paid on borrowings		(3,160)	(2,264)
Net repayment of bank overdraft		(2,340)	–
Net proceeds from bank overdraft		–	2,340
Proceeds from convertible notes		15,000	–
Convertible note issue costs paid		(366)	–
Interest paid on convertible notes		(547)	–
Non-cash:			
Interest accrued on borrowings		3,160	2,264
Equity component recognised in convertible notes reserve		(4,270)	(343)
Interest accrued on convertible notes		917	–
Amortisation of convertible note issue costs		29	–
Loan acquired on business acquisition	24	2,596	–
Overdraft acquired on business acquisition	24	458	–
As 31 March		**40,950**	**33,829**

	Note	2025 NZ$000	2024 NZ$000
Lease liabilities			
At 1 April		**11,584**	**6,675**
Cash:			
Principal repayments of lease liabilities		(1,700)	(1,323)
Interest paid on lease liabilities		(1,037)	(799)
Non-cash:			
Lease liabilities recognised		1,101	3,876
Lease liabilities from business acquisitions		4,751	2,089
Interest on lease liabilities		1,037	799
Lease modifications		243	589
Lease disposals		–	(322)
As 31 March		**15,980**	**11,584**

26 Related parties

26.1 Directors

The directors of the Company during the year were Shane Edmond, Roger Gower, Simon Herbert (appointed 19 December 2024), Sean Joyce (appointed 19 December 2024), Rodney Malam (appointed 19 December 2024 as an alternate to Simon Herbert) James Redmayne, Angus Cooper (resigned 31 October 2024), and Carl Storm (resigned 16 August 2024).

26.2 Key management personnel compensation

Key management personnel are the Directors, the Chief Executive Officer and members of the executive leadership team (2024: key management personnel were the directors, including two executive directors).

Key management personnel compensation paid to personnel not being directors is set out below.

	Note	2025 NZ$000	2024 NZ$000
Short term benefits—directors fees		236	269
Share based payments—directors fees	20	12	43
Short-term benefits—employee benefits		1,396	527
Share based payments—employee benefits		80	46
Termination benefits		80	—
Short-term benefits—consulting services		429	—
		2,233	**885**

26.3 Empire Waste Technology Limited

Empire Waste Technology Limited (**'EWTL'**) is the holder of the $15 million of convertible notes issued by the Company on 19 December 2024 (refer note 18.4). Simon Herbert is a director of EWTL. Simon Herbert, Sean Joyce and Rodney Malam (as an alternate to Simon Herbert) were nominated to the WasteCo board by EWTL under the terms of the convertible notes agreement.

26.4 Bastre Properties NZ Limited

Bastre Properties NZ Limited (**'Bastre Properties'**) owns premises that are leased by the Group. The initial term of the lease is five years from November 2020 and the Group hold rights of renewal for two further five-year terms. $127,664 was paid in rent to Bastre Properties in the reporting period ended 31 March 2025 (2024: $130,095). As at 31 March 2025 the Group recognised $1,023,961 of lease liabilities due to Bastre Properties (2024: $979,824). Subsequent to the reporting date the Group renegotiated the terms of the lease with Bastre Properties (refer note 29).

44% of the share capital of Bastre Properties is owned by the Storm Commercial Trust, of which Carl Storm and his wife Dawn are trustees, and 44% by the James & Sam Family Trust, of which James Redmayne and his wife Samantha are trustees.

26.5 Other transactions with related parties

Carl Storm's wife, Dawn Storm, received total remuneration of $83,345 as an employee of the Group (2024: $67,511).

During 2024 James Redmayne's wife, Samantha Redmayne, received remuneration of $70,836 as an employee of the Group.

At 31 March 2024 selected asset finance loans were secured by personal guarantees from Carl Storm and James Redmayne (note 18.2).

27 Contingencies

There were no contingent liabilities at 31 March 2025 (2024: nil).

28 Commitments

There were $388,000 of commitments for future capital expenditure at 31 March 2025 (2024: $570,000).

WasteCo is in discussions on a potential lease agreement for an industrial vacuum vehicle. The obligation amount is still to be confirmed and is estimated at $850,000 (2024: nil).

29 Events subsequent to reporting date

29.1 Variation to premises lease with Bastre Properties

On 19 May 2025 the Group entered into a variation of lease for the premises it leases from Bastre Properties (refer note 26.4). Under the variation, the rights of renewal were amended to three rights of renewal for three-year terms each. If all rights of renewal are exercised the final expiry date of the lease will be 15 July 2034.

There have been no other events subsequent to the reporting date which would materially affect the financial statements.

Deloitte.

Independent Auditor's Report

To the Shareholders of WasteCo Group Limited

Opinion

We have audited the consolidated financial statements of WasteCo Group Limited and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements, on pages 36 to 93, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2025, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to IFRS Accounting Standards ('NZ IFRS') as issued by the External Reporting Board and IFRS Accounting Standards ('IFRS') as issued by the International Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other assignments for the Group in the area of acquisition due diligence corporate finance services. These services have not impaired our independence as auditor of the Company and Group. In addition to this, partners and employees of our firm deal with the Company and its subsidiaries on normal terms within the ordinary course of trading activities of the business of the Company and its subsidiaries. The firm has no other relationship with, or interest in, the Company or any of its subsidiaries.

Audit materiality

We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group financial statements as a whole to be $600,000.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Key audit matter	How our audit addressed the key audit matter

Business Acquisitions
 	
As disclosed in note 24, WasteCo Group Limited acquired the Civic Waste Limited business in the current year. The Group recognised goodwill amounting to $2.3m relating to the the acquisition.
 	
The acquisition is significant and complex due to:
• The calculation of contingent consideration included in the acquisition price;
• The determination of the date of acquisition;
• The acquisition resulting in intangible assets being recognised; and
• The judgements and estimates involved in identifying and determining the fair value of the assets acquired and liabilities assumed.
 	
Given the significance of the acquisition in the current year, this has increased the level of audit effort required to recognise the acquisition.
	Our procedures included:
	- Reviewing and challenging management expert's valuations of assets. This included challenging key assumptions such as:
	  • Cash flow forecasts;
	  • Useful life of identified finite life intangibles; and
	  • Discount and growth rates
	- Obtaining and analysing the sale and purchase agreement relating to the acquisition to understand key terms and conditions of the transactions;
	- Assessing the mathematical accuracy of the purchase price accounting calculation, including recalculating the goodwill to be recognised on acquisition;
	- Considering the completeness of the underlying assets acquired including the identification of intangible assets;
	- Assessing the competence, capabilities, objectivity and expertise of management's external valuation and accounting expert and the appropriateness of their work as audit evidence;
	- Engaging our own internal valuation specialist to assist in reviewing the valuation methodology, reviewing the mathematical accuracy of the models and assessing the reasonableness of the discount and growth rates used; and
	- Evaluating the adequacy of disclosures relating to the acquisition in the consolidated financial statements.

Goodwill Impairment Assessment The Group has $3.7m (including $2.3m relating to the acquisition above) of goodwill as at 31 March 2025, as detailed in note 16 of the financial statements. The carrying amount of goodwill is dependent on future cash flows expected to be generated by the underlying businesses. There is a risk that if these cash flows are not achieved, the cash generating units to which goodwill has been allocated, may be impaired. The Group tests goodwill annually for impairment by determining the recoverable amount of the cash generating unit. The impairment assessment models prepared by the Group contain a number of key assumptions. Changes in these assumptions may lead to a change in the carrying amount of goodwill. The key assumptions in the goodwill models are: • Forecasted free cash flows; • Pre tax discount rates; and • Terminal growth rates We have included the goodwill impairment assessment as a key audit matter due to the significance of the balance to the consolidated financial statements and the level of judgment applied by the Group in determining the key assumptions used to determine the recoverable amounts.	We considered whether the Group's methodology for assessing impairment is compliant with NZ IAS 36 *Impairment of Assets.* We have tested the appropriateness and suitability of the models and reasonableness of the assumptions used. Our procedures included: - Agreeing a sample of cash flows to the Board approved budgets and analysing whether they are reasonable and supportable, given the expected future performance of the cash generating unit, as well as the current economic climate; - Challenging the reasonableness of the growth rates by comparing to historical forecasts and actual results; - Assessing and challenging the reasonableness of key assumptions; - Obtaining an understanding of the Group's process for identifying specific impairment indicators; and - Evaluating the adequacy and appropriateness of disclosures relating to impairment of goodwill in the consolidated financial statements.

Utilising our internal valuation specialists in:

- Evaluating the appropriateness of the valuation methodology and assumptions used;
- Testing the mathematical accuracy of the models;
- Evaluating the Group's determination for the pre tax discount rate; and
- Comparing the terminal growth rate to market data.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Anthony Smith
Partner
for Deloitte Limited
Christchurch, New Zealand
29 May 2025

Shareholder and Statutory Information

for the year ended 31 March 2025

Stock exchange listing

The Group's shares are quoted on the NZX Main Board. As at 11 April 2025, the Company had 1,098,372,765 ordinary shares on issue (31 March 2025: 1,098,372,765 ordinary shares).

Distribution of security holders

Details of the distribution of ordinary shares amongst shareholders at 11 April 2025 are set out below.

	Number of Security Holders		Number of Securities	
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE
1–1,000	662	45.97%	313,141	0.03%
1,001–5,000	355	24.65%	809,412	0.07%
5,001–10,000	66	4.58%	502,485	0.05%
10,001–100,000	118	8.19%	3,028,321	0.28%
100,001–500,000	50	3.47%	3,774,462	0.34%
500,001 or more	189	13.13%	1,089,944,944	99.23%
	1,440	**100.00%**	**1,098,372,765**	**100.00%**

20 largest shareholdings

The 20 largest shareholdings at 11 April 2025 are provided in the table below.

	Number of shares held	Percentage of shares held
Laurence James Redmayne, Samantha Jane Redmayne & Cullinane Steel Trustees (2003) Limited	168,640,923	15.35%
Carl Stephen Storm, Dawn Margaret Storm & C&F Trustees 35776 Limited	158,004,000	14.39%
WFT Finance Limited	156,153,846	14.22%
Glendarvie Holdings Limited	75,268,238	6.85%
Shane David Edmond	52,667,692	4.80%
Forsyth Barr Custodians Limited	42,952,440	3.91%
Lloyd George Phillips, Wayne Vincent Phillips & Craig Bruce Phillips	31,850,353	2.90%
Malcolm Guy Bailey	27,516,000	2.48%
New Zealand Permanent Trustees Limited	24,756,715	2.25%
Ashvegas Limited	22,867,692	2.08%
New Zealand Depository Nominee	19,721,171	1.80%
Youthlab Limited	17,000,000	1.55%
Andrew John Howard	16,841,513	1.53%
Barry John Gray & Fiona Margaret Gray	16,149,205	1.47%
John Lee, Susan Iris Lee & Paul Johnston	15,841,513	1.44%
WFT Investments Limited	15,384,615	1.40%
Mounterowen Limited	13,136,073	1.20%
WFT Property Limited	13,000,000	1.18%
Leveraged Equities Finance Limited	12,387,262	1.13%
Betalert Limited	10,400,000	0.95%

Substantial security holders

The following information is given pursuant to Section 293 of the Financial Markets Conduct Act 2013.

The following are recorded by the Company at 31 March 2025 as Substantial Product Holders in the Company, and have declared the following relevant interest in quoted financial products under the Financial Markets Conduct Act 2013:

Substantial product holder	Relevant interest
Empire Waste Technology Limited	Up to 750,000,000 if the maximum number of convertible notes issued to Empire are converted
1. Wayne Wright 2. WFT Finance Limited (WFT Finance) 3. Manuka Skin Care Limited (previously called WFT Investments Limited) (Manuka Skin Care) 4. WFT Property Limited (WFT Property)	Wayne Wright is the sole director and has effective control of the shareholder in each of: a. WFT Finance, which holds 156,153,846 shares in WasteCo; b. Manuka Skin Care, which holds 15,384,615 shares in WasteCo; and c. WFT Property, which holds 13,000,000 shares in WasteCo. Wayne Wright therefore has the power directly or indirectly to control the voting rights attached to 184,538,461 WasteCo shares in aggregate.
Laurence James Redmayne, Samantha Redmayne, Cullinane Steele Trustees (2003) Limited	168,640,923
Carl Storm, Dawn Storm and C&F Trustees 35776 Limited	158,004,000
Shane Edmond, Belinda Edmond and Ashvegas Limited	85,615,384
Glendarvie Holdings Limited, Robert Baan and Rowena Baan-Mathias	75,268,238

The total number of quoted financial products issued by the Company at 31 March 2025 were the 1,098,372,765 ordinary shares.

Directors

The names of the directors holding office during the year are:

Name	Office held	Date
Roger Gower (Chair)	Independent director	Appointed October 2020
Shane Edmond	Independent director	Appointed December 2022
Simon Herbert	Non-independent director	Appointed December 2024
Sean Joyce	Non-independent director	Appointed December 2024
James Redmayne	Non-independent director	Appointed December 2022
Rodney Malam	Non-independent director (alternate to S Herbert)	Appointed December 2024
Angus Cooper	Independent director	Resigned October 2024
Carl Storm	Executive director	Resigned August 2024

Shane Edmond and James Redmayne are directors of each of the Company's subsidiaries except for Civic Waste Limited where Roger Gower is the sole director.

Directors' remuneration

During the year the following remuneration and other benefits were paid or payable to directors of the Group. The amounts below reflect the remuneration related expenses included in the Group's consolidated financial statements.

	Directors fees NZ$000	Employee remuneration NZ$000	Consulting fees NZ$000	Share based payments NZ$000	Total NZ$000
Roger Gower (Chair)	70	–	56	23	149
Angus Cooper	38	–	27	(11)	54
Shane Edmond	80	–	–	–	80
Simon Herbert	16	–	–	–	16
Sean Joyce	16	–	–	–	16
Rodney Malam (alternate)	–	–	–	–	–
James Redmayne	16	132	140	–	288
Carl Storm	–	233	206	–	439

Interests register

The following entries were made in the interest register during the year ended 31 March 2025.

The directors provided the following disclosure of entities in which, due to the nature of their relationship, may be related parties to the Group, and transactions in which they have an interest.

Angus Cooper	Nature of interest	Share Allocation (if shareholder)
Agile Projex Limited	Director & shareholder	100% (individually held)
WasteCo Group Limited	Director	–

Angus Cooper received $27,000 for providing consulting services to the Group.

Shane Edmond	Nature of interest	Share Allocation (if shareholder)
Alvarium (NZ) Wealth Management Holdings Limited & related entities	Director	–
Safeco Training NZ Limited	Director	–
Sortco NZ Limited	Director	–
WasteCo Finance NZ Limited	Director	–
WasteCo Group Limited	Director & shareholder	7% (individually held)
WasteCo Holdings NZ Limited	Director	–
WasteCo NZ (Southern) Limited	Director	–
WasteCo NZ Limited	Director	–
WasteCo Port Services NZ Limited	Director	–

Shane Edmond receives directors fees of $65,000 per annum.

Roger Gower	Nature of interest	Share Allocation (if shareholder)
Being AI Limited	Shareholder	–
Civic Waste Limited	Director	–
IntoWork Australia Limited	Director	–
IntoWork New Zealand Limited	Director	–
Me Today Limited	Director & shareholder	–
New Zealand Food Innovation Auckland Limited	Director	–
Primeport Timaru Limited	Director	–
Roger Gower & Associates Limited	Director & shareholder	<1% (Individually held) >99% (Jointly held)
WasteCo Group Limited	Director & shareholder	–

Roger Gower receives directors fees of $85,000 per annum as Chair of the Board. During the year Roger also received 6,000,000 share options which vest over 2 years and $56,000 for providing consulting services to the Group.

Simon Herbert	Nature of interest	Share Allocation (if shareholder)
Empire Waste Technologies Limited and its associated companies	Director	–

Empire Waste Technology Limited is the holder of $15 million of convertible notes issued by the Company on 19 December 2024.

Simon Herbert receives directors fees of $65,000 per annum.

Sean Joyce	Nature of interest	Share Allocation (if shareholder)
CM Partners Limited	Director & beneficial owner	–
Corporate Counsel	Principal	–
Empire Capital Limited	Director	–
Mounterowen Limited	Director & shareholder	–

During FY2025, but before Mr Joyce was appointed a director of the Company, CM Partners Limited received remuneration for the provision of capital markets advisory services to the Company. This is not a material interest by virtue of the fact that Sean Joyce was not a director of the Company at the time that fees were paid to CM Partners Limited.

During FY 2025, but before Mr Joyce was appointed a director of the Company, Mr Joyce's law firm received remuneration for the provision of legal services to the Company. This is not a material interest by virtue of the fact that Sean Joyce was not a director of the Company at the time that fees were paid to Mr Joyce for the provision of legal services.

Mounterowen Limited is the legal owner of 13,136,073 ordinary fully paid shares in the Company.

Sean Joyce receives directors fees of $65,000 per annum.

Rodney Malam	Nature of interest	Share Allocation (if shareholder)
Empire Capital Limited and its associated companies	Chief Financial Offer	–

Rodney Malam is an alternate for Simon Herbert. As such he receives no directors fees.

Empire Capital Limited is a company associated with Empire Waste Technology Limited, which company subscribed for $15 million of convertible notes issued by the Company on 19 December 2024.

James Redmayne	Nature of interest	Share Allocation (if shareholder)
BASTRE Properties NZ Limited	Director & trustee of shareholder	–
BEAR Finance NZ Limited	Director & beneficial owner	45% (jointly held)
HAZMIT Limited	Director & shareholder	90% (jointly held)
REDALL NZ Limited	Director & shareholder	100% (individually held)
Redmayne Innovations Limited	Director & shareholder	100% (individually held)
Safeco Training NZ Limited	Director	–
Sortco NZ Limited	Director	–
Staffco NZ Limited	Director & trustee of shareholder	–
Variable Financial Solutions (NZ) Limited	Director & shareholder	50% (jointly held)
WasteCo Group Limited	Director & shareholder	20% (jointly held)
WasteCo Finance NZ Limited	Director	–
WasteCo Holdings NZ Limited	Director	–
WasteCo NZ (Southern) Limited	Director	–
WasteCo NZ Limited	Director	–
WasteCo Port Services NZ Limited	Director	–

During the year James Redmayne received $132,000 remuneration in relation to his role as an executive director. Following his resignation as an employee James has received $140,000 in consulting fees and he receives directors fees of $65,000 per annum.

BASTRE Properties NZ Limited leases premises to the Group.

Carl Storm	Nature of interest	Share Allocation (if shareholder)
BASTRE Properties NZ Limited	Director & shareholder	44% (jointly held)
Cada Group Limited	Director	–
Staffco NZ Limited	Director & shareholder	32% (jointly held)
WasteCo Group Limited	Director & shareholder	23% (jointly held)
WasteCo Holdings NZ Limited	Director	–
WasteCo NZ (Southern) Limited	Director	–
WasteCo NZ Limited	Director	–
WasteCo Port Services NZ Limited	Director	–

During the year Carl Storm received remuneration of $233,000 in relation to his role as an executive director. Following his resignation as an employee Carl has received $206,000 in consulting fees. Carl resigned as a director of the Company and its subsidiaries in August 2024.

BASTRE Properties NZ Limited leases premises to the Group.

Directors' relevant interests

At 31 March 2025 the directors of the Group held the following relevant interests in quoted financial products and financial products that may convert to quoted financial products.

	Ordinary shares	Convertible notes	Share options granted	
			VESTED	NOT VESTED
Shane Edmond	85,615,384	–	–	–
Roger Gower	907	–	3,500,000	4,000,000
Simon Herbert	–	750,000,000	–	–
Sean Joyce	13,136,073	–	–	–
James Redmayne	168,640,923	–	–	–
Rodney Malam	–	–	–	–

Simon Herbert has a relevant interest in $15 million convertible notes which may be converted into up to 750,000,000 ordinary shares.

Directors' indemnification

The Group indemnifies all current directors of the Group against all liabilities (other than to a member of the Group) which arise out of the performance of their normal duties as directors, unless the liability relates to conduct involving lack of good faith.

Employee remuneration

The number of employees, not being directors disclosed in the **Directors' remuneration** section above, within the Group receiving annual remuneration and benefits above $100,000 are:

Remuneration	Number
$100,000—$109,999	13
$110,000—$119,999	7
$120,000—$129,999	2
$130,000—$139,999	3
$140,000—$149,999	1
$150,000—$159,999	1
$160,000—$169,999	1
$170,000—$179,999	1
$180,000—$189,999	3
$190,000—$199,999	1
$200,000—$209,999	1
$210,000—$219,999	1
$230,000—$239,999	1
$320,000—$329,999	1
$340,000—$349,999	1
$370,000—$379,999	1
$380,000—$389,999	1

Chief Executive Officer's ('CEO's') remuneration

CEO David Peterson remuneration consists of an annual salary of $325,000, a short-term incentive of up to 20% of his annual salary, a 3% contribution to Kiwisaver and a vehicle allowance of $24,000 per annum. Payment of the short-term incentive is dependent upon the achievement of performance targets aligned to the Group's strategy with a focus on revenue and EBITDA growth.

Donations

No donations were made by the Group during the year.

Auditor

Deloitte Limited is the auditor for the Group. Audit fees due and payable to the auditor for the year ended 31 March 2025 were $207,000. The Group paid a further $62,000 to Deloitte Limited for acquisition due diligence services.

NZX Waivers

WasteCo Group has not relied on any waivers issued by the NZX in the 12 months ended 31 March 2025.

Takeovers Code disclosures

The following disclosures are required by Rule 19B(2) of the Takeovers Code about the issue of convertible notes by WasteCo Group Limited to Empire Waste Technology Limited, under a convertible note subscription agreement dated 19 December 2024 (the 'Agreement'), approved by shareholders on 13 December 2024.

A summary of the terms of the approved allotment package

Shareholders approved an allotment to Empire Waste Technology Limited of a $15 million principal amount of convertible notes ('Notes') convertible into 750 million ordinary shares (voting securities), on the terms described in the Notice of Special Meeting of Shareholders dated 27 November 2024. The Notes were allotted on 23 December 2024.

Particulars, as at 31 March 2025, of:

- the number of voting securities already allotted to the allottee under the approved allotment package is Nil;
- the number of voting securities on issue that are held or controlled by the allottee, and the percentage of all voting securities on issue that that number represents is Nil;

- the aggregate of the percentages of all voting securities that are held or controlled by the allottee and the allottee's associates is Nil;

- the maximum percentage of all voting securities that could be held or controlled by the allottee on completion of all the allotments is 40.576%;

- the maximum aggregate of the percentages of all voting securities that could be held or controlled by the allottee and the allottee's associates on completion of all the allotments is 40.576%;

- The date used for these calculations is 20 May 2025. These calculations have been made on the assumptions that:

    → the number of voting securities is the number of WasteCo shares on issue on the calculation date (being, 1,098,372,765);

    → the allottee is allotted the maximum number of shares under the allotment;

    → that there is no proportionate consolidation or subdivision of shares in WasteCo during the term (were there to be a consolidation that would proportionately reduce the number of shares issued on allotment; were there to be a subdivision that would proportionately increase the number of shares issued on allotment); and

    → neither the allottee nor any associate of the allottee currently holds any shares in WasteCo.

This annual report of WasteCo Group Limited is dated 30 May 2025 and is signed on behalf of the Board by:

Roger Gower
Director

Shane Edmond
Director

Company Directory

Company number

3202682

Incorporated

24 November 2010

Registered office

421 Blenheim Road
Upper Riccarton
Christchurch 8041

Registered office

421 Blenheim Road
Upper Riccarton
Christchurch 8041

Board of Directors

→ Roger Gower
→ Shane Edmond
→ James Redmayne
→ Simon Herbert
→ Sean Joyce
→ Rodney Malam

Website

wasteco.co.nz

Auditor

Deloitte Limited
151 Cambridge Terrace
Christchurch 8013

Solicitors

Chapman Tripp
Level 34, 14 Customs Street West
Auckland Central 1010

Bankers

Kiwibank Limited
Christchurch

Share Register

MUFG Pension & Market Services
Level 30, PwC Tower
15 Customs Street
West Auckland 1010

Phone 09 375 5998

Thank you for reading

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