WasteCo Group Limited

Annual Report 2026

Building strong foundations for sustainable growth

WASTECO

Contents

We deliver cleaner environments

WasteCo Group Limited (NZX: WCO) is a New Zealand-owned company and the country's only NZX-listed waste solutions and industrial services provider, supporting households, businesses, and local authorities with waste management services nationwide.

We provide practical waste and industrial services to communities across New Zealand.

From everyday collections to specialised waste handling, our team delivers services that are safe, dependable and environmentally responsible.

More than 45% of our revenue comes from long-term contracts across local government, healthcare, infrastructure, and commercial sectors. This mix of customers, contracts and regions provides the business with a more stable revenue base.

Chair & Interim Chief Executive's report

> "This year was about improving how we operate. **Health & Safety has been our biggest priority.** We committed NZ$1.75 million to a full reset of how we manage safety across the business. We rebuilt parts of the leadership team and are introducing better systems and controls. **This work is ongoing.**"

The deaths of our colleagues Lynda Kelly in Te Anau in 2025 and Paul Cruse in Cardrona in early 2026 have had a profound impact on our company. Our thoughts remain with their families, friends and workmates, and we continue to support all those affected across our business.

WorkSafe has laid a charge against the company under the Health & Safety at Work Act 2015 in relation to the Te Anau fatality. As the matter is before the Court, we are unable to comment further on the devastating incident or the subsequent legal proceedings.

The Cardrona road accident remains under police investigation and WasteCo continues to fully cooperate with the authorities. Until that investigation is complete, again, we are unable to make any further comment regarding this tragic incident.

The 2026 financial year was a disappointing year for WasteCo, both operationally and financially.

Over the past decade, WasteCo expanded quickly through acquisitions and listing on the NZX in 2022. As the business grew across new regions, operations became increasingly complex and performance inconsistent.

A major focus this year has been simplifying the business, strengthening leadership, increasing accountability and putting more effective Health & Safety and operational processes in place.

Financially, FY26 was a disappointing result

Revenue increased to NZ$70.2 million from NZ$56.4 million in FY25, and Operating EBITDA increased to NZ$5.85 million from NZ$4.64 million. Despite that revenue growth, the company recorded a disappointing net loss of NZ$12.35 million, compared with a loss of NZ$9.9 million the previous year.

In simple terms, the business was bringing in more revenue, but it was costing too much to run.

A large portion of the revenue growth has come through acquisitions rather than stronger performance from the core business. At the same time, WasteCo was carrying high debt levels and operating a larger national business without the systems and structure needed to run it efficiently. We had high financing costs, low asset utilisation, rising fleet and operating costs, duplicated overheads and incurred significant restructuring costs as we worked to improve the business.

Improvements included investing heavily in resetting our Health & Safety systems, strengthening leadership and investing in improving information processes in order to get better day-to-day oversight of the business. These changes were necessary, but they came at a significant financial cost on top of an underperforming core business.

Improving safety across the business was, and remains, a major focus

Over the past year we have focused on improving the way the business operates, with particular attention on managing critical risks and creating more consistency across the company. Experienced Health & Safety leadership has been added, and there is a greater emphasis on accountability and capability at the frontline.

Training and competency programmes for operational leaders have expanded, because leadership plays a critical role in setting standards and improving safety on the ground. A digital training platform has been introduced, allowing our people to access training at a time and place that suits them. This gives staff easier access to training regardless of where they are based and creates a more consistent approach across the company.

Board members and senior leaders continue to spend time out in the field, including in operational environments, with a focus on critical risks, observing how work is done and reinforcing good process, safe behaviours and accountability. Focus has remained on key risk areas, including fatigue management and driver safety. This includes a more structured, Group-wide approach to managing fatigue, supported through engagement with internationally recognised fatigue expert Professor Drew Dawson.

A Safer Driving Strategy, developed alongside transport safety specialist Jeff Fleury, has been introduced to our workforce. This combines direct driver engagement with technology that helps identify risks, improve driver behaviour and reduce incidents across the fleet.

Additional changes across the business include stronger pre-start processes, improved fleet standards, and greater driver capability and accountability. Together, these changes reflect a broader shift in how we operate. As part of this, Safety Incident Management System (SIMs) training modules are being rolled out across the Group alongside the new Health & Safety system. These AI-supported modules are designed to be practical and easy for all staff to access.

Improving our operational & financial performance

We have already made a number of hard decisions and have further plans in place to improve our performance. These include simplifying operations, exiting underperforming parts of the business, improving fleet management, reducing debt and making accountability clearer across the company.

The return on these initiatives will take time to be reflected in our financial performance, but we are confident that we will reap the rewards from those endeavours in the current financial year.

We understand shareholders are frustrated by the company's performance. Our responsibility is to keep fixing the underlying problems in the business and deliver better results over the next 12 months and subsequent financial years.

We know there is still a lot of work to do, but the Board, our executive and our entire WasteCo team are committed to delivering a stronger performance for the business for FY27 for our shareholders and stakeholders.

Roger Gower
Chair & Interim Chief Executive

Key performance issues during FY2026	Actions underway to improve performance
Business systems and operational discipline did not keep pace with the company's rapid growth through acquisitions	Simplifying the business, strengthening leadership, improving accountability and introducing better systems and processes across the Group
High debt levels remained consistent with the prior year, with approximately NZ$40 million of asset finance and convertible notes resulting in finance costs of NZ$5.5 million during FY26	Repaid NZ$7.3 million of debt principal during FY26, with further debt reduction planned during FY27
Approximately NZ$1.75 million was invested in our Health & Safety reset initiatives during the year	Implementing Health & Safety systems, driver safety programmes and operational controls across the business
Restructuring costs totalled NZ$1.35 million during FY26	Continuing restructuring and simplification initiatives expected to deliver significant annualised savings during the first half of FY 2027
Organic growth in the core business remained limited	Established a new sales team and secured new contracts
Some business units underperformed and were loss-making	Preparing to begin the $40 million Ashburton District Council solid waste contract, a nine-year agreement covering kerbside rubbish and recycling collection. This commences in October 2026
Asset utilisation and labour efficiency were below industry standards and our expectations	Exiting underperforming and loss-making operations across the Group
Vehicle operating costs were too high due to an ageing fleet inherited through acquisitions	Improving oversight, simplifying workflows and implementing national fleet management to improve utilisation and productivity
Overhead costs across some areas of the Group are too high	Bringing professional services capability in-house, including HR functions which will generate material savings across our business
Procurement processes were fragmented across the business	Continued focus on the sale of underutilised assets
Underutilised assets were impacting returns and balance sheet efficiency	Expanding the Medical & Quarantine waste business which we consider to be a division which holds significant growth potential for us
Working capital pressures limited financial flexibility	Explore the implementation of a receivables finance facility with a third party financier with a view to providing the company with improved liquidity and working capital

Highlights of our year

CONSTRUCTION & DEMOLITION WASTE FACILITY

A key focus for the year has been our partnership with Porirua City Council to establish and operate a construction and demolition (C&D) waste sorting facility in Wellington.

Once operational, the facility will be capable of processing more than 30,000 tonnes of C&D waste annually, creating a large-scale waste processing facility for the Wellington region.

The facility will provide local waste operators with an alternative to landfill disposal, supporting greater diversion of construction and demolition material from the region’s three landfills and improving recycling and waste diversion.

OPERATIONAL EFFICIENCY IMPROVEMENTS

Simplifying the business remained a key priority throughout the year as we worked to reduce complexity, lower costs and improve how the business operates day-to-day.

We introduced a centralised procurement process that streamlined purchasing activities, improved oversight and delivered greater efficiencies across the company.

Additional changes included restructuring parts of the business, reducing headcount where necessary, improving asset utilisation and maintaining disciplined cost management.

Together, these changes are expected to improve efficiency, lower costs and strengthen the business.

LEADERSHIP & ORGANISATIONAL RESET

We undertook a significant reset of our human resources structure across the business. This included adding leadership expertise and introducing new employment contracts.

These changes were needed to improve leadership, simplify decision-making and create clearer accountability across the company.

ORGANIC GROWTH & CONTRACT WINS

Our organic growth strategy continued during the year, highlighted by the successful award of the Ashburton solid waste contract, which will start in October this year, a contract opportunity we also highlighted in last year's annual report.

Progress in expanding our specialist service offerings is creating new growth opportunities and growing our presence in the market.

APPOINTMENT OF CHIEF OPERATING OFFICER

An important development during the year was the appointment of Stephen Towsen as Chief Operating Officer.

Stephen brings extensive operational leadership experience and a strong track record of delivering performance improvements. He has extensive experience in the waste industry. His leadership is already contributing positively as WasteCo works to improve consistency, expertise and performance across the business.

CROMWELL TRANSFER FACILITY

We built a new M&Q transfer facility in Cromwell to support the Queenstown International Airport contract and enable future growth across the wider Southland and Otago regions.

Competitive advantage

WasteCo's competitive strengths include:

WE DELIVER
CLEANER ENVIRONMENTS
SINCE 2013

Operations across multiple regions and service lines

Long-term contracts with councils, healthcare providers and major commercial customers

Experience in landfill diversion, waste sorting and industrial services

Specialist Medical & Quarantine waste capability

Sector performance

WasteCo is well positioned, with multiple long-term contracts across the country

The waste services sector remains stable, reflecting its role as an essential service. Communities require collection, processing and disposal regardless of economic conditions.

However, the operating environment has become more challenging in recent years. Rising costs, particularly fuel, labour and landfill levies, continue to put pressure on margins across the industry.

The Government's plan to progressively increase the national waste levy, along with stricter reporting and compliance requirements, has added further cost and complexity.

These changes are designed to reduce reliance on landfill and improve recycling and resource recovery, but they also increase costs and compliance requirements for operators.

These changes are also creating new opportunities for operators able to provide recycling, diversion and specialist waste services.

Competition in the sector is increasing, with well-capitalised international operators active in the New Zealand market alongside established domestic providers.

Scale, efficient operations and long-term contracts are becoming increasingly important, particularly with councils and large corporates.

Across the industry, operators are responding by tightening cost control, optimising networks and improving fleet and asset utilisation.

Demand across the sector is expected to remain steady because these services are essential, although regulatory pressure and rising environmental expectations will continue to reshape how operators invest and compete.

Growth will be shaped by regulatory change, population growth and rising expectations around environmental outcomes. Companies that can deliver reliable service, manage costs effectively and adapt to a more regulated environment will be best positioned to succeed.

Our operations

WasteCo has the following operations throughout New Zealand:

AUCKLAND, HAMILTON & WELLINGTON

Waste collection and industrial services to commercial, industrial and municipal clients
Via the Civic Waste acquisition in December 2024

NELSON & MARLBOROUGH

- → Sweeping
- → Industrial services

CANTERBURY

- → Road sweeping
- → Bins & loose litter
- → Wheelie bins
- → Front load bins
- → Ship cleaning
- → Steam & water-blasting
- → Hydrovac
- → Dust-free sweeping & scrubbing
- → Sump cleaning
- → Waste auditing & minimisation planning
- → Ultra high-pressure industrial blasting
- → 24/7 Urgent spill response
- → Construction & demolition waste processing
- → Grease trap cleaning
- → Septic tank cleaning
- → Skip hire
- → Medical & quarantine waste
- → Portaloo hire
- → Hook bins

SOUTH CANTERBURY

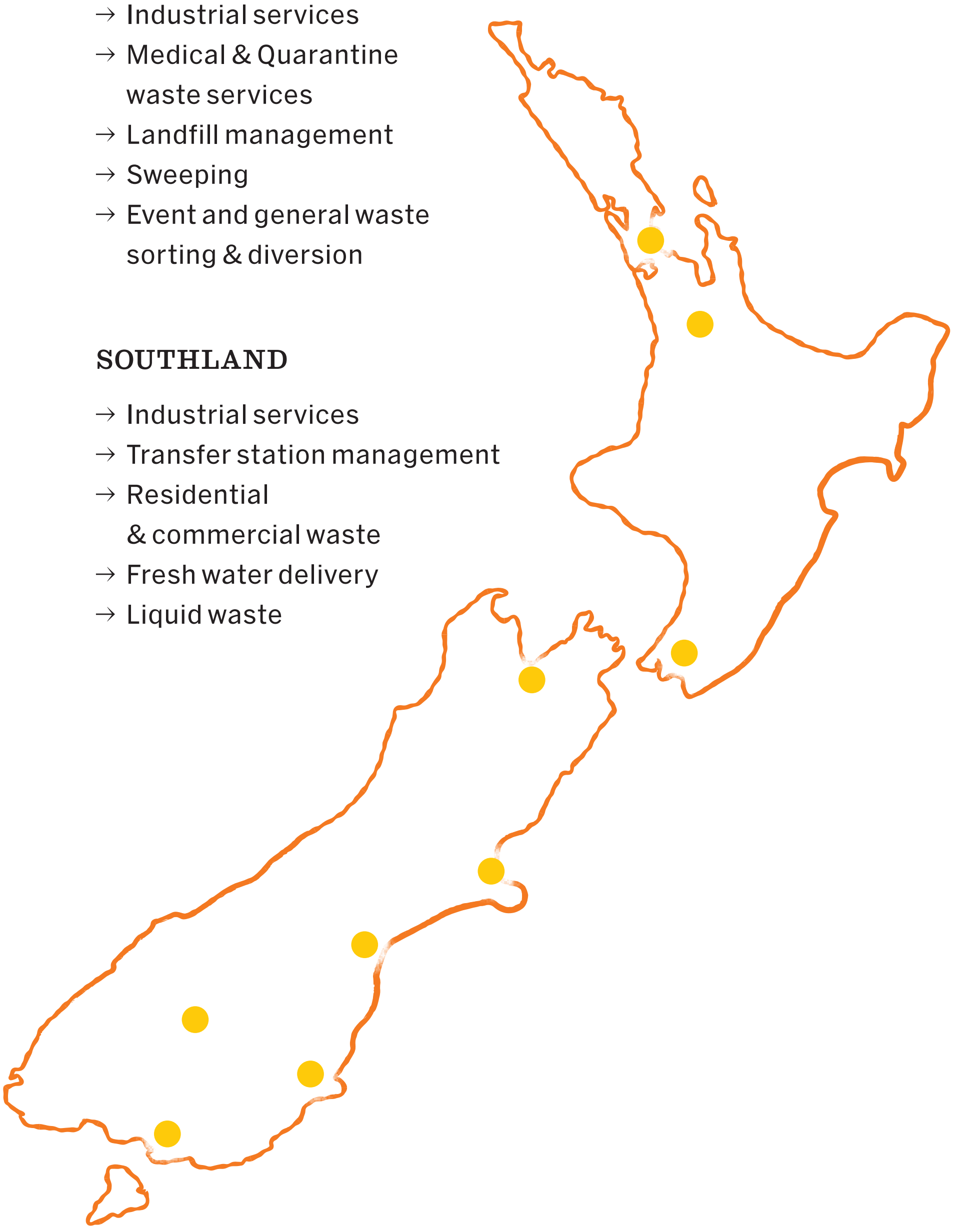
- → Waste collection
- → Bin & skip rentals
- → Industrial services
- → Ship hold cleaning specialists

OTAGO

- → Waste collection
- → Bin & skip rentals
- → Industrial services
- → Medical & Quarantine waste services
- → Landfill management
- → Sweeping
- → Event and general waste sorting & diversion

SOUTHLAND

- → Industrial services
- → Transfer station management
- → Residential & commercial waste
- → Fresh water delivery
- → Liquid waste



Growth strategy

CONTINUE OUR ORGANIC GROWTH IN SOLID WASTE

- ↗ Grow the Medical & Quarantine (M&Q) waste business—WasteCo is one of only two operators of M&Q processing facilities in NZ.
- ↗ Take advantage of the economic recovery and increased waste volumes.
- ↗ Continue to grow a strong pipeline of waste contracting opportunities.
- ↗ Capture the significant opportunity to obtain additional market share in industrial services across the rural sector.
- ↗ With the Civic Waste acquisition, we can now offer a nationwide service and respond to national tenders for waste services.
- ↗ Drive sustainable revenue growth by securing new waste management tenders and proactively renewing existing service contracts to strengthen market position and long-term customer retention.

FURTHER INVESTMENT IN PLANT & INFRASTRUCTURE

- ↗ Continue investment in waste diversion infrastructure and processing capability that supports growth, improves resource recovery and helps secure new commercial and municipal contracts.
- ↗ This includes the opening of a new Construction & Demolition (C&D) waste sorting facility in Porirua and strengthening service capacity across the greater Wellington region.
- ↗ Look to invest in new waste technology solutions.

TARGETED & DISCIPLINED ACQUISITION STRATEGY

- ↗ The fragmented industry presents a significant number of consolidation opportunities.
- ↗ Value arbitrage between private transaction multiples and listed multiples supported by strong infrastructure investor sector interest due to defensive earnings.
- ↗ We have identified a number of strategic acquisition targets across solid waste services.
- ↗ WasteCo has made good progress integrating acquisitions, including financial systems.
- ↗ We have established acquisition criteria with the expectation that acquisitions will deliver significant synergies.
- ↗ There are accretive earnings through the opportunities afforded by 'cross-selling' WasteCo's services to new client bases acquired through acquisitions.

GEOGRAPHIC EXPANSION

- ↗ Our immediate focus is improving operational performance and strengthening market position in the South Island.
- ↗ Longer term, we see growth opportunities in the North Island through the Civic Waste business, both organically and through selective acquisitions.

Making waste work for communities

We continue to support communities across New Zealand through local events, environmental initiatives and partnerships.

During the year we supported two major Christchurch community events, helping reduce landfill waste through sorting and diversion initiatives.

At **Christmas In The Park**, where more than 20,000 people attended the annual event, our staff were on site helping sort waste and support recycling efforts throughout the evening.

Our team hand-sorted waste to maximise recovery and diversion at Christchurch's Christmas In The Park, helping achieve a 72% diversion rate from landfill ▶

We also supported **Electric Avenue**, attended by more than 70,000 people across two days, by providing bins across the site to help keep the event clean and encourage effective waste management.

Our Auckland Graffiti team was recently called out to remove graffiti in the rail corridor. With quick response times and specialist surface care, the area was restored quickly and safely.

Civic Waste supported the **Manurewa Marlins** during the year, backing a club that shares our focus on community pride and keeping local spaces clean and tidy.

Environmental responsibility remains an important focus for us

We continued our work with **Antarctica New Zealand**, managing frozen waste generated on the ice and helping protect one of the world's most fragile environments.

This work includes sterilising food waste and handling treated human waste for deep burial in approved areas.

We also sponsored the conference app at the **2026 WasteMINZ Conference**, reflecting our ongoing commitment to landfill diversion and cleaner environments.

WasteCo Board of Directors

Roger Gower

Chair

Roger is an experienced executive and director with a long background in transport, logistics and infrastructure businesses.

He played a key role in the NASDAQ listing of a New Zealand transport company and has extensive experience in corporate finance, governance and capital raising.

Roger became Chair of WasteCo in December 2024. He is also Chair of PrimePort Timaru and New Zealand Food Innovation Auckland (The FoodBowl), and a director of several listed and private companies.

Earlier in his career, Roger was Chair of Charlie's Group following its NZX listing in 2005. He later became involved with WasteCo through Goodwood Capital and remained involved following the company's reverse listing in 2022.

Roger holds a Bachelor of Commerce from the University of Auckland, an MBA from Massey University and a Master of Philosophy from Cambridge University.

Roger was appointed to the Board on 19 October 2020 and Chair on 19 December 2024.

Neil McAra

Independent Director

Neil brings extensive governance, financial and commercial experience developed over more than 30 years in advisory and business leadership roles.

He is a Chartered Accountant with strong experience in financing, acquisitions, governance and business structuring, and has held a range of governance positions across New Zealand businesses and organisations.

Neil was appointed to the Board on 1 March 2026.

Sean Joyce

Non-Independent Director

Sean has more than 30 years' experience as a corporate lawyer and capital markets adviser.

His background includes securities law, NZX regulation, public listings, takeovers, fundraising and corporate governance.

Sean is a Chartered Member of the Institute of Directors and holds Bachelor of Arts and Bachelor of Laws (Hons) degrees from the University of Auckland.

He is also a director of several listed and significant private companies.

Sean was appointed to the Board on 19 December 2024.

Simon Herbert

Non-Independent Director

Simon has more than 25 years' experience in business and property investment, alongside an earlier legal career with major New Zealand law firms.

As principal of Empire Capital, he has led investments and growth projects across the marine, property, technology and infrastructure sectors.

His commercial experience includes acquisitions, development projects and long-term investment management across a range of industries.

Simon was appointed to the Board on 19 December 2024.

James Redmayne

Non-Independent Director

Resigned from the Board in May 2026

James is one of WasteCo's founders.

Before establishing WasteCo with Carl Storm, he worked in cost and management accounting roles across banking, foreign exchange, broadcasting, manufacturing and pharmaceutical businesses.

Sara Lunam

Independent Director

Sara brings more than 30 years of governance and executive leadership experience across New Zealand and Australia.

Her background includes senior leadership roles in transport, logistics, agriculture and energy businesses, including Port of Tauranga. She is the former Chair of the Waipuna Hospice Foundation.

Sara has also held governance roles with New Zealand Post, Genesis Energy, New Zealand Merino and The Employers & Manufacturers Association.

Sara was appointed to the Board on 1 July 2025.

Rodney Malam

Non-Independent Director

Resigned from the Board in May 2026

Rodney is a Chartered Accountant with more than 30 years' commercial and financial management experience.

His background includes senior finance roles across manufacturing, printing, hospitality and private investment businesses, including CFO roles within the Empire Capital Group.

He brought strong commercial, financial and governance experience to the WasteCo Board.

Corporate Governance Statement

for the year ended 31 March 2026

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, related policies 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 2026. 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. Training is provided on the Code of Ethics on a regular basis.

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 pages 18–21 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)	Non-Independent Director
Neil McAra	Independent Director
Sara Lunam	Independent Director
Sean Joyce	Non-Independent Director
Simon Herbert	Non-Independent Director

Rodney Malam was also appointed as a Non-Independent Alternate Director in December 2024. He was an alternate for Sean Joyce and Simon Herbert and was authorised to act in their place if his appointer was absent. Rodney Malam resigned from the Board on 1 May 2026.

As outlined above, **Neil McAra** and **Sara Lunam** are considered independent directors by the Board, in accordance with the NZX Listing Rules, as of 31 March 2026

This determination is based on the fact that **Mr. McAra** and **Ms. Lunam** 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. McAra**, or **Ms. Lunam**.

The following individuals are considered Non-Independent Directors:

- **Roger Gower—**has a disqualifying relationship as he is the Chair of the Board and is the interim Chief Executive Officer.

- **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.

Note that while Sean Joyce is appointed to the Board in his capacity as a representative of Substantial Product Holder, Empire Waste Technology Limited, he does 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.

Resignations and role changes

- **Shane Edmond** resigned from the Board on **28 February 2026**.

- **Rodney Malam** resigned from the Board on **1 May 2026**.

- **James Redmayne** resigned from the Board on **25 May 2026**.

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 & Safety, finance, market information, strategy and other operational matters.

The following table shows director attendance at Board meetings and Board committee meetings for the FY26 financial year:

Board member	Board Meetings attended	Audit, Finance & Risk Committee	Remuneration, Nomination and Health & Safety Committee
Roger Gower	10	3	1
Shane Edmond Resigned on 28 February 2026	7	3	1
James Redmayne Resigned on 25 May 2026	10	3	–
Simon Herbert	9	–	–
Sean Joyce	10	–	–
Sara Lunam	6	–	–
Neil McAra	1	–	–

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 & Risk Committee and a Remuneration, Nomination and Health & Safety Committee.

Audit, Finance & Risk Committee

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

The current members of the Audit, Finance & Risk Committee are **Neil McAra** (Chair), **Roger Gower** and **Sara Lunam**. Neil McAra is an independent chair of the Audit, Finance & Risk Committee and is not Chair of the Board. Employees only attend the Audit, Finance & Risk Committee meetings at the invitation of the committee.

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

Remuneration, Nomination and Health & Safety Committee

The Remuneration, Nomination 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 & 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, Nomination and Health & Safety Committee are **Sara Lunam** and **Sean Joyce**, of which one is an independent director. Management only attends Remuneration, Nomination and Health & Safety Committee meetings at the invitation of the committee. The remuneration paid to the directors during the financial year ended 31 March 2026 is set out on page 106 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 FY26 is disclosed on page 106 of this Annual Report. The remuneration arrangements for the CEO are disclosed on page 107 of this Annual Report. This includes a base salary and a short term incentive but no long term incentives.

The Remuneration, Nomination and Health & Safety 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 Securities 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 & 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 & Safety management. The Group has a Health & 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 2026, the gender balance of the Company's directors (excluding alternates) and officers were as follows:

	2026		2025	
	FEMALE	MALE	FEMALE	MALE
Directors	1	5	–	5
Officers (excluding directors)	–	2	–	2
Total	**1**	**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 & 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 2026, the Group implemented a number of risk management initiatives. Health & Safety continues to be a key area of focus, and an external review was completed on Human Resources.

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 & Risk Committee. The External Audit Policy covers:

- communication between the Audit, Finance & 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 & 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.

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 March 2026)

During the year ended 31 March 2026, the Company has followed the NZX Code (31 March 2026) 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 (who has since resigned on 25 May 2026), Sean Joyce, Simon Herbert and Rodney Malam (alternate for Sean Joyce and Simon Herbert, who has since resigned on 1 May 2026) are not classified as independent directors due to their status as either Substantial Product Holder(s) 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.

Reference	Recommendation	Alternative Governance Practice & Reason for the Practice
Recommendation 2.9	An issuer should have an independent Chair of the Board	David Peterson resigned as CEO effective at the end of June 2025. The Board has commenced a formal search for a new CEO. In the interim, Chair Roger Gower has assumed the role of Interim CEO to ensure a smooth leadership transition and to continue oversight of the company's safety and operational reset are underway. The Board considers these arrangements appropriate in the circumstances.
Recommendation 2.10	The Chair and the CEO should be different people	
Recommendation 3.3	At least a majority of the remuneration committee should be Independent Directors	The committee currently comprises one Independent Director and one Non-Executive Director. The Board considers this appropriate for WasteCo.
Recommendation 3.1	An audit committee should only comprise Non-Executive Directors	The committee currently includes Chair and Interim CEO Roger Gower.
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.

Reference	Recommendation	Alternative Governance Practice & Reason for the Practice
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—FY26** Throughout **FY26**, 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. → **Human Resources:** New employment contracts were rolled out across the business to ensure we are up to date with all current legislation. 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 2026

	Note	2026 NZ$000	2025 NZ$000
Revenue	5	**70,217**	**56,409**
Other income	6	155	321
Expenses			
Labour related expenses	7.1	(31,635)	(24,598)
Collection, recycling and waste disposal expenses		(13,978)	(10,798)
Fleet operating expenses		(10,462)	(9,988)
Depreciation and amortisation expenses	7	(9,749)	(8,169)
Property expenses		(1,630)	(1,012)
Other expenses		(6,807)	(5,680)
Loss from operations		**(3,889)**	**(3,515)**
Finance costs	7.2	(5,456)	(5,114)
Health & Safety reset project costs		(1,750)	–
Restructuring costs	7.3	(1,345)	(1,755)
Acquisition costs	7.4	(27)	(605)
Loss before income tax		**(12,467)**	**(10,989)**
Income tax benefit	9	113	1,135
Loss for the year		**(12,354)**	**(9,854)**
Other comprehensive income			
Other comprehensive income for the year		–	–
Total comprehensive loss for the year		**(12,354)**	**(9,854)**
Loss per share			
Basic and diluted loss per share (NZ$)	10	(0.011)	(0.011)

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 2026

	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 31 March 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	—	—	4,270
Less: transaction costs allocated to the equity component of convertible notes	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 2025		**24,633**	**4,465**	**411**	**(14,211)**	**15,298**
Loss for the year		—	—	—	(12,354)	(12,354)
Other comprehensive income net of income tax		—	—	—	—	—
Total comprehensive loss		**—**	**—**	**—**	**(12,354)**	**(12,354)**
Transaction with owners in their capacity as owners						
Equity component recognised in convertible notes reserve	18.4	—	210	—	—	210
Less: transaction costs allocated to the equity component of convertible notes	18.4	—	(29)	—	—	(29)
Share options issued	20, 21	—	—	76	—	76
Share options forfeited	20, 21	—	—	(164)	164	—
Balance at 31 March 2026		**24,633**	**4,646**	**323**	**(26,401)**	**3,201**

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 2026

	Note	2026 NZ$000	2025 NZ$000
ASSETS			
Current assets			
Cash at bank	24.1	1,159	5,854
Trade receivables and other current assets	11	8,606	8,678
Inventories	12	179	72
		9,944	**14,604**
Assets classified as held for sale	13	650	199
Total current assets		**10,594**	**14,803**
Non-current assets			
Property, plant and equipment	14	36,411	41,394
Right-of-use assets	15.1	16,275	14,620
Intangible assets	16	7,402	9,319
Total non-current assets		**60,088**	**65,333**
Total assets		**70,682**	**80,136**

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

	Note	2026 NZ$000	2025 NZ$000
LIABILITIES			
Current liabilities			
Trade payable and other current liabilities	17	9,379	7,766
Lease liabilities	15.2	3,246	2,276
Borrowings	18	26,664	8,652
Income tax payable		18	142
Total current liabilities		**39,307**	**18,836**
Non-current liabilities			
Lease liabilities	15.2	14,742	13,704
Borrowings	18	13,432	32,298
Total non-current liabilities		**28,174**	**46,002**
Total liabilities		**67,481**	**64,838**
Net assets		**3,201**	**15,298**
EQUITY			
Share capital	19	24,633	24,633
Convertible notes reserve	18.4	4,646	4,465
Share based payments reserve	20	323	411
Retained earnings		(26,401)	(14,211)
Total equity		**3,201**	**15,298**

These consolidated financial statements were approved by the Board on 28 May 2026.
Signed on behalf of the Board by:

Roger Gower
Director

Neil McAra
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 2026

	Note	2026 NZ$000	2025 NZ$000
Cash flows from operating activities			
Receipts from customers		70,831	57,879
Government grants received		2	2
Payments to suppliers and employees		(65,272)	(53,447)
Interest received		9	14
Income tax (paid)/refunded		(13)	21
Net cash from operating activities	24.2	**5,557**	**4,469**
Cash flows from investing activities			
Payments for property, plant and equipment	14	(1,809)	(1,038)
Receipts from sale of property, plant and equipment		1,118	531
Receipts from sale of assets held for sale	13	199	–
Payments for intangible assets	16	(69)	(12)
Payment of deferred settlement	17	(500)	–
Acquisition of business	26	–	(5,581)
Acquisition costs	7.4	(27)	(393)
Contribution to acquisition expenses		–	75
Net cash used in investing activities		**(1,088)**	**(6,418)**

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

	Note	2026 NZ$000	2025 NZ$000
Cash flows from financing activities			
Proceeds from issue of share capital	19	–	5,000
Payments for share issue costs	19	–	(298)
Proceeds from borrowings	24.3	2,614	32,132
Principal repayment of borrowings	24.3	(7,306)	(36,488)
Interest paid on borrowings	24.3	(1,938)	(3,160)
Proceeds from convertible notes	18.4	1,000	15,000
Repayment of convertible notes	18.4	(2,000)	–
Payments for convertible note issue costs	18.4	(75)	(510)
Interest paid on convertible notes	18.4	(1,150)	(547)
Principal repayment of lease liabilities	24.3	(3,090)	(1,700)
Interest paid on lease liabilities	24.3	(1,334)	(1,037)
Other interest paid		(7)	–
Net cash (used in)/from financing activities		**(13,286)**	**8,392**
Net (decrease)/increase in cash and cash equivalents		**(8,817)**	**6,443**
Cash and cash equivalents at the beginning of the year		5,854	(589)
Cash and cash equivalents at the end of the year	24.1	**(2,963)**	**5,854**

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 2026

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 IFRS Accounting Standards (**'IFRS'**), the 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, portaloo 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 portaloos, 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	Amortisation rates	Amortisation basis
Customer contracts	23.5% – 26.7%	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 leases 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 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 at least 12 months from the date of signing the financial statements.

The Group incurred an after-tax loss of $12.4 million in the year to 31 March 2026 (2025: $9.9 million loss).

At the reporting date the Group had cash of $1.2 million (2025: $5.9 million), negative working capital of $28.7 million (2025: $4.0 million negative) and net assets of $3.2 million (2025: $15.3 million).

As at 31 March 2026, the Group had borrowings of $40.1 million (2025: $41.0 million) of which $26.7 million were current (2025: $8.7 million) and $13.4 million were non-current (2025: $32.3 million). Prior to the reporting date the Group identified it was likely to breach its equity and leverage ratio covenants in its bank facilities with Kiwibank as at 31 March 2026 (note 18.3). Accordingly, the Group sought a waiver from Kiwibank and received a conditional waiver on 31 March 2026. The Group considered the waiver conditions were manageable, and the conditions of the waiver were satisfied shortly after the reporting date. Because the waiver was conditional at the reporting date the borrowings from Kiwibank are disclosed as current in the Statement of Financial Position. Kiwibank's subsequent confirmation of the waiver confirmed the original term of the borrowings.

The Group continues to generate positive operating cashflows. For the twelve months ended 31 March 2026, net cashflows from operating activities were $5.6 million (2025: $4.5 million).

At 31 March 2026 the Group had $3.6 million of unused facility on its Kiwibank asset finance facility and a $5 million overdraft facility of which $4.1 million had been utilised. The overdraft facility is to reduce to $3 million by 27 June 2026.

As disclosed in note 29.2, on 20 May 2026 the Board approved a receivables backed financing facility with Pacific Finance Limited. This new facility is subject to the execution of facility documents which are expected to be finalised in early June.

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.

Notwithstanding the ongoing performance of the business, the Board has, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources and commitment from its borrowers, that will enable it to meet its financial obligations for at least 12 months from the date of signing the financial statements.

The Directors have formed this expectation having regards to the Group's current liquidity position; forecast cash flows for the assessment period which includes management's plans to remove some cost from the business over the coming period; the maturity profile of debt and lease obligations and compliance with lender covenants; sensitivity analysis and downside scenarios; and actions available to preserve liquidity should conditions deteriorate. The going concern basis is dependent on the achievement and timing of forecasted cash flows and continued support being received from the banking provider over the period of 12 months from the date of signing the consolidated financial statements as detailed below.

The Directors acknowledge there are material uncertainties that may cast doubt on the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Key uncertainties are:

- the inherent uncertainties in forward-looking assumptions which can be different, sometimes materially, to actual results;
- the requirement for Kiwibank to waive compliance with current covenants or agree to alter covenants in line with the Group's financial forecasts for the period of at least 12 months from the date of signing these consolidated financial statements (which are being renegotiated at the date of signing - refer note 18.3 for further details);
- the requirement for the $15.4 million Kiwibank debt facility that is currently due to mature 30 May 2027, to be rolled over or refinanced; and
- the formal execution of the $10 million receivables backed financing facility with Pacific Finance Limited, which has been provisionally approved at 20 May 2026.

4.2 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).

4.3 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.

4.4 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 (note 9).

4.5 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.

5 Revenue

	2026 NZ$000	2025 NZ$000
Revenue from waste collection and recycling	35,312	32,039
Revenue from sweeping services	23,146	13,299
Revenue from industrial cleaning services	11,759	11,071
	70,217	**56,409**

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

	2026 NZ$000	2025 NZ$000
Insurance claims	92	169
Other income	63	152
	155	**321**

7 Expenses

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

	Note	2026 NZ$000	2025 NZ$000
Expenses relating to short-term leases		(421)	(268)
Net foreign currency losses		(11)	(8)
Depreciation and amortisation expenses			
Depreciation of property, plant and equipment	14	(4,723)	(4,423)
Depreciation of right of use assets	15.1	(3,040)	(2,019)
Amortisation of intangible assets	16	(1,986)	(1,727)
		(9,749)	**(8,169)**
Fees incurred for services provided by the auditor			
Audit of financial statements			
Audit of the financial statements		(215)	(207)
Other services			
Acquisition due diligence services		–	(62)
Total other services		–	**(62)**
Total fees incurred for services provided by the auditor		**(215)**	**(269)**

7.1 Labour related expenses

	Note	2026 NZ$000	2025 NZ$000
Salary and wages		(29,935)	(23,725)
Temporary staff costs		(870)	(306)
Employer Kiwisaver contributions		(778)	(639)
Share based payments	20	(52)	72
		(31,635)	**(24,598)**

7.2 Finance costs

	2026 NZ$000	2025 NZ$000
Interest on asset finance borrowings	(1,755)	(2,497)
Interest on lease liabilities	(1,334)	(1,037)
Interest on convertible notes	(1,960)	(917)
Interest on bank overdraft	(188)	(161)
Other interest	(136)	–
Bank fees	(83)	(69)
Brokerage fees	–	(432)
Use of money interest	–	(1)
	(5,456)	**(5,114)**

7.3 Restructuring costs

	Note	2026 NZ$000	2025 NZ$000
Restructuring costs		(651)	(755)
Write down of assets held for sale	13	(31)	(66)
Loss on disposal of assets		(663)	(556)
Impairment of property plant & equipment	14	–	(378)
		(1,345)	**(1,755)**

7.4 Acquisition costs

	Note	2026 NZ$000	2025 NZ$000
Acquisition costs		(27)	(393)
Impairment of intangible assets	16	–	(212)
		(27)	**(605)**

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.

2026	Waste collection & recycling NZ$000	Sweeping services NZ$000	Industrial cleaning NZ$000	Corporate /unallocated NZ$000	Total NZ$000
Total revenue	**35,312**	**23,146**	**11,759**	–	**70,217**
Operating EBITDA	3,285	10,521	3,971	(11,926)	5,851
Finance income	–	–	–	9	9
Finance costs	(268)	(68)	(261)	(4,859)	(5,456)
Depreciation & amortisation	(2,203)	(626)	(1,281)	(5,639)	(9,749)
Health & Safety reset project costs	(272)	–	–	(1,478)	(1,750)
Restructuring costs	(463)	(7)	(244)	(631)	(1,345)
Acquisition expenses	–	–	–	(27)	(27)
Net profit/(loss) before taxation	**79**	**9,820**	**2,185**	**(24,551)**	**(12,467)**
Income tax benefit	–	–	–	113	113
Net profit/(loss) for the year	**79**	**9,820**	**2,185**	**(24,438)**	**(12,354)**

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)**

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 2026 there were two customers who individually accounted for more than 10% of the Group's total sales. Sales to these customers were $9.1 million and $7.8 million (31 March 2025: two customers with sales of $8.6 million and $5.8 million). These customers purchased sweeping, industrial cleaning & waste services.

9 Taxation

9.1 Income tax benefit

The analysis of income tax expense is as follows:

	2026 NZ$000	2025 NZ$000
Current tax		
Current year	–	–
Adjustments in respect of prior years	(113)	–
	(113)	–
Deferred tax	–	(1,135)
Total income tax benefit recognised in the current year	**(113)**	**(1,135)**

9.2 Reconciliation of income tax benefit

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

	2026 NZ$000	2025 NZ$000
Loss before income tax	**(12,467)**	**(10,989)**
Prima facie tax at 28% (2025: 28%)	(3,491)	(3,077)
Non-deductible expenses	61	469
Tax losses not recognised	3,317	1,473
Income tax benefit	**(113)**	**(1,135)**

9.3 Deferred tax

2026	Opening balance NZ$000	Recognised in loss NZ$000	Closing balance NZ$000
Deferred tax assets(liabilities) in relation to:			
Provisions and accruals	545	19	564
Customer contracts asset	(1,555)	543	(1,012)
Property, plant & equipment	(4,168)	(349)	(4,517)
Leases	381	99	480
Tax losses offset against deferred tax liability	4,797	(312)	4,485
	–	–	–

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 and accruals	421	(64)	188	545
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)**	–

9.4 Tax losses

	2026 NZ$000	2025 NZ$000
Tax losses for which no deferred tax asset has been recognised	24,765	12,918
Potential tax benefit @ 28%	**6,934**	**3,617**

The Group did not recognise deferred income tax assets in relation to the losses disclosed above except to the extent they offset the deferred tax liability. The losses can be carried forward against future income subject to meeting the requirements of income tax legislation including those relating to shareholder continuity and business continuity (note 4.4).

9.5 Imputation credits

	2026 NZ$000	2025 NZ$000
Imputation credits available for use in subsequent periods	152	153

10 Earnings/(loss) per share

	2026 NZ$	2025 NZ$
Basic and diluted (loss) per share	(0.011)	(0.011)

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

	2026	2025
Loss from continuing operations, NZ$000	(12,354)	(9,854)
Weighted average number of ordinary shares used in the calculation of basic and diluted loss per share, '000	1,098,373	913,172

The 24.4 million share options on issue (refer note 21) and the $17 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 (2025: 29.6 million share options and $18 million convertible notes on issue were not considered to be dilutive).

11 Trade receivables and other current assets

	2026 NZ$000	2025 NZ$000
Trade receivables from contracts with customers	7,196	7,719
Other receivables	78	22
Prepayments	1,332	937
	8,606	**8,678**

The standard credit terms on sales are 20th of the following month. 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

	2026 NZ$000	2025 NZ$000
Reconciliation for allowance for expected credit losses		
Balance at the beginning of the year	68	62
Impairment losses recognised on receivables	179	67
Amounts written off as uncollectable	(54)	(61)
Balance at the end of the year	**193**	**68**

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:

2026	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	6,980	116	91	202	7,389
Loss allowance	–	–	(5)	(188)	(193)
					7,196

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

12 Inventories

	2026 NZ$000	2025 NZ$000
Finished goods	179	72
	179	**72**

No inventory was expensed in the net loss for the year (2025: $200,467).

13 Assets held for sale

	2026 NZ$000	2025 NZ$000
Property, plant & equipment	650	199
Total assets held for sale	**650**	**199**

	Note	2026 NZ$000	2025 NZ$000
Balance at 1 April		**199**	—
Reclassified from property, plant & equipment:	14		
— cost		938	294
— accumulated depreciation		(257)	(29)
Write down of assets held for sale		(31)	(66)
Sale of assets		(199)	—
Balance at 31 March		**650**	**199**

Assets held for sale at 31 March 2026 consist of equipment and vehicles which have been identified as non-core to requirements. These assets have been provided to an agent to arrange their sale.

All items have been held for sale for less than 12 months.

The assets held for sale at 31 March 2025 relate to a mowing business that was acquired as part of the acquisition of the Cleanways in the 2024 financial year. The Group decided to sell this mowing business as it is not part of the Group's core strategy. The business was sold on 3 June 2025. This business was part of the Industrial cleaning segment.

The assets held for sale have been written down to their recoverable value.

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 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 26)	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**
Additions	623	470	149	54	513	1,809
Transfers	–	20	–	–	(20)	–
Reclassified to assets held for sale (Note 13)	–	(938)	–	–	–	(938)
Disposals	(538)	(1,534)	(93)	(5)	–	(2,170)
At 31 March 2026	**20,635**	**33,397**	**821**	**629**	**577**	**56,059**

	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 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	(377)	—	—	—	—	(377)
At 31 March 2025	**(7,303)**	**(8,011)**	**(523)**	**(126)**	—	**(15,963)**
Depreciation expense	(1,907)	(2,602)	(163)	(51)	—	(4,723)
Reclassified to assets held for sale (Note 13)	—	257	—	—	—	257
Disposals	297	413	70	1	—	781
Impairments	—	—	—	—	—	—
At 31 March 2026	**(8,913)**	**(9,943)**	**(616)**	**(176)**	—	**(19,648)**
Carrying amount						
At 31 March 2026	**11,722**	**23,454**	**205**	**453**	**577**	**36,411**
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

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 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 26)	–	3,192	1,559	4,751
At 31 March 2025	**200**	**7,299**	**11,521**	**19,020**
Additions	96	2,400	2,503	4,999
Lease modifications	3	–	96	99
Disposals	–	(586)	–	(586)
At 31 March 2026	**299**	**9,113**	**14,120**	**23,532**
Accumulated depreciation				
At 31 March 2024	–	**(707)**	**(2,291)**	**(2,998)**
Depreciation expense	(30)	(1,009)	(980)	(2,019)
Lease modifications	–	617	–	617
At 31 March 2025	**(30)**	**(1,099)**	**(3,271)**	**(4,400)**
Depreciation expense	(83)	(1,585)	(1,372)	(3,040)
Lease modifications	–	(13)	3	(10)
Disposals	–	193	–	193
At 31 March 2026	**(113)**	**(2,504)**	**(4,640)**	**(7,257)**

	Equipment NZ$000	Vehicles NZ$000	Premises NZ$000	Total NZ$000
Carrying amount				
At 31 March 2026	**186**	**6,609**	**9,480**	**16,275**
At 31 March 2025	170	6,200	8,250	14,620
At 31 March 2024	—	2,997	7,548	10,545

The average lease term is 6.58 years (2025: 8.06 years). The average IBR rate is 7.72% (2025: 8.07%).

15.2 Lease liabilities

	2026 NZ$000	2025 NZ$000
Maturity analysis—contractual undiscounted cash flows		
Up to one year	4,505	3,479
One to two years	4,500	3,354
Two to five years	8,983	8,569
More than five years	4,447	5,228
Total undiscounted lease liabilities at reporting date	**22,435**	**20,630**
Less: future finance charges	(4,447)	(4,650)
Total discounted lease liabilities at reporting date	**17,988**	**15,980**

Lease liabilities included in the Consolidated Statement of Financial Position at reporting date		
Current	3,246	2,276
Non-current	14,742	13,704
	17,988	**15,980**

16 Intangible assets

	Goodwill NZ$000	Customer contracts NZ$000	Brand names NZ$000	Computer software NZ$000	Total NZ$000
Cost					
At 31 March 2024	**1,413**	**5,435**	—	**131**	**6,979**
Additions	—	—	—	12	12
Business acquisition (Note 26)	2,293	2,554	212	47	5,106
Disposals	—	—	—	(112)	(112)
At 31 March 2025	**3,706**	**7,989**	**212**	**78**	**11,985**
Additions	—	—	—	69	69
At 31 March 2026	**3,706**	**7,989**	**212**	**147**	**12,054**
Accumulated amortisation/impairment					
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)**
Amortisation expense	—	(1,940)	—	(46)	(1,986)
Impairment expense	—	—	—	—	—
At 31 March 2026	—	**(4,376)**	**(212)**	**(64)**	**(4,652)**

	Goodwill NZ$000	Customer contracts NZ$000	Brand names NZ$000	Computer software NZ$000	Total NZ$000
Carrying amount					
At 31 March 2026	**3,706**	**3,613**	–	**83**	**7,402**
At 31 March 2025	3,706	5,553	–	60	9,319
At 31 March 2024	1,413	4,710	–	40	6,163

In 2025 the brand names acquired on the acquisition of Civic Waste Limited were fully impaired as the Group had decided to not continue with the 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:

	2026 NZ$000	2025 NZ$000
Industrial services	1,550	1,550
Waste collection	1,330	1,330
Sweeping	826	826
Balance at reporting date	**3,706**	**3,706**

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 2027 budget and financial projections covering a five-year period (2025: five-year period). The calculation used a weighted average cost of capital rate of 9.5% per annum (2025: 9.5% per annum). The weighted average cost of capital is calculated using the Group's cost of debt, equity market return expectations and targeted leverage levels based on comparable company analysis. 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 of the CGU has been projected to reduce by 7.2% in 2027 with 2.5% per annum growth from 2028 onwards. Free cash flows are forecast to grow by 1% in 2027 increasing to 5% growth per annum in 2028 to 2031. After 2031 a 2.5% growth in free cash flows is forecast into perpetuity (2025: anticipated revenue growth of 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).

The calculated recoverable value of the 'Industrial services' CGU was $12.7 million. Its carrying value was $11.0 million.

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 1.8 percentage points;
- a reduction in the terminal growth rate by 2.3 percentage points; and
- a reduction in free cash flows by 27.6%.

Waste collection

The value in use calculation for the 'Waste collection' CGU used cash flow projections based on the 2027 budget and financial projections covering a five-year period (2025: five-year period). The calculation used a weighted average cost of capital rate of 9.5% per annum (2025: 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 15% in 2027 due to the Group's focus on growing the waste business. Ongoing revenue growth is forecast at 2.5% per annum. After 2027 free cash flows are forecast to steady and grow by 7% reducing to 6% per annum until 2031. After 2031 a 2.5% growth in free cash flows is forecast into perpetuity (2025: anticipated revenue growth of 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).

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 6.7 percentage points; and
- a reduction in the terminal growth rate by 9.2 percentage points.

Sweeping

The value in use calculation for the 'Sweeping' CGU used cash flow projections based on the 2027 budget and financial projections covering a five-year period (2025: five-year period). The calculation used a weighted average cost of capital rate of 9.5% per annum (2025: 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 of the CGU has been projected to grow by 10% in 2027 followed by an ongoing average 3.5% per annum growth in free cash flows until 2031. After 2031 a 2.5% growth in free cash flows is forecast into perpetuity (2025: anticipated revenue growth of 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).

Any reasonably possible change to the key inputs to the goodwill model would not lead to impairment.

17 Trade payables and other current liabilities

	2026 NZ$000	2025 NZ$000
Trade payables	5,641	3,131
Accrued expenses	2,120	2,483
Deferred settlement for acquisition of Civic	505	880
PAYE payable	658	582
GST payable	310	512
Revenue received in advance	100	127
Other payables	45	51
	9,379	**7,766**

The deferred settlement is payable to the vendors of Civic Waste Limited (**'Civic'**) which was purchased by the Group in November 2024 (note 26). The deferred settlement relates to the contingent consideration of $1 million payable to the vendors based upon Civic's actual EBITDA results during the 12 months to 30 November 2025. The $880,000 fair value of the contingent consideration recognised at 31 March 2025 was calculated based upon the expected $1 million payment discounted to present value using the Civic weighted average cost of capital of 13.6%. The Group has agreed a deferred settlement repayment plan with the vendors under which $100,000 principal is repaid monthly. An interest charge of 10% per annum is applied to the monthly outstanding balance.

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	2026 NZ$000	2025 NZ$000
Secured borrowings at amortised cost			
Bank overdraft	18.1	4,122	–
Asset finance	18.2	21,912	25,930
Convertible notes	18.4	11,231	10,581
Unsecured borrowings at amortised cost			
Convertible notes	18.4	1,815	2,839
Other loans	18.5	1,016	1,600
Total borrowings		**40,096**	**40,950**
Current		26,664	8,652
Non-current		13,432	32,298
		40,096	**40,950**

All borrowings are denominated in NZD.

18.1 Bank overdraft

	2026 NZ$000	2025 NZ$000
Balance at 1 April	–	**2,340**
Net drawdown on overdraft facility	4,122	–
Repayment of overdraft	–	(2,340)
Balance at 31 March	**4,122**	–

At 31 March 2026 the Group had a $5 million overdraft facility with Kiwibank Limited (**'Kiwibank'**) (31 March 2025: $3 million). The $5 million facility reduces to $3 million on 27 June 2026 pending a formal review of current total facilities. Interest is payable at a rate of 9.6% per annum (2025: 10.6%). The bank overdraft is secured under the General Security Agreement detailed in note 18.2.

18.2 Asset finance

	2026 NZ$000	2025 NZ$000
Balance at 1 April	25,930	28,177
Proceeds from asset finance	878	29,875
Repayment of loans	(4,896)	(32,122)
Balance at 31 March	**21,912**	**25,930**

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

The Group had the following borrowing facility with Kiwibank:

- a $5 million Kiwibank Overdraft facility to fund working capital (2025: $3 million). At the reporting date the Group had drawn down $4.1 million of the facility (2025: $nil). Interest is charged at a rate calculated as Kiwibank's Business Overdraft Base Rate less a margin of 0.75% per annum. The $5 million available facility reduces to $3 million on 27 June 2026 pending a formal review of current total facilities;

- a $10 million Kiwi Asset Finance KiwiPlus facility with $250,000 principal repayable plus interest monthly (2025: $17 million with $400,000 principle repayable monthly plus interest). The Group had borrowed $6.4 million from the facility at 31 March 2026 (2025: $10.4 million borrowed). Interest is charged at a rate calculated as Kiwibank's cost of funds plus a cost of funds margin of 2.80% per annum (2025: cost of funds margin of 2.80%). The facility matures on 6 May 2028; and

- a $15.45 million Kiwi Asset Finance KiwiPlus facility with interest only payable until 30 May 2027 (2025: $15.45 million). The Group had fully borrowed $15.4 million from this facility at 31 March 2026 (2025: $15.4 million borrowed). Interest is charged at a rate calculated as Kiwibank's cost of funds plus a cost of funds margin of 2.80% per annum (2025: 2.80%). The facility matures on 30 May 2027.

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 7.21% (2025: 8.65%).

18.3 Bank covenants

Under the terms of its Kiwibank borrowing facility, the Group has covenants on the following ratios: interest cover; debt service cover; equity; leverage; and loan to value.

Prior to the reporting date the Group identified it was likely to breach its equity and leverage ratio covenants in its bank facilities with Kiwibank as at 31 March 2026. Accordingly, the Group sought a waiver from Kiwibank and received a conditional waiver on 31 March 2026. The Group considered the waiver conditions were manageable, and the conditions of the waiver were satisfied shortly after the reporting date.

Because the waiver was conditional at the reporting date and in accordance with the requirements of NZ IAS 1 Presentation of Financial Statements, the borrowings from Kiwibank are disclosed as current in the Statement of Financial Position. Kiwibank's subsequent confirmation of the waiver confirmed the original repayment terms of the borrowings.

WasteCo is in the process of renegotiating covenant requirements with Kiwibank which is expected to be resolved before 29 June 2026.

18.4 Convertible notes

	2026 NZ$000	2025 NZ$000
Balance at 1 April	13,420	2,657
Value of convertible notes issued	2,000	15,000
Equity component recognised in convertible notes reserve	(210)	(4,270)
Interest expense	1,960	917
Interest paid	(1,150)	(547)
Transaction costs allocated to the debt component of the convertible notes	(42)	(366)
Amortisation of transaction costs	68	29
Convertible notes redeemed	(3,000)	–
Balance at 31 March	**13,046**	**13,420**
Secured convertible notes (maturing December 2030)	11,231	10,581
Unsecured convertible notes (maturing October 2027)	1,815	2,839
	13,046	**13,420**

At 31 March 2025 the Group had issued 18 million convertible notes made up of:

- $15 million secured convertible notes issued 19 December 2024 with a five-year term, paying the holder interest of 6% per annum, and providing 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 was calculated by applying an effective annual interest rate of 14%; and

- $3 million unsecured convertible notes issued on 27 March 2024, maturing 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 was calculated by applying an effective annual interest rate of 18%.

$2 million of the unsecured convertible notes were repaid on maturity.

On 22 September 2025 the Group issued an additional $1 million unsecured convertible notes to a wholesale investor who was also the current holder of $1 million convertible notes issued on 27 March 2024. Under the terms of the September 2025 convertible notes subscription agreement, the investor agreed to also renew the subscription of their original $1 million of convertible notes for a further period from 15 October 2025. The maturity date of the combined $2 million convertible notes is 15 October 2027. They offer the holder the right to redeem for cash on the maturity date, or convert to fully paid ordinary shares at $0.02 each prior to maturity. The notes pay the holder 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 was calculated by applying an effective annual interest rate of 18%.

18.5 Other loans

	2026 NZ$000	2025 NZ$000
Balance at 1 April	**1,600**	**655**
Proceeds from loans	1,735	2,256
Loans acquired on business acquisition	–	2,596
Overdraft acquired on business acquisition	–	458
Repayment of loans	(2,319)	(4,365)
Balance at 31 March	**1,016**	**1,600**

$133,000 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 4.75% at the reporting date (2025: $702,000 with a weighted average interest rate of 7.26%).

$623,000 of other loans is unsecured and is repayable over period to 31 March 2028. Variable interest is charged. The interest rate at the reporting date was 10.91% (2025: 10.91%).

The remaining balances have a range of repayment dates over the next 0.25 to 3.5 years. Interest accrues at rates of between 8.21% to 19.05%.

19 Share capital

The following table shows the movement in share capital for the Group.

	2026 NZ$000	2025 NZ$000
At 1 April	24,633	19,931
Shares issued during the year	–	5,000
Share issue costs	–	(298)
At 31 March	**24,633**	**24,633**

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

	2026 '000	2025 '000
Ordinary shares as at 1 April	1,098,373	848,373
Shares issued during the year	–	250,000
Ordinary shares as at 31 March	**1,098,373**	**1,098,373**

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	2026 NZ$000	2025 NZ$000
Balance at 1 April		**411**	**564**
Share options issued	21	76	144
Share options forfeited	21	(164)	(297)
Share options exercised	21	—	—
Balance at 31 March		**323**	**411**
Share based payments are included in:			
Directors' remuneration		24	12
Employees' remuneration (reversal of expense)		52	(72)
		76	**(60)**

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.

	2026		2025	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at 1 April	**29,600,000**	**$0.032**	**20,800,000**	**$0.050**
Granted during the year	—	—	18,500,000	$0.023
Exercised during the year	—	—	—	—
Expired during the year	(2,700,000)	$0.050	—	—
Forfeited during the year	(2,500,000)	$0.050	(9,700,000)	$0.050
Balance at 31 March	**24,400,000**	**$0.030**	**29,600,000**	**$0.032**
Exercisable at 31 March	**18,233,333**	**$0.030**	**16,266,667**	**$0.040**

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 2026, 6.2 million of the share options granted had not yet vested to option holders (31 March 2025: 13.3 million).

The weighted average contractual life of the share options outstanding at 31 March 2026 was 2.5 years (31 March 2025: 3.2 years).

22 Subsidiaries

		Ownership interest held by Group	
Name of subsidiary	**Principal activity**	**2026**	**2025**
Civic Waste Limited	Waste collection, recycling & disposal	100%	100%
Safeco Training NZ Limited	Safety management training	–	100%
Sortco NZ Limited	Waste sorting and recycling	–	100%
WasteCo Finance NZ Limited	Credit card merchant account holder for group	–	100%
WasteCo Holdings NZ Limited	Holding company	–	100%
WasteCo NZ Limited	Waste collection, recycling & disposal	100%	100%
WasteCo NZ (Southern) Limited	Waste collection, recycling & disposal	–	100%
WasteCo Port Services NZ Limited	Industrial cleaning	–	100%

On 1 July 2025 Safeco Training NZ Limited, Sortco NZ Limited, Wasteco Finance NZ Limited, Wasteco Holdings NZ Limited, Wasteco NZ (Southern) Limited, Wasteco Port Services NZ Limited and Wasteco NZ Limited amalgamated to become Wasteco NZ Limited.

Following the amalgamation, the companies remaining in the Group are WasteCo Group Limited, WasteCo NZ Limited and Civic Waste Limited.

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	2026 NZ$000	2025 NZ$000
Financial assets at amortised rate			
Cash at bank		1,159	5,854
Trade receivables and other current assets	11	7,274	7,741
Total financial assets		**8,433**	**13,595**
Financial liabilities at amortised rate			
Trade payables and other current liabilities	17	8,311	6,545
Borrowings—current	18	26,664	8,652
Borrowings—non-current	18	13,432	32,298
Lease liabilities—current	15.2	3,246	2,276
Lease liabilities—non-current	15.2	14,742	13,704
Total financial liabilities		**66,395**	**63,475**

The Group does not have any derivative financial instruments (2025: 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:

- active management of borrowing facilities to ensure the Group is accessing the best funding solutions to deliver savings in interest costs and provide 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 100 basis points 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 $218,000. A decrease in the variable interest rates of 100 basis points, taking into account scheduled repayments, would decrease the annual interest expense on the borrowings from these facilities by $216,000.

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 (refer to note 4.1 Going Concern).

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 NZ$000	Contractual cash flows NZ$000	Payable 0–6 months NZ$000	Payable 6–12 months NZ$000	Payable 1–2 years NZ$000	Payable 2–5 years NZ$000	Payable 5+ years NZ$000
As at 31 March 2026							
Trade payables and other current liabilities	9,379	9,379	9,379	–	–	–	–
Borrowings	40,096	51,512	30,797	780	3,435	16,500	–
Lease liability	17,988	22,435	2,273	2,232	4,500	8,983	4,447
	67,463	**83,326**	**42,449**	**3,012**	**7,935**	**25,483**	**4,447**
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**

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 (refer note 18.3), to ensure that entities in the Group are able to continue as going concerns (note 4.1) and to fund its acquisition strategy.

24 Notes to the cash flow statement

24.1 Cash and cash equivalents

	Note	2026 NZ$000	2025 NZ$000
Cash at bank		1,159	5,854
Bank overdraft	18.1	(4,122)	—
		(2,963)	**5,854**

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

	Note	2026 NZ$000	2025 NZ$000
Net loss after taxation		**(12,354)**	**(9,854)**
Adjustments for:			
Depreciation of property, plant and equipment	14	4,723	4,423
Depreciation of right of use assets	15	3,040	2,019
Amortisation of intangible assets	16	1,986	1,727
Impairment of plant and equipment	14	—	378
Impairment of intangible assets	16	—	212
Loss on disposal of property, plant and equipment		663	553
Share based payments	20	76	(60)
Interest paid on borrowings		1,943	3,160
Interest paid on lease liabilities		1,334	1,037
Interest on convertible notes	18.4	1,960	917
Other interest		218	—
Amortisation of convertible note issue costs	18.4	68	29
Write down of assets held for sale	13	31	66
Acquisition related costs includes in investing activities		27	393
Contribution towards acquisition costs		—	(75)
Income tax benefit recognised on acquisiton of Civic Waste	26	—	(1,135)

	2026 NZ$000	2025 NZ$000
Movements in working capital		
(Increase)/decrease in trade receivables and other current assets	72	(1,056)
(Increase)/decrease in inventory	(107)	201
Increase/(decrease) in trade payables and other current liabilities	1,615	1,907
Increase/(decrease) in income tax payable	(124)	168
Movement in working capital due to investing activities	386	(541)
Net cash received from operating activities	**5,557**	**4,469**

24.3 Reconciliation of liabilities arising from financing activities

	Note	2026 NZ$000	2025 NZ$000
Borrowings			
At 1 April		**40,950**	**33,829**
Cash:			
Proceeds from borrowings		2,614	32,132
Net proceeds from bank overdraft		4,122	—
Principal repayment of borrowings		(7,306)	(36,488)
Interest paid on borrowings		(1,938)	(3,160)
Net repayment of bank overdraft		—	(2,340)
Proceeds from convertible notes		1,000	15,000
Repayment of convertible notes		(2,000)	—
Convertible note issue costs paid		(42)	(366)
Interest paid on convertible notes		(1,150)	(547)
Non-cash:			
Finance costs accrued on borrowings		2,028	3,160
Equity component recognised in convertible notes reserve		(210)	(4,270)
Interest accrued on convertible notes		1,960	917
Amortisation of convertible note issue costs		68	29
Loan acquired on business acquisition	26	—	2,596
Overdraft acquired on business acquisition		—	458
As 31 March		**40,096**	**40,950**

	Note	2026 NZ$000	2025 NZ$000
Lease liabilities			
At 1 April		**15,980**	**11,584**
Cash:			
Principal repayments of lease liabilities		(3,090)	(1,700)
Interest paid on lease liabilities		(1,334)	(1,037)
Non-cash:			
Lease liabilities recognised		4,999	1,101
Lease liabilities from business acquisitions	26	–	4,751
Interest on lease liabilities		1,334	1,037
Lease modifications		99	243
As 31 March		**17,988**	**15,980**

25 Related parties

25.1 Directors

The directors of the Company during the year were Roger Gower, Simon Herbert, Sean Joyce, Sara Lunam (appointed 1 July 2025), Neil McAra (appointed 1 March 2026), James Redmayne (resigned 25 May 2026), Shane Edmond (resigned 28 February 2026) and Rodney Malam (as an alternate to Simon Herbert—resigned 1 May 2026).

25.2 Key management personnel compensation

Key management personnel are the Directors, including the acting Chief Executive Officer, and members of the executive leadership team (2025: key management personnel were the directors, Chief Executive Officer and members of the executive leadership team).

Key management personnel compensation is set out below.

	Note	2026 NZ$000	2025 NZ$000
Short term benefits—directors fees		301	236
Short term benefits—directors remuneration		291	—
Share based payments—directors fees	20	24	12
Short-term benefits—employee benefits		885	1,396
Share based payments—employee benefits		51	80
Termination benefits		70	80
Short-term benefits—consulting services		77	429
		1,699	**2,233**

25.3 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.

25.4 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. $112,249 was paid in rent to Bastre Properties in the reporting period ended 31 March 2026 (2025: $127,664). As at 31 March 2026 the Group recognised $744,263 of lease liabilities due to Bastre Properties (2025: $1,023,961).

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

25.5 Other transactions with related parties

The Group paid CM Partners Limited, of which Sean Joyce is a director and a company controlled by Mr Joyce is a shareholder, $50,000 for professional fees in relation to the issue of convertible notes.

During the year the Group paid $2.1 million to Findex for the provision of Health & Safety and human resources consulting services, of which $264,000 was incurred since Neil McAra's appointment as director. Neil McAra is managing partner for the Business Advisory and Accounting division of Findex Southland. Findex operates a division leadership model for New Zealand. Other services lines, for example audit, resources and Health & Safety consulting report to different leaders within the business. Findex provides services to WasteCo in relation to human resources and Health & Safety. Personnel providing these services to the Group do not report to Neil McAra. Neil McAra receives no financial benefit from the services provided.

26 Prior period disclosure—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 the 2025 financial year 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 & 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 data bank overdraft	(458)
Less: acquisition date loan	(2,596)
Total consideration	**6,461**

The fair value of assets and liabilities acquired were 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 was 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 was payable if CWL achieved EBITDA of $2.5 million to $3.0 million respectively. For EBITDA exceeding $3.0 million the contingent consideration payable was equal to $1.0 million plus 20% of the amount of EBITDA exceeding $3.0 million. Management considered EBITDA of $3.0 million would be achieved. The fair value of the contingent consideration was calculated as $880k, which was 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.

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 31 March 2025. If CWL had been acquired on 1 April 2024 the Group estimated 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.

27 Contingencies

There were no contingent liabilities at 31 March 2026 (2025: nil).

28 Commitments

At the reporting date the Group had committed to the purchase of trucks with a combined value of $3.1 million.

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 (2025: $850,000).

There were $388,000 of commitments for future capital expenditure at 31 March 2025.

29 Events subsequent to reporting date

29.1 WorkSafe charge for May 2025 Te Anau fatality

Subsequent to the reporting date the Company was advised that it has been charged by WorkSafe in relation to the Te Anau fatality that occurred in May 2025. The charge has been filed under the Health & Safety at Work Act 2015 and will now proceed through the Court process. The Group is not able to reliably quantify the potential financial impact arising from these charges, if any, at this time.

29.2 Invoice financing

On 20 May 2026 the Board approved a new $10 million financing facility with Pacific Finance Limited. This new facility is subject to the execution of facility documents which are expected to be finalised in early June.

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 2026, 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 34 to 93, present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2026, 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 Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) ('PES 1')* 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)* ('IESBA Code') as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1 and the IESBA Code.

Other than in our capacity as auditor, we have no relationship with or interests in the Company or any of its subsidiaries.

Material uncertainty related to going concern

We draw attention to Note 4.1 in the consolidated financial statements, which indicates that the Group incurred a net loss of $12.4m during the year ended 31 March 2026 and, as of that date, the Group's current liabilities exceeded its current assets by $28.7m. As stated in Note 4.1, these events or conditions, along with other matters as set forth in Note 4.1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 $882,000.

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. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter

Goodwill Impairment Assessment
 	
The Group has $3.7m of goodwill as at 31 March 2026, as detailed in note 16.
 	
The carrying value of goodwill is dependent on future cash flows expected to be generated by the underlying businesses, and there is a risk that if these cash flows are not achieved, the goodwill may be impaired.
 	
The Group tests goodwill annually for impairment by determining the recoverable amounts of the cash generating units to which the goodwill is allocated and comparing these to the carrying amounts of the cash generating units. The impairment assessment models prepared by the Group contain the following key assumptions:
• Forecasted free cash flows;
• Pre-tax discount rates; and
• Terminal growth rates.
 	
Changes in these assumptions could result in an impairment of goodwill.
 	
We have included the goodwill impairment assessment as a key audit matter due to the significance of the balance to the financial statements and the level of judgment applied by the Group in determining the key assumptions used to determine the recoverable amounts of the cash generating units.
	We considered whether the Group's methodology for assessing impairment is compliant with NZ IAS 36: *Impairment of Assets*. For each cash generating unit, we have tested the appropriateness of the impairment model and reasonableness of the key assumptions.
	
	Our procedures included, for each cash generating unit:
	- Agreeing a sample of cash flows in the impairment model to the Board approved budgets;
	- Assessing the reasonableness of the forecasted free cash flows by:
	    - Comparing forecasted revenue amounts for a sample of customers to signed contracts and/or historical monthly invoices;
	    - Considering whether the projected costs are reasonable by comparing projections to previous results and evaluating the Group's assumptions on the impact of the current economic climate; and
	    - Evaluating the accuracy of the Group's budget forecasting by comparing previous budgets to actual results.
	- Utilising our internal valuation specialists to:
	    - Evaluate the appropriateness of the valuation methodology;
	    - Test the mathematical accuracy of the model;
	    - Evaluate the appropriateness of the pre-tax discount rate; and
	    - Compare 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.

Deloitte.

Key audit matter	How our audit addressed the key audit matter
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
28 May 2026

Shareholder and Statutory Information

for the year ended 31 March 2026

Stock exchange listing

The Group's shares are quoted on the NZX Main Board. As at 11 May 2026, the Company had 1,098,372,765 ordinary shares on issue (31 March 2026: 1,098,372,765 ordinary shares).

Distribution of security holders

Details of the distribution of ordinary shares amongst shareholders at 11 May 2026 are set out below.

	Number of Security Holders		Number of Securities	
	NUMBER	PERCENTAGE	NUMBER	PERCENTAGE
1–1,000	641	44.73%	304,024	0.03%
1,001–5,000	338	23.59%	769,050	0.07%
5,001–10,000	64	4.47%	480,285	0.04%
10,001–100,000	170	11.86%	7,440,118	0.68%
100,001–500,000	127	8.86%	31,160,196	2.84%
500,001 or more	93	6.49%	1,058,219,092	96.34%
	1,433	**100.00%**	**1,098,372,765**	**100.00%**

20 largest shareholdings

The 20 largest shareholdings at 11 May 2026 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%
WFT Finance Limited	156,153,846	14.22%
Carl Stephen Storm, Dawn Margaret Storm & C&F Trustees 35776 Limited	120,841,789	11.00%
Shane David Edmond	52,667,692	4.80%
New Zealand Depository Nominee	47,235,523	4.30%
Glendarvie Holdings Limited	46,332,576	4.22%
Forsyth Barr Custodians Limited	38,681,957	3.52%
Lloyd George Phillips, Wayne Vincent Phillips & Craig Bruce Phillips	31,850,353	2.90%
Malcolm Guy Bailey	27,216,000	2.48%
New Zealand Permanent Trustees Limited	24,756,715	2.25%
Ashvegas Limited	22,867,692	2.08%
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%
Custodial Services Limited	12,825,308	1.17%
Leveraged Equities Finance Limited	11,263,457	1.03%

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 2026 as Substantial Product Holder(s) 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
1. Carl Storm, Dawn Storm and C&F Trustees 35776 Limited 2. Carl Stephen Storm and Dawn Margaret Storm	124,620,695
Shane Edmond, Belinda Edmond and Ashvegas Limited	85,615,384

The total number of quoted financial products issued by the Company at 31 March 2026 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)	Executive director	Appointed October 2020
Simon Herbert	Non-Independent director	Appointed December 2024
Sean Joyce	Non-Independent director	Appointed December 2024
Sara Lunam	Independent director	Appointed July 2025
Neil McAra	Independent director	Appointed March 2026
James Redmayne	Non-Independent director	Resigned 25 May 2026
Shane Edmond	Independent director	Resigned 28 February 2026
Rodney Malam	Non-Independent director (alternate to S Herbert)	Resigned 1 May 2026

At the start of the 2026 financial year Shane Edmond and James Redmayne were directors of each of the Company's subsidiaries except for Civic Waste Limited where Roger Gower was the sole director. During the year Roger Gower was appointed as the sole director for all of the Company's subsidiaries.

On 1 July 2025 Safeco Training NZ Limited, Sortco NZ Limited, Wasteco Finance NZ Limited, Wasteco Holdings NZ Limited, Wasteco NZ (Southern) Limited, Wasteco Port Services NZ Limited and Wasteco NZ Limited amalgamated to become Wasteco NZ Limited. Following the amalgamation the Company's only subsidiaries were Civic Waste Limited and Wasteco NZ Limited.

Interests register

The following entries were made in the interest register during the year ended 31 March 2026:

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.

Roger Gower	Nature of interest
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 an annual salary of $325,000 as Interim CEO (and received $291,000 during the year ended 31 March 2026 reflecting his appointment to that role during the year). Up until his appointment as Interim CEO Roger was entitled to received directors fees of $85,000 per annum as Chair of the Board (so he received $14,000 director fees in the year ended 31 March 2026).

Shane Edmond	Nature of interest
Alvarium (NZ) Wealth Management Holdings Limited & related entities	Director
WasteCo Group Limited	Director & shareholder 7% (individually held)

Shane Edmond was entitled to receive directors fees of $65,000 per annum (but received $60,000 in the year ended 31 March 2026 due to his resignation).

Simon Herbert	Nature of interest
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 and is entitled to receive interest on the convertible notes quarterly.

Simon Herbert is entitled to receive directors fees of $65,000 per annum.

Sean Joyce	Nature of interest
CM Partners Limited	Director & beneficial owner
Corporate Counsel	Principal
Empire Capital Limited & its associated companies	Director
Mounterowen Limited	Director & shareholder

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

The Group paid CM Partners Limited $50,000 for professional fees in relation to the issue of convertible notes.

Sean Joyce is entitled to receive directors fees of $65,000 per annum.

Sara Lunam	Nature of interest
Bendigo Management Limited	Director
P.A. Media Limited	Director & shareholder
Waipuna Hospice Foundation	Former Chair

Sara Lunam is entitled to receive directors fees of $65,000 per annum (but received $27,000 in the year ended 31 March 2026 due to her appointment during the year).

Rodney Malam	Nature of interest
Empire Capital Limited & its associated companies	Chief Financial Offer

Rodney Malam was an alternate for Simon Herbert. As such he received 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.

Neil McAra	Nature of interest
Ronaki Southland Ltd	Director & shareholder
Findex Southland	Managing Partner for the Business Advisory and Accounting division
Southland Chamber of Commerce	Board Member
George Wilson Group Limited	Director
Back Country Foods Limited	Director
Coin South	Chair
Fortuna Group Limited	Director
Stabicraft Marine Limited	Director

Findex provided Health & Safety and HR consulting services to the Group.

Neil McAra is entitled to receive directors fees of $65,000 per annum (but received no directors fees in the year ended 31 March 2026).

James Redmayne	Nature of interest
BASTRE Properties NZ Limited	Director & trustee of shareholder
BEAR Finance NZ Limited	Director & beneficial owner (jointly held)
HAZMIT Limited	Director & shareholder (jointly held)
REDALL NZ Limited	Director & shareholder (individually held)
Redmayne Innovations Limited	Director & shareholder (individually held)
Staffco NZ Limited	Director & trustee of shareholder
Variable Financial Solutions (NZ) Limited	Director & shareholder (jointly held)
WasteCo Group Limited	Director & shareholder (jointly held)

James Redmayne was entitled to receive directors fees of $65,000 per annum.

BASTRE Properties NZ Limited leases premises to the Group.

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.

Directors' relevant interests

At 31 March 2026 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
Roger Gower	907	–	5,000,000	2,000,000
Simon Herbert	–	750,000,000	–	–
Sean Joyce	13,136,073	–	–	–
Sara Lunam	–	–	–	–
Neil McAra	–	–	–	–
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' 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	Share based payments NZ$000	Total NZ$000
Roger Gower (Chair)	14	291	24	329
Shane Edmond	60	–	–	60
Simon Herbert	65	–	–	65
Sean Joyce	65	–	–	65
Sara Lunam	27	–	–	27
Neil McAra	5	–	–	5
Rodney Malam (alternate)	–	–	–	–
James Redmayne	65	–	–	65
	301	**291**	**24**	**616**

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	12
$110,000–$119,999	12
$120,000–$129,999	9
$130,000–$139,999	3
$140,000–$149,999	4
$150,000–$159,999	1
$160,000–$169,999	2
$170,000–$179,999	3
$180,000–$189,999	1
$200,000–$209,999	1
$360,000–$369,999	1

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

Interim CEO Roger Gower's remuneration consists of an annual salary of $325,000.
Roger holds 7 million options to purchase shares in the Company which were granted to him prior to his appointment as Interim CEO.

Donations

No donations were made by the Group during the year ended 31 March 2026.

Auditor

Deloitte Limited is the auditor for the Group. Audit fees due and payable to the auditor for the year ended 31 March 2026 were $215,067.

NZX Waivers

WasteCo Group has not relied on any waivers issued by the NZX in the 12 months ended 31 March 2026.

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 2026, 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 26 May 2026. 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 28 May 2026 and is signed on behalf of the Board by:

Roger Gower
Director

Neil McAra
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
→ Neil McAra
→ James Redmayne (resigned 25 May 2026)
→ Simon Herbert
→ Shane Edmond (resigned 28 February 2026)
→ Sean Joyce
→ Rodney Malam (resigned 1 May 2026)
→ Sara Lunam

Website
wasteco.co.nz

Auditor
Deloitte Limited
151 Cambridge Terrace
Christchurch 8013

Lawyers
Chapman Tripp
Level 34, 15 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

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Thank you for reading

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