5 August 2026

Update on WasteCo's funding lines, turnaround and intended recapitalisation

Banking arrangements

WasteCo is pleased to advise that it has agreed variations to facilities with its senior lender, Kiwibank. The variations provide the Group with additional covenant flexibility and a change of the maturity of its core facilities until 30 May 2027.

Strengthen our balance sheet

With view to strengthening the Group's balance sheet WasteCo has resolved to progress a recapitalisation of its balance sheet during the course of the next 3 months, comprising the introduction of additional equity and the sale of non-core assets to support its on-going turnaround plan.

Ratification of Pacific Finance Facility

On 12 June 2026 WasteCo announced entry into a receivable financing facility with Pacific Finance. While the Pacific Finance facility remains in place, WasteCo intends to seek shareholder ratification of entry into that facility at its upcoming annual meeting of shareholders.

Aggressive implementation of Turnaround Plan

As described in WasteCo's 2026 Annual Report, released to the market on 29 May 2026, the WasteCo Group has been implementing turnaround strategies under the leadership of its acting CEO.

Implementation of the turnaround is being accelerated under a comprehensive turnaround plan (the "Plan") adopted by the recently elected non-executive chair, Sean Joyce, in conjunction with WasteCo's senior leadership team and with the assistance of several external experts.

Incoming CEO Brian Cohalan, and WasteCo's expanded senior executive leadership team announced earlier today will help with progressing the Plan.

The focus of our Plan is:

- The ruthless execution and implementation of the Plan.
- Raising new equity via a capital raising initiative to be undertaken expeditiously.
- Implementing rigid cost controls within the business.
- Winding down poor performing business divisions and either disposing of those divisions as going concerns (or asset sales) or reallocating those assets to other more profitable divisions within the group.
- Selling non-core and under-utilised equipment that are surplus to WasteCo's core requirements.
- Developing strategic relationships with other industry players and competitors.
- Improving operational performance.

- Increasing revenues whilst maintaining and/or improving margin.
- The provision of efficient, reliable and accountable operations to our customers and ensuring customer retention.
- Continuing to improve our health and safety regime to ensure all of our staff go home safe and healthy each day.
- Improving our labour and asset utilisation.
- Improving communication with shareholders and other stakeholders.

The objectives of the Plan are to:

- Reduce the annualised cost base of WasteCo through structural rationalisation, contract exits, premises rationalisation, and less reliance on external professional advisors.
- Proceed with the divestment of non-core business divisions and those assets that are surplus to our commercial requirements.
- Introduce new equity into the business to be deployed for working capital for the business. We have recently received several unsolicited approaches from third-party investor groups who have expressed an interest in taking a meaningful interest in the group. These discussions are at early stages and cannot currently be quantified, or any assurance given that they will correlate to new investment in the Company, but it is reassuring to be approached by investors wishing to explore a strategic investment in our business.

Ultimately, we would like to offer our existing WasteCo shareholders an opportunity to participate in a capital raising initiative at some stage in the future also.

WasteCo is focused intently on improving operational efficiencies and performance within our business. The Board and the senior executive team are working collaboratively on this important workstream. We believe that the implementation of this strategy will improve our financial performance and that improved performance will ultimately be reflected in our share price.

Our way forward from here

WasteCo has faced a number of incredibly challenging events in the last 12 months together with trading in very difficult macro-economic factors for the last three years. The last three years have presented some of the toughest trading conditions that New Zealand has experienced in decades.

It goes without saying that many other New Zealand companies are also facing similar headwinds and difficult trading conditions. A significant portion of our business is reliant on commercial activity, particularly in the construction industry and it is widely reported that the construction and building sector is also under enormous pressure.

WasteCo Chair, Sean Joyce says:

> *Many of our customers and industry verticals that we service have had to tighten their belts to preserve their own resources during this difficult economic period. That has had a direct flow on effect for us at WasteCo.*
>
> *Notwithstanding these economic headwinds, we are committed to turn around the fortunes of the business and are confident we will make positive in roads in that regard during the course of this financial year.*

We are embarking on a focused strategy of increasing operational performance, improving revenues, implementing rigid cost controls, reviewing the ongoing benefit of retaining poor performing business divisions and realising assets that are surplus to our core requirements.

WasteCo appreciates the support and patience that investors have provided in recent years and is committed to repaying that support and patience with improved financial and operational performance and ultimately improved market recognition of the value in the Group.

Contact:

Sean Joyce
Chair
WasteCo Group Limited
Email: sean@corporate-counsel.co.nz Mob:
+64 21 865 704

About WasteCo

WasteCo is a national waste solution company, processing and diverting liquid and solid waste from landfill. It provides comprehensive solutions for household, commercial, industrial and local authority customers. The company provides waste and sorting options as well as waste remediation, sweeping and industrial cleaning services – all delivered using leading edge technology and highly trained customer-focused staff. The Christchurch-based business was established in 2013.