

Opening slide – Front opening slide

Slide - Welcome to the 2024 Annual Shareholders' Meeting of WasteCo Group Limited

12th September 2024

Slide – Agenda

1. Welcome – housekeeping and Introductions
2. Chairman’s presentation
3. CEO’s presentation
4. Shareholder discussion
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Slide – Chairman’s Presentation

Housekeeping and introductions

Good afternoon, shareholders, members of the board, executives, and distinguished guests.

Thank you for joining us at our second Annual Shareholders’ Meeting of WasteCo Group Limited.

My name is Shane Edmond, and it is a privilege to address you as the Chairman of WasteCo.

Joining me this morning are my fellow directors Angus Cooper, and James Redmayne. Roger Gower, one of my fellow directors, has been unable to travel today to join us.

It is with great pleasure that I introduce you to our new Chief Executive, David Peterson, and his senior management team of Nigel Franklin, Chris Brown, Chanelle Sefont and Luke Brown.

On behalf of the Board, I'd like to thank you all for attending this annual meeting. Your presence, either physically or by proxy, shapes our future of transparent governance and open dialogue.

The meeting today will follow the agenda set out in the Notice of Meeting, sent to shareholders on 19th August.

After my speech and an update from David Peterson, there will be an opportunity for shareholder discussion before moving on to the formal resolutions for consideration today.

We will then move on to general business before the meeting closes.

I am advised that with the shareholders present and the proxy votes held we have a quorum and the meeting is properly constituted.

Proxies have been received for the purposes of this meeting in respect of approximately 335m, representing approximately 40% of the total shares.

We have not received any apologies.

I'd like to thank shareholders for participating in today's meeting.

As set out in the Notice of Meeting, all directors unanimously support each resolution being considered by the meeting.

My fellow directors and I will vote all discretionary proxies we have received in favour of the resolutions as set out in the notice of meeting, except in relation to Resolution 2 and 3 where the directors and the associated persons are prohibited from voting in accordance with the NZX Listing Rules.

Business Overview

This year has been one of transition, innovation and growth. Our first full year as a public company marks the beginning of a new chapter for WasteCo.

The journey from a private entrepreneurial company to a publicly listed one is a testament to the resilience and adaptability of our original founders.

We certainly have come a long way, and I want to thank all our shareholders for your support.

WasteCo heads into the next financial year with a lot of opportunities for growth. The diversity of our operations throughout the South Island is our strength, providing us with various revenue streams through the different waste management and industrial solutions we provide to our customers. The challenge is to ensure we can do this sustainably and profitably.

Our revenue base is largely underpinned by the provision of essential waste services, including a significant proportion secured by long- term contracts, with geographic and sector diversification across councils, healthcare, infrastructure, commercial and industrial customers.

A combination of organic business growth and acquisition growth during the 2024 financial year meant the size and scale of WasteCo's operations grew 40% from \$34 million in FY23 to \$48 million. On an annualised basis the second half run rate would put us well ahead of \$50m per annum.

In the second half of the financial year, we achieved an operating EBITDA of \$4.09 million, before non-recurring items. This was in line with the earnings guidance range communicated in our half-year commentary.

While our revenue growth was encouraging, the underlying financial performance of our existing business operations was disappointing. Despite the increase in revenue, we reported an after tax net loss of \$4.14 million vs a net loss of \$1.92 million in FY23.

Transitioning from a private company to a publicly listed company came with many costs, including the continuing associated costs of operating as a listed company. Additionally, increased interest rates, labour and fuel costs are affecting our customers, which can be seen in the significant slowdown of the construction sector, as well as our own bottom line.

One off costs affecting our performance included significant expenses incurred in relation to the acquisitions of Cleanways and related businesses, the waste collection business of Bond Contracts Limited and the Central Suction Cleaners business. These three businesses are now successfully integrated into our operations and performing well.

The team are working very hard to decrease costs that are within our control, and this is reflected in the increased performance of the second six months trading, but there is still a way to go to achieve acceptable results in the future.

For the 2025 financial year we are seeking to achieve further growth in revenues, but this will be partly dependent on the ongoing economic slowdown that has been impacting many of our customers, including the retail and construction sector and local authorities.

The year to date has not been without its challenges and our management team is working hard to ensure our structure and costs are suitable for the current conditions and that we can still provide the service levels to our customers that they require.

The recent announcement on Wednesday regarding our breach of quarterly covenants with our banking partner, Kiwibank, was disappointing but reflects the trading environment in that quarter. As we announced, we are in constructive discussions with them around the resetting of our facility and terms for the future. When completed we will update the market accordingly. The current trading environment is showing encouraging signs of improvement as we move into a lower interest rate environment and general economic conditions improve, however most commentators are predicting it will be first quarter next year before significant changes occur.

Our original plans when we listed in 2022 were to accelerate growth plans and we have now expanded our operations into Southland, Central Otago and the top of the South Island, via three acquisitions that provide significant operating presence in Invercargill, Southland, Central Otago and Nelson. These are key strategic locations for continued expansion of WasteCo's service offering to existing and new customers. We are focused on additional significant opportunities within the South Island and potentially the North Island if the right opportunities exist.

We recognise that our success is built upon strong and enduring relationships with customers. Whether partnering with councils, serving households or supporting commercial and industrial clients, WasteCo prioritises customer satisfaction, health and safety, and environmental responsibility.

Our strategy continues to be organic growth and acquisitions of like-minded organisations in the waste sector, with long-term contracts that provide a stable and increasing revenue stream.

A significant portion of WasteCo's income continues to be derived from long-term contracts with councils and large commercial customers.

The appointment of David Peterson as Chief Executive for WasteCo earlier in the year was another step in the transition of the business.

David brings a wealth of experience across diverse sectors, including engineering, manufacturing, logistics and project management, to lead our growth ambitions in the New Zealand waste sector.

David has built a strong senior management team to support this. Together they will drive WasteCo's growth strategy, while implementing operational improvements and optimising the business.

David Peterson will expand more on this in his Chief Executive's presentation.

With improved structure, operational efficiencies and new leadership, we are poised to

capitalise on exciting opportunities and drive expansion through organic growth and acquisitions.

I'd like to extend my gratitude to our management team, employees, and the board of directors, for their tireless efforts. As we continue to grow and evolve, we remain committed to delivering value for our shareholders and providing exceptional service to our customers.

Thank you for your ongoing trust and investment in WasteCo.

Our chief executive David Peterson will now address you.

Slide – CEO's Presentation

Thank you, Shane. It's a pleasure to be here and to have joined WasteCo at such a transformative time in the organisation's journey.

I am really pleased to have my new senior management team here today. Nigel, Chanelle, Luke and Chris bring huge expertise to WasteCo.

Together we will foster a culture of collaboration, inclusion and continuous improvement – not forgetting the foundation of family values that WasteCo was built on.

SLIDE - I want to touch on the four pillars that are driving our strategy.

1. SLIDE - Focus on our team, culture and health and safety

At the heart of WasteCo are our people—our staff who work tirelessly to keep our operations running smoothly every day. We know that a strong, positive culture and a commitment to health and safety are not just essential—they are non-negotiable.

A key priority for me and my team is everyone's safety. We want to ensure our team return home to their families every day and that we exemplify safe practices in the communities where we work. We will be ensuring the correct policies, procedures and practices are in place and enforced to improve our health and safety record.

This year we have invested significantly into our teams, developing health and safety capabilities, training on risk and hazard identifications and management, educating on mental health well-being, fatigue management, and fostering a culture of care and accountability.

SLIDE - One of the tools we are using is the Clearhead app— this is a digital tool that makes personalised mental health and wellbeing support accessible for everyone.

A safe, supported, and empowered team is essential to our success, and we will continue to prioritise this.

2. SLIDE- Acquisitions in core areas

As Shane mentioned, strategic growth via acquisition remains a key part of our business strategy. We have been focused on expanding our footprint through targeted acquisitions in core areas that align with our long-term vision.

Our recent acquisitions of BCL and Cleanways have strengthened our position in the market and added valuable capabilities. Both businesses are integrating well into the overall business and returning revenue and margin above our expectations.

We will continue to seek opportunities that complement our existing operations and provide synergies that drive value. This disciplined approach to acquisitions ensures that we are not just growing for growth's sake but building a more resilient and competitive WasteCo for the future. We will continue to explore South Island opportunities and remain open to national opportunities.

3. SLIDE - Optimise the current business and introduce operational improvements

It has been a challenging first quarter of this financial year – we are managing the business to match the revenue pressures. We are focussed on continuously reviewing our cost structure considering the current trading environment and undertaking a renewed focus on revenue opportunities.

We have been successful in acquiring business through tender processes. We recently picked up seven additional Mitre 10 stores for the collection of waste and cardboard. We also secured the Waitaki Waste contract for a further 12 months. Currently we are working on the Ashburton waste tender and the West Coast and Buller waste tender.

While growth through acquisitions is vital, it is equally important that we optimise our current operations.

Chris Brown has joined us as our Chief Operating Officer, and his focus is to drive operational efficiencies across all of our businesses. Key focus areas include asset utilisation, upgrading our fleet, investing in new technology platforms and partnering with Teltrac Navman. These initiatives will drive significant operational improvements. This focus on continuous improvement is not just about boosting productivity—it's about delivering better outcomes for our customers and ensuring that WasteCo remains at the forefront of our industry.

The next 12 months will see us refreshing some of our vehicle fleet.

4. SLIDE - Reducing our carbon emissions

We know we need to do more and recognise our responsibility to further reduce our environmental footprint and carbon emissions. We are at the start of our journey.

We will partner with environmental specialists to develop an integrated sustainability plan with supporting policies and set KPIs for measuring that success. Together we will develop a programme that will measure our greenhouse gas emissions and establish targets and actions, as well as making our carbon emission auditing as simple and efficient as possible. I look forward to reporting on our progress at next year's AGM.

We have already made some changes to reducing our emissions including:

- transitioning all new light vehicles to hybrids and moving away from diesel utes
- optimising our routes to reduce fuel consumption,
- Introducing waste diversion strategies that minimise landfill use.

Finally, I want to reiterate our unwavering commitment to our people, our strategic growth, operational excellence, and sustainability. WasteCo is in a strong position, and with your support, we will continue to lead, innovate, and make a positive impact in the communities we serve.

Slide - Shareholder Discussion

I would now like to give shareholders the opportunity to ask questions – whether related to the presentations, our annual report and financial statements or the management of the company.

Our annual report for the year ended 31 March 2024 has been sent to shareholders and is also available online on the investor section of our website and on the NZX.

We will also answer questions that have been submitted by shareholders who have completed proxy forms.

If you are asking a question from the floor, please state your name, whether you are a shareholder, or if you are a proxy holder, the name of the shareholder you are representing.

Do we have any questions in the room?

Slide - Resolutions

We will now move to the formal business of the meeting and will consider

Three resolutions:

Resolution 1: To record the re-appointment of Deloitte as auditor of the Company and to authorise the Directors to fix the auditors' remuneration for the ensuing year.

Resolution 2: That the Directors of the Company are authorised issue up to 33,934,911 options to acquire ordinary shares in the Company (Options), to employees, contractors, and non-executive Directors of the Company and its subsidiaries on the terms set out in the Explanatory Notes accompanying this Notice of Meeting.

Resolution 3: That the Directors of the Company are authorised to issue up to 127,255,915 new ordinary fully paid shares in the Company to wholesale investors (New Shares) each at an issue price equal to the Volume Weighted Average Price ("VWAP") of the Company's shares traded on the NZX during the 20 trading days up to the issue date of the New Shares, at any time during the course of the 12 month period following the date of the Annual Meeting, such New Shares when issued, shall rank pari passu (equally) with all existing ordinary shares of the Company.

To consider any other ordinary business which may properly be brought before the Meeting.

Voting will be by way of a poll for each of today's three resolutions. For those of you who have not already submitted a proxy, you will be voting using your voting form. If you require assistance with this, please see Link [outside the room]. Link will act as scrutineers of the voting process.

Please mark your voting intention for each resolution and have your voting form ready for collection at the conclusion of the meeting. The results of the vote will be announced via NZX.

Each resolution is an ordinary resolution which requires approval by a simple majority of the votes cast by shareholders entitled to vote and voting on the question.

The outcome of proxy votes will be displayed for your information after voting on all of the resolutions.

There will be an opportunity for shareholders to ask questions on each resolution being put to shareholders and I ask that questions raised should relate directly to the resolution being considered.

When I call for questions, can shareholders present in the room please wait until you are called to speak and clearly state your name, whether you are a shareholder, or if you are a proxy holder, state the name of the shareholder you are representing.

Turning now to the Resolutions.

As advised these resolutions have been circulated in the Notice of Meeting.

I will go through each resolution and invite any shareholder who wishes to ask a question on that resolution to raise their hand and we will attempt to answer it.

Following each resolution, you will be asked to record your vote on your voting form if you have not already done so.

SLIDE - Resolution 1:

To record the re-appointment of Deloitte as auditor of the Company and to authorise the Directors to fix the auditors' remuneration for the ensuing year.

SLIDE - Resolution 2:

That the Directors of the Company are authorised issue up to 33,934,911 options to acquire ordinary shares in the Company (Options), to employees, contractors, and non-executive Directors of the Company and its subsidiaries on the terms set out in the Explanatory Notes accompanying this Notice of Meeting.

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That the Directors of the Company are authorised to issue up to 127,255,915 new ordinary fully paid shares in the Company to wholesale investors (New Shares) each at an issue price equal to the Volume Weighted Average Price ("VWAP") of the Company's shares traded on the NZX during the 20 trading days up to the issue date of the New Shares, at any time during the course of the 12 month period following the date of the Annual Meeting, such New Shares when issued, shall rank pari passu (equally) with all existing ordinary shares of the Company.

SLIDE – General Business

Are there any items of general business to put before the meeting?

SLIDE – Disclaimer

SLIDE – Thank you for attending

Closing Remarks

If that is the end of the questions, on behalf of WasteCo's Board and Management, I would like to thank you for your continued support and trust.

I now declare the meeting closed and invite you to stay for light refreshments at the end of the meeting. For those unable to attend, a copy of today's presentations are available on our website under the 'Investor Centre' section.

Thank you.

Shane Edmond
Chairman
WasteCo Group Limited