

## Appendix 4D

Results for announcement to the market for the half-year ended 31 December 2024.

ASX Listing Rule 4.2A.3.

### Reporting period

Reporting period: 31 December 2024

Previous corresponding period: 31 December 2023

The Half-Year Consolidated Financial Report should be read in conjunction with the 2024 Annual Report.

### Results for announcement to the market

	31 DEC 2024 \$'M	31 DEC 2023 \$'M	UP/DOWN	MOVEMENT
Revenue from ordinary activities	<b>1,940.2</b>	1,871.6	Up	3.7%
Profit after income tax	<b>74.2</b>	74.3	Down	0.1%
<i>Attributable to:</i>				
Ordinary equity holders of the parent	<b>73.3</b>	73.2	Up	0.1%
Non-controlling interest	<b>0.9</b>	1.1	–	18.2%
Profit after income tax	<b>74.2</b>	74.3		

### Dividends

DIVIDEND INFORMATION	AMOUNT PER SHARE (CENTS)	TAX RATE FOR FRANKING CREDIT
Final 2024 fully franked dividend (paid 7 October 2024)	<b>2.55</b>	<b>30%</b>
Interim 2025 fully franked dividend (to be paid 10 April 2025)	<b>2.80</b>	<b>30%</b>
<i>Interim dividend dates:</i>		
Record date		6 March 2025
Payment date		10 April 2025

An interim dividend of 2.80 cents per share has been declared. The Dividend Reinvestment Plan (DRP) will be in operation for the interim dividend. The DRP election date is 7 March 2025. Under the DRP, Cleanaway shares will be issued at the average of the daily Volume Weighted Average Price (VWAP) of all shares sold on the ASX over the period from 10 March 2025 to 14 March 2025. No discount will be applied to shares issued under the DRP.

### Net Tangible Assets (NTA) per security

	31 DEC 2024 CENTS	30 JUNE 2024 CENTS
NTA per security (including right-of-use assets)	<b>(1.4)</b>	(3.0)

### Commentary on the results for the period

Refer to the Half-Year Consolidated Financial Report, the Media Release and Investor Presentation for the half-year ended 31 December 2024.

### Status of audit

The Consolidated Financial Report for the half-year ended 31 December 2024, which contains the independent auditor's review report, is attached.



**D J F Last**  
Company Secretary  
18 February 2025

# Cleanaway Waste Management Limited

ABN 74 101 155 220

## Consolidated Financial Report

For the half-year ended 31 December 2024

### Contents of Financial Statements

Directors' Report	2
Auditor's Independence Declaration	9
Consolidated Income Statement	10
Consolidated Statement of Comprehensive Income	11
Consolidated Balance Sheet	12
Consolidated Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Consolidated Financial Statements	15
Directors' Declaration	31
Independent Auditor's Review Report	32

This interim Consolidated Financial Report does not include all notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by Cleanaway Waste Management Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

For personal use only

# Directors' Report

The Directors present their Report together with the Consolidated Financial Statements of the Group, consisting of Cleanaway Waste Management Limited (the Company) and its controlled entities (Cleanaway or the Group), for the half-year ended 31 December 2024.

## Directors

The names of Directors of the Company at any time during or since the end of the financial period are set out below. Directors were in office for this entire period unless otherwise stated.

P G Etienne	Chairman and Non-Executive Director
M J Schubert	Chief Executive Officer and Managing Director
S L Hogg	Non-Executive Director
I A Player	Non-Executive Director
A M Kelly	Non-Executive Director
J McArthur	Non-Executive Director
C M Stiff	Non-Executive Director
R J Cole	Non-Executive Director (retired 13 December 2024)

The office of Company Secretary is held by D J F Last, LLB (Hons), B.Com, FGIA, GAICD.

## Review of results

The Group's statutory profit after income tax (attributable to ordinary equity holders) for the half-year ended 31 December 2024 was \$73.3 million (2023: \$73.2 million).

The Group's underlying profit after income tax (attributable to ordinary equity holders) for the half-year ended 31 December 2024 of \$93.1 million increased by 14.1% on the prior period (2023: \$81.6 million).

Operating cash flows decreased by 28.4% to \$164.5 million (2023: \$229.6 million), as a result of the recommencement of tax payments following the end of the Commonwealth Government's temporary Instant Asset Write-Off Scheme. Operating cash flows before tax increased by 10.7% to \$258.7 million (2023: \$233.7 million).

The Group's net assets increased from \$3,001.6 million at 30 June 2024 to \$3,022.2 million at 31 December 2024.

At 31 December 2024, the Group had total syndicated debt facilities of \$1,075.0 million (30 June 2024: \$1,075.0 million), US Private Placement Notes of \$383.2 million (30 June 2024: \$351.0 million), financing arrangements with the Clean Energy Finance Corporation of \$90.0 million (30 June 2024: \$90.0 million) and an uncommitted bank guarantee facility of \$130.0 million (30 June 2024: \$95.0 million). The headroom available in the Group's facilities at 31 December 2024 was \$283.8 million (30 June 2024: \$328.4 million) and cash on hand was \$116.4 million (30 June 2024: \$120.6 million). Further information on the Group's financing facilities is provided in note 7 to the Financial Statements.

The Group's gearing ratio for the half-year ended 31 December 2024, defined as net debt over net debt plus equity, was 36.3% (30 June 2024: 35.6%). The weighted average debt maturity is 3.3 years (30 June 2024: 4.0 years).

## Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC), relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Legislative Instrument to the nearest hundred thousand dollars or, in certain cases, to the nearest dollar.

# Directors' Report

## Operating review

### Group results for the half-year ended 31 December 2024

	UNDERLYING ADJUSTMENTS				UNDERLYING <sup>1</sup> \$'M
	STATUTORY <sup>1</sup> \$'M	NET INSURANCE RECOVERIES <sup>4</sup> \$'M	IT TRANSFORMATION COSTS <sup>5</sup> \$'M	LOSS ON DISPOSAL OF EQUITY ACCOUNTED INVESTMENT <sup>6</sup> \$'M	
Solid Waste Services					319.9
Liquid Waste & Health Services					64.5
Industrial & Waste Services					26.0
Equity accounted investments					(2.7)
<b>Waste management</b>					<b>407.7</b>
Corporate					(24.5)
<b>EBITDA<sup>2</sup></b>	<b>362.1</b>	<b>(6.2)</b>	<b>10.4</b>	<b>16.9</b>	<b>383.2</b>
Depreciation and amortisation	(188.0)	–	–	–	(188.0)
<b>EBIT<sup>3</sup></b>	<b>174.1</b>	<b>(6.2)</b>	<b>10.4</b>	<b>16.9</b>	<b>195.2</b>
Net finance costs	(58.9)	–	–	–	(58.9)
<b>Profit before income tax</b>	<b>115.2</b>	<b>(6.2)</b>	<b>10.4</b>	<b>16.9</b>	<b>136.3</b>
Income tax expense	(41.0)	1.8	(3.1)	–	(42.3)
<b>Profit after income tax</b>	<b>74.2</b>	<b>(4.4)</b>	<b>7.3</b>	<b>16.9</b>	<b>94.0</b>
<b>Attributable to:</b>					
Ordinary equity holders	73.3	(4.4)	7.3	16.9	93.1
Non-controlling interest	0.9	–	–	–	0.9

1 The use of the term 'Statutory' refers to IFRS financial information and 'Underlying' refers to non-IFRS financial information. Underlying earnings are categorised as non-IFRS financial information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group.

2 EBITDA represents earnings before interest, income tax, and depreciation, amortisation, and impairments.

3 EBIT represents earnings before interest and income tax.

4 Net insurance recoveries of \$6.2 million were recognised during the period in relation to property damage and business interruption claims agreed by the insurers for the June 2022 fire that occurred at the medical waste processing facility in Dandenong, Victoria.

5 IT transformational project costs related to customisation and configuration of cloud-based software that Cleanaway does not control. As a result, these costs do not qualify for capitalisation as intangible assets.

6 On 20 December 2024, the Group divested its 45% interest in Cleanaway ResourceCo RRF Pty Ltd (CRRRF) which had a carrying value of \$10.5 million, and forgave loans owed by CRRRF of \$19.4 million, in exchange for cash consideration of \$13.0 million.



# Directors' Report

## Operating review (continued)

### Group results for the half-year ended 31 December 2023

	UNDERLYING ADJUSTMENTS			UNDERLYING <sup>1</sup> \$'M
	STATUTORY <sup>1</sup> \$'M	INTEGRATION COSTS <sup>4</sup> \$'M	IT TRANSFORMATION COSTS <sup>5</sup> \$'M	
Solid Waste Services				299.6
Liquid Waste & Health Services				52.0
Industrial & Waste Services				28.6
Equity accounted investments				(2.7)
<b>Waste management</b>				<b>377.5</b>
Corporate				(21.0)
<b>EBITDA<sup>2</sup></b>	<b>344.5</b>	<b>1.3</b>	<b>10.7</b>	<b>356.5</b>
Depreciation and amortisation	(182.6)	–	–	(182.6)
<b>EBIT<sup>3</sup></b>	<b>161.9</b>	<b>1.3</b>	<b>10.7</b>	<b>173.9</b>
Net finance costs	(56.9)	–	–	(56.9)
<b>Profit before income tax</b>	<b>105.0</b>	<b>1.3</b>	<b>10.7</b>	<b>117.0</b>
Income tax expense	(30.7)	(0.4)	(3.2)	(34.3)
<b>Profit after income tax</b>	<b>74.3</b>	<b>0.9</b>	<b>7.5</b>	<b>82.7</b>
<b>Attributable to:</b>				
Ordinary equity holders	73.2	0.9	7.5	81.6
Non-controlling interest	1.1	–	–	1.1

1 The use of the term 'Statutory' refers to IFRS financial information and 'Underlying' refers to non-IFRS financial information. Underlying earnings are categorised as non-IFRS financial information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group.

2 EBITDA represents earnings before interest, income tax, and depreciation, amortisation, and impairments.

3 EBIT represents earnings before interest and income tax.

4 Costs of \$1.3 million associated with the integration of Global Renewables Holdings Pty Ltd were incurred during the period.

5 IT transformational project costs related to customisation and configuration of cloud-based software that Cleanaway does not control. As a result, these costs do not qualify for capitalisation as intangible assets.

# Directors' Report

## Operating review (continued)

The Group comprises three operating segments being Solid Waste Services, Liquid Waste & Health Services and Industrial & Waste Services. Unallocated balances include the Group's share of profits from equity accounted investments and corporate balances. A description of the operating segments and a summary of the associated segment results are set out below:

### Solid Waste Services

	31 DEC 2024 \$'M	31 DEC 2023 \$'M	MOVEMENT
Revenue	<b>1,449.6</b>	1,376.9	5.3%
Net Revenue <sup>1</sup>	<b>1,168.8</b>	1,092.4	7.0%
Underlying EBITDA <sup>2</sup>	<b>319.9</b>	299.6	6.8%
Underlying EBITDA margin	<b>27.4%</b>	27.4%	nil
Underlying EBIT <sup>3</sup>	<b>177.2</b>	159.0	11.4%
Underlying EBIT margin	<b>15.2%</b>	14.6%	60 bps

1 Net revenue excludes landfill levies collected of \$280.8 million (31 December 2023: \$284.5 million).

2 EBITDA represents earnings before interest, income tax, and depreciation, amortisation and impairments.

3 EBIT represents earnings before interest and income tax.

### Core business

The Solid Waste Services segment comprises the collection, recovery and disposal of all types of solid waste, including putrescible waste, inert waste, household waste and recovered waste. Waste streams are generally processed through our resource recovery and recycling facilities, transfer stations and landfills.

### Performance

The Solid Waste Services (Solids) results for the six-months ended 31 December 2024 includes a full, 6-month contribution from Cleanaway's Container Deposit Scheme operations in Victoria (compared to 2 months in the prior corresponding period), following commencement in November 2023.

Solids delivered net revenue growth of 7.0% and underlying EBIT growth of 11.4%. Solids EBIT margin expanded 60 bps from 14.6% to 15.2% supported by the realisation of benefits arising from Operational Excellence initiatives.

Net revenue growth was driven by volume growth, contracted price increases and pricing discipline, growth in volumes from the Container Deposit Scheme (CDS) operations and increased revenue from landfill gas capture at Melbourne Regional Landfill (MRL), Victoria. Commodity revenue was higher than the prior corresponding period reflecting both higher fibre volumes, and increased Old Corrugated Containers (OCC) prices.

Commercial & Industrial (C&I) collections revenue grew by 5.6%, with price contributing 4.2% of the increase. Modest volume growth reflected the impact of softer Metro C&I volumes, as economic conditions prompted customers to tightly manage costs. This led to a shift in service mix, with increased demand for rear-lift and roll-on, roll-off services, and reduced front-lift services. The mix shift was particularly pronounced in consumer-driven sectors. Additionally, ongoing challenges in the construction and demolition (C&D) market continued to weigh on C&D collection volumes. In line with plan, organics volumes were impacted by the capacity restriction resulting from the work to transition Eastern Creek Organics to FOGO capabilities.

Price increases and contractual price mechanisms offset the impact of inflation, which has returned to more moderate levels compared to the past 2 years. However overall costs were higher compared to the prior corresponding period, reflecting higher fleet repair and maintenance costs which were partially offset through the Fleet Transformation initiatives, specifically the benefit of the fuel re-tender, an increase in bulk tank usage and the disposal of approximately 360 vehicles identified for FY25 via the 'right-sizing' initiative.

Underlying EBIT growth was driven by the strong performance of the CDS business, with New South Wales achieving robust volume growth, Victoria contributing a full 6-month impact, and Queensland benefiting from the inclusion of wine and spirit bottles. Earnings also benefited from growth at the Material Recycling Facilities (MRFs) which benefited from the higher CDS volumes as well as yield improvements delivered via the MRF's adopting lean methodologies to improve performance.

Segment earnings growth was further supported by EBIT growth in Metro municipal collections, achieved through disciplined contract management, new business and tight cost control enabled by the implementation of the branch-led operating model.

## Directors' Report

### Operating review (continued)

Post-collections operations also delivered higher EBIT. Landfill EBIT growth of 1.1% was supported by disciplined pricing, tight cost control, and density improvements. These factors offset the impact of lower overall volumes, as stabilised volumes and costs at MRL were balanced against reductions at Kemps Creek and Lucas Heights, New South Wales, which were affected by differing degrees of softer market conditions, landfill diversion, and competitor internalisation strategies. Cleanaway partially mitigated the impact of internalisation at Lucas Heights through a consortium of municipal councils' post-collections contract commencing in the half.

Additionally, the C&D business contributed to EBIT growth through disciplined cost management and a revised more efficient footprint.

### Liquid Waste & Health Services

	31 DEC 2024 \$'M	31 DEC 2023 \$'M	MOVEMENT
Revenue	360.5	348.2	3.5%
Underlying EBITDA	64.5	52.0	24.0%
Underlying EBITDA margin	17.9%	14.9%	300 bps
Underlying EBIT	41.2	28.9	42.6%
Underlying EBIT margin	11.4%	8.3%	310 bps

### Core business

The Liquid Waste & Health Services (LW&HS) segment comprises:

- Liquid and Technical Services – the collection, treatment, processing, refining and recycling and destruction of hazardous and non-hazardous liquids, hydrocarbons and chemical waste, specialised product destruction and hazardous waste.
- Health Services – the provision of services to the health sector for the safe treatment and disposal of health-related waste which includes sharps management, medical waste, pharmaceutical waste, healthcare hazardous waste and quarantine waste.

### Performance

Liquid and Technical Services (LTS) revenue was up 4.9% and EBIT increased by 4.4%, building on the strong growth delivered in the prior corresponding period. This growth reflects sustained demand for LTS's advanced technical expertise in delivering high-value, complex projects, with particularly strong activity in New South Wales and Victoria during the half. EBIT was partially offset by lower used cooking oil (UCO) prices, which impacted LTS's UCO collection business, Scanline. Despite this, the medium-term outlook for UCO remains attractive, given its role as a renewable-diesel and aviation fuel feedstock.

Hydrocarbons revenue was slightly lower compared to the prior corresponding period, while EBIT increased by 12.6%. Earnings growth was driven by a favourable mix shift as the business continued its strategy to capture the value of its higher-margin, higher-quality Group 2 base oil products. This performance was further supported by disciplined pricing, operational improvements, cost control, and reduced transport costs.

During the half, it was announced that Cleanaway's LTS and Hydrocarbons business would be integrated in the second half of the current financial year. The integrated business will build on the opportunities presented via their complementary branch networks and customer bases. As part of the integration process, a strategic review is underway to identify opportunities for asset optimisation and operational efficiencies, with the financial benefits expected to be realised in FY26.

Health Services revenue grew by 10.0% compared to the prior corresponding period, and EBIT was significantly ahead of the prior corresponding period as a result of the implemented business transformation plan executed over the past 18 months. The transformation has delivered significant improvements in labour costs and transportation efficiencies, as well as business unit wide focus on returns. Health Services remains on track to complete its profitability restoration program at the end of the current financial year and deliver EBIT of more than \$15.0 million for the period.

# Directors' Report

## Operating review (continued)

### Industrial & Waste Services

	31 DEC 2024 \$'M	31 DEC 2023 \$'M	MOVEMENT
Revenue	194.5	210.5	(7.6%)
Underlying EBITDA	26.0	28.6	(9.1%)
Underlying EBITDA margin	13.4%	13.6%	(20) bps
Underlying EBIT	10.9	15.6	(30.1%)
Underlying EBIT margin	5.6%	7.4%	(180) bps

### Core business

The Industrial & Waste Services (I&WS) segment provides a wide variety of services to the Mining, Oil and Gas, Infrastructure and Industrial markets. Services include vacuum loading, higher pressure cleaning, pipeline maintenance and non-destructive digging.

### Performance

The challenging market conditions from the second half of the prior financial year continued into the current period. Lower volumes resulted from Tier 1 Mining and Oil & Gas customers undertaking cost-cutting measures, site closures, and reduced production activity. The I&WS metro operations also faced difficulties, particularly on the East Coast, due to reduced market activity and the lack of new projects coming online to replace recently completed large projects, as customers deferred shutdown activities and reduced discretionary spend.

The restructure of I&WS, initiated in July 2024, has delivered approximately \$10.0 million in annualised cost savings, achieved through headcount reductions, fleet disposals, and branch closures. The streamlined East Coast operations now operate from a lower cost base, while the reshaped West Coast operations are well-positioned to capitalise on emerging opportunities, supported by a strong pipeline. With these structural improvements, I&WS is on track to return to its 1H FY24 earnings run rate in the final quarter of the current financial year.

Over the past few years, I&WS has strategically increased its focus on, and proportion of earnings derived from, Tier 1 Mining and Oil & Gas customers. This approach has strengthened relationships that position Cleanaway to expand into the growing and highly attractive decommissioning, decontamination, and remediation (DDR) market – an area where customers rely on skilled and experienced outsourced service providers like I&WS. Cleanaway's integrated offering enabled through the combination of its I&WS, Solid Waste and Liquid Technical Solutions is expected to present an attractive customer value proposition, that will meet the diverse requirements of a DDR project.

Aligned with Cleanaway's strategic plan, during the period, I&WS commenced several contracts in Western Australia and is on track to deliver initial incremental EBIT in current financial year. These projects provide a valuable opportunity to build expertise and establish a strong track record in this emerging and attractive market, which is expected to offer significant growth potential for decades. Cleanaway estimates the addressable oil and gas decommissioning market to represent a \$500 million per annum revenue opportunity through to 2030.

# Directors' Report

## Environmental regulation

The Group's operations are subject to significant environmental regulation and the Group holds environmental licences for its sites.

The Group is committed to achieving the highest standards of environmental performance. In November 2024, Cleanaway Solid Waste Pty Ltd pleaded guilty to 7 charges in the Ipswich Magistrates Court relating to breaches of conditions of Cleanaway's environmental authority and odour nuisance at the New Chum landfill in the aftermath of the 2022 Queensland floods. The Company was fined \$288,000 and agreed to a public benefit order of \$212,000. Cleanaway was also required to pay prosecution investigation and legal costs of \$104,000. The offences were not indictable and no conviction was recorded against the Company.

Other than noted above, no other material breaches of environmental statutory requirements and no other material prosecutions during the half-year under review.

The Group is registered under the *National Greenhouse and Energy Reporting Act 2007*, under which it is required to report energy consumption, energy production and greenhouse gas emissions for its Australian facilities. This information is available in the Group's Sustainability Report which can be found on the Company's website at:

<https://www.cleanaway.com.au/sustainability-report/>.

## Significant changes in the state of affairs

Other than matters mentioned in this Report, no other significant changes in the state of affairs of the Group occurred during the half-year under review.

## Events subsequent to reporting date

On 8 February 2025, the Company agreed with lenders to increase its Facility E commitments, under the Syndicated Facility Agreement, by a total of \$100 million to \$500 million. All other terms of the facility remain unchanged.

On 4 February 2025, there was a significant fire at Cleanaway's liquid waste processing facility at St Marys, New South Wales, resulting in closure of the site whilst the cause is investigated and the extent of the damage is assessed. The fire has caused damage to plant and equipment on the site and resulted in certain clean-up obligations, however significant uncertainty remains on the nature and extent of damage and in forming a reliable estimate of the full financial exposure to be incurred. A write-off of assets is expected to be recognised in FY25 as the extent of the damage is determined. Other costs expected as a result of the fire, including clean-up costs and additional costs to service customers will be expensed as incurred or provided for when the obligation arises. The losses incurred by the Group in relation to the incident are expected to be mitigated by recoveries from Cleanaway's insurance policies. Insurance recoveries will only be recognised when receipt is virtually certain.

Other than noted above, there have been no matters or circumstances that have arisen since 31 December 2024 that have affected the Group's operations not otherwise disclosed in this Report.

## Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

This Report is made in accordance with a resolution of the Board.



P G Etienne  
Chairman and Non-Executive Director

Melbourne,

18 February 2025



M J Schubert  
Chief Executive Officer and Managing Director

# Auditor's Independence Declaration



Shape the future  
with confidence

Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

## Auditor's Independence Declaration to the Directors of Cleanaway Waste Management Limited

As lead auditor for the review of the half-year financial report of Cleanaway Waste Management Limited for the half-year ended 31 December 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Cleanaway Waste Management Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that appears to be 'Ashley Butler'.

Ashley Butler  
Partner  
18 February 2025

For personal use only

# Consolidated Income Statement

For the half-year ended 31 December 2024

	NOTES	31 DEC 2024 \$'M	31 DEC 2023 \$'M
Revenue	3	1,940.2	1,871.6
Other income		8.8	0.9
Labour related expenses		(692.5)	(657.9)
Collection, recycling, and waste disposal expenses		(567.4)	(560.7)
Fleet operating expenses		(199.9)	(198.7)
Property expenses		(36.9)	(36.3)
Other expenses		(70.6)	(71.7)
Share of losses from equity accounted investments	5	(2.7)	(2.7)
Loss on disposal of equity accounted investment		(16.9)	–
Depreciation and amortisation expense		(188.0)	(182.6)
<b>Profit from operations</b>		<b>174.1</b>	<b>161.9</b>
Net finance costs	6	(58.9)	(56.9)
<b>Profit before income tax</b>		<b>115.2</b>	<b>105.0</b>
Income tax expense		(41.0)	(30.7)
<b>Profit after income tax</b>		<b>74.2</b>	<b>74.3</b>
<b>Attributable to:</b>			
Ordinary equity holders		73.3	73.2
Non-controlling interest		0.9	1.1
<b>Profit after income tax</b>		<b>74.2</b>	<b>74.3</b>

The above Consolidated Income Statement should be read in conjunction with the accompanying notes.

For personal use only

# Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2024

	NOTES	31 DEC 2024 \$'M	31 DEC 2023 \$'M
<b>Profit after income tax</b>		<b>74.2</b>	<b>74.3</b>
<b>Other comprehensive income (to be reclassified to profit or loss in subsequent periods)</b>			
Net fair value loss on derivative financial instruments (net of tax)		(0.3)	(0.9)
<b>Net comprehensive loss recognised directly in equity</b>		<b>(0.3)</b>	<b>(0.9)</b>
<b>Total comprehensive income for the period</b>		<b>73.9</b>	<b>73.4</b>
<b>Attributable to:</b>			
Ordinary equity holders		73.0	72.3
Non-controlling interest		0.9	1.1
<b>Total comprehensive income for the period</b>		<b>73.9</b>	<b>73.4</b>
<b>Earnings per share attributable to the ordinary equity holders of the Company:</b>			
Basic earnings per share (cents)	8	3.3	3.3
Diluted earnings per share (cents)	8	3.3	3.3

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

For personal use only



# Consolidated Balance Sheet

As at 31 December 2024

	NOTES	31 DEC 2024 \$'M	30 JUNE 2024 \$'M
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		116.4	120.6
Trade and other receivables		566.7	557.3
Inventories		63.6	58.2
Other assets		37.9	40.3
<b>Total current assets</b>		<b>784.6</b>	<b>776.4</b>
<b>Non-current assets</b>			
Property, plant and equipment	4	1,775.2	1,777.1
Right-of-use assets		601.1	611.1
Intangible assets		3,053.3	3,067.9
Equity accounted investments	5	85.7	52.6
Net deferred tax assets		49.3	45.7
Other assets		28.4	41.7
<b>Total non-current assets</b>		<b>5,593.0</b>	<b>5,596.1</b>
<b>Total assets</b>		<b>6,377.6</b>	<b>6,372.5</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		473.8	494.6
Income tax payable		44.2	94.1
Borrowings	7	88.7	–
Lease liabilities		118.3	110.4
Employee entitlements		106.9	117.3
Provisions		147.6	143.3
Other liabilities		38.4	39.7
<b>Total current liabilities</b>		<b>1,017.9</b>	<b>999.4</b>
<b>Non-current liabilities</b>			
Borrowings	7	1,091.0	1,081.5
Lease liabilities		526.4	540.0
Derivative financial instruments		11.9	45.1
Employee entitlements		12.2	11.3
Provisions		479.6	513.6
Other liabilities		216.4	180.0
<b>Total non-current liabilities</b>		<b>2,337.5</b>	<b>2,371.5</b>
<b>Total liabilities</b>		<b>3,355.4</b>	<b>3,370.9</b>
<b>Net assets</b>		<b>3,022.2</b>	<b>3,001.6</b>
<b>Equity</b>			
Issued capital	9	3,108.4	3,106.8
Reserves		40.3	37.4
Retained earnings		(130.4)	(146.8)
<b>Parent entity interest</b>		<b>3,018.3</b>	<b>2,997.4</b>
Non-controlling interest		3.9	4.2
<b>Total equity</b>		<b>3,022.2</b>	<b>3,001.6</b>

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

# Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2024

	PARENT ENTITY INTEREST			TOTAL \$'M	NON- CONTROLLING INTEREST \$'M	TOTAL EQUITY \$'M
	ORDINARY SHARES \$'M	RESERVES \$'M	RETAINED EARNINGS \$'M			
<b>At 1 July 2024</b>	<b>3,106.8</b>	<b>37.4</b>	<b>(146.8)</b>	<b>2,997.4</b>	<b>4.2</b>	<b>3,001.6</b>
Profit for period	–	–	73.3	<b>73.3</b>	0.9	<b>74.2</b>
Other comprehensive income	–	(0.3)	–	<b>(0.3)</b>	–	<b>(0.3)</b>
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>(0.3)</b>	<b>73.3</b>	<b>73.0</b>	<b>0.9</b>	<b>73.9</b>
Share-based payment expense (net of tax)	–	3.2	–	<b>3.2</b>	–	<b>3.2</b>
Dividends reinvested/(paid)	1.6	–	(56.9)	<b>(55.3)</b>	(1.2)	<b>(56.5)</b>
<b>Balance at 31 December 2024</b>	<b>3,108.4</b>	<b>40.3</b>	<b>(130.4)</b>	<b>3,018.3</b>	<b>3.9</b>	<b>3,022.2</b>
<b>At 1 July 2023</b>	<b>3,101.8</b>	<b>34.0</b>	<b>(194.3)</b>	<b>2,941.5</b>	<b>3.9</b>	<b>2,945.4</b>
Profit for period	–	–	73.2	<b>73.2</b>	1.1	<b>74.3</b>
Other comprehensive income	–	(0.9)	–	<b>(0.9)</b>	–	<b>(0.9)</b>
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>(0.9)</b>	<b>73.2</b>	<b>72.3</b>	<b>1.1</b>	<b>73.4</b>
Share-based payment expense (net of tax)	–	2.5	–	<b>2.5</b>	–	<b>2.5</b>
Dividends reinvested/(paid)	2.6	–	(54.5)	<b>(51.9)</b>	–	<b>(51.9)</b>
<b>Balance at 31 December 2023</b>	<b>3,104.4</b>	<b>35.6</b>	<b>(175.6)</b>	<b>2,964.4</b>	<b>5.0</b>	<b>2,969.4</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

For personal use only

# Consolidated Statement of Cash Flows

For the half-year ended 31 December 2024

	31 DEC 2024 \$'M	31 DEC 2023 \$'M
<b>Cash flows from operating activities</b>		
Profit before income tax	115.2	105.0
Adjustments for:		
Depreciation and amortisation expense	188.0	182.6
Net finance costs	6 58.9	56.9
Share-based payment expense	3.6	2.2
Remediation and rectification provision remeasurement	(0.4)	0.7
Share of losses from equity accounted investments	5 2.7	2.7
Net gain on disposal of property, plant and equipment	(2.0)	(0.3)
Net loss on disposal of equity accounted investment	16.9	–
Other non-cash items	–	(0.3)
<b>Net cash from operating activities before changes in assets and liabilities</b>	<b>382.9</b>	<b>349.5</b>
Changes in assets and liabilities:		
Increase in receivables	(9.4)	(35.9)
Decrease in other assets	3.8	0.7
Increase in inventories	(4.7)	(11.2)
(Decrease)/increase in payables	(21.8)	0.6
(Decrease)/increase in employee entitlements	(9.6)	2.8
(Decrease)/increase in other liabilities	(2.5)	0.2
Decrease in provisions	(35.3)	(32.4)
<b>Cash generated from operating activities</b>	<b>303.4</b>	<b>274.3</b>
Net interest paid	(44.7)	(40.6)
Income taxes paid	(94.2)	(4.1)
<b>Net cash from operating activities</b>	<b>164.5</b>	<b>229.6</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(115.1)	(194.5)
Payments for intangible assets	(15.5)	(12.2)
Payments for purchase of businesses (net of cash acquired)	(3.0)	(42.0)
Proceeds from disposal of property, plant and equipment	3.0	0.9
Investment in equity accounted investments	–	(8.0)
Proceeds from disposal of investments	13.0	–
Loans to equity accounted investments	(6.2)	(1.9)
Loans repaid by equity accounted investments	–	0.3
Dividends received from equity accounted investments	0.4	0.5
<b>Net cash used in investing activities</b>	<b>(123.4)</b>	<b>(256.9)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	60.0	184.0
Repayment of borrowings	–	(100.0)
Repayment of lease liabilities	(48.8)	(43.9)
Payment of debt and equity raising costs	–	(2.4)
Payment of dividends to ordinary equity holders	(55.3)	(51.9)
Payment of dividends to non-controlling interests	(1.2)	–
<b>Net cash used in financing activities</b>	<b>(45.3)</b>	<b>(14.2)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4.2)</b>	<b>(41.5)</b>
Cash and cash equivalents at the beginning of the period	120.6	102.1
<b>Cash and cash equivalents at 31 December</b>	<b>116.4</b>	<b>60.6</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 1. Summary of significant accounting policies

### Statement of compliance

The Half-Year Consolidated Financial Report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include all the notes of the type normally included in an annual financial report and therefore it should be read in conjunction with the most recent annual financial report. It is also recommended that the half-year report be considered together with any public announcements made by the Group during the half-year ended 31 December 2024 in accordance with continuous disclosure obligations arising under the *Corporations Act 2001*.

### Basis of preparation

The Half-Year Consolidated Financial Report has been prepared on the basis of historical cost except for the revaluation of derivative financial instruments. Cost is based on the fair value of the consideration given in exchange for assets.

The accounting policies and methods of computation adopted in the preparation of the Half-Year Consolidated Financial Report are consistent with those adopted and disclosed in the Group's Annual Financial Report for the financial year ended 30 June 2024. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Financial Statements have been prepared on a going concern basis. In determining the appropriateness of the going concern basis of preparation, the Group has assessed that it is expected to continue normal operations, in particular over the 12 months from the date of this report. The Group has considered the following matters in making this assessment:

- Forecast cash flows from operating activities, including the expected timing of payments and receipts and the recommencement of income tax payments by the Tax Consolidated Group;
- Forecast cash flows related to the Group's investments, including planned capital expenditure and the agreement to acquire the waste and recycling business and assets (known as Citywide Waste) of Citywide Service Solutions Pty Ltd;
- Forecast cash flows related to the payment of dividends;
- Repayment of the Clean Energy Finance Corporation (CEFC) term loan maturing 17 August 2025;
- The increase to the Group's Facility E commitments, under the Syndicated Facility Agreement, by a total of \$100 million to \$500 million, as agreed with lenders on 8 February 2025.
- The Group's cash balance at 31 December 2024 of \$116.4 million (30 June 2024: \$120.6 million);
- The Group's unutilised committed debt facilities at 31 December 2024 of \$220.9 million (30 June 2024: \$276.4 million) as set out in note 7; and
- The Groups net current asset deficiency as at 31 December 2024 of \$233.3 million (30 June 2024: \$223.0 million).

Further, the Group is expected to remain within its financial covenants over the 12 months from the date of this report. This assessment is based on the same cash flow forecast assumptions as used in the going concern assessment.

The Half-Year Consolidated Financial Report is presented in Australian dollars and all values are rounded to the nearest hundred thousand dollars, except when otherwise indicated. This presentation is consistent with the requirements of Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Financial Statements.

# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 1. Summary of significant accounting policies reporting (continued)

### New and revised standards

The Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. New and revised standards, amendments thereof and Interpretations which became effective during the current half-year and are relevant to the Group include:

- *Classification of Liabilities as Current or Non-Current – Amendments to AASB 101*

The AASB has issued amendments to AASB 101 *Presentation of Financial Statements* to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument, would the terms of a liability not impact its classification

The Group has assessed that it is in compliance with the amendments and there is no impact to the classification of the Group's financial liabilities.

- *Lease Liability in a Sale and Leaseback – Amendments to AASB 16*

The AASB has issued amendments to AASB 16 *Leases* to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction. AASB 16 does not specify how a seller-lessee measures the lease liability in a sale and leaseback transaction and whether variable lease payments (regardless of whether they depend on an index or rate) should be considered in the measurement of the lease liability in these specific circumstances. The amendment does not prescribe specific measurement requirements for lease liabilities, instead it requires an entity to develop and apply an accounting policy that results in information that is relevant and reliable.

The Group has assessed that there is no impact as a result of these amendments as the Group has adopted a policy that it does not include variable lease payments when measuring the lease liabilities arising from a sale and leaseback transaction.

### Standards issued but not yet effective

New standards are effective for annual periods beginning after 1 July 2025 and have not been applied in preparing these Consolidated Financial Statements. Those which may be relevant to the Group are set out below. The Group does not plan to adopt these standards early.

- *AASB 18 Presentation and Disclosures in Financial Statements (to be initially applied in the year ending 30 June 2028)*

The AASB has issued AASB 18 *Presentation and Disclosure in Financial Statements* to replace AASB 101 *Presentation of Financial Statements*. AASB 18 introduces the following changes to the presentation of financial statements:

- Income and expenses must be classified in the statement of profit or loss into one of five categories – investing, financing, income taxes, discontinued operations and operating;
- Two new mandatory subtotals – operating profit or loss, and profit or loss before financing and income taxes;
- Strict rules for labelling, aggregation and disaggregation of items in the Financial Statements;
- New disclosures about management-defined performance measures; and
- Amendments to the presentation requirements for interest income and expenses, and dividend income in the statement of cash flows.

Cleanaway does not intend to early adopt this amendment. The impact of this amendment to the Group's Financial Statements is yet to be determined.

# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 2. Segment reporting

Operating segments are identified on the basis of how the Chief Operating Decision Maker reviews internal reports about components of the Group in order to assess the performance and allocation of resources to a particular segment. Information reported to the Group's Chief Executive Officer (Chief Operating Decision Maker) for the purpose of performance assessment and resource allocation is specifically focused on the following segments:

- **Solid Waste Services**

Comprises the collection, recovery and disposal of solid waste, including putrescible waste, inert waste, household waste and recovered waste. Waste streams are generally processed through our resource recovery and recycling facilities, transfer stations and landfills.

- **Liquid Waste & Health Services**

Liquid Waste comprises the collection, treatment, processing, refining and recycling and destruction of hazardous and non-hazardous liquids, hydrocarbons and chemical waste, specialised product destruction and hazardous waste.

Health Services comprises the provision of services to the health sector for the safe treatment and disposal of health-related waste which includes sharps management, medical waste, pharmaceutical waste, healthcare hazardous waste and quarantine waste.

- **Industrial & Waste Services**

Comprises a wide variety of services provided to the Resources, Oil and Gas, Infrastructure, and Industrial markets. Services include vacuum loading, high pressure cleaning, pipeline maintenance and non-destructive digging.

No operating segments have been aggregated to form the reportable segments.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

The Group has the following allocation policies:

- Sales between segments are on normal commercial terms; and
- Corporate charges are allocated where possible based on estimated usage of corporate resources.

Segment assets and liabilities have not been disclosed as these are not provided to the Chief Operating Decision Maker. This information is provided at a Group level only.

Unallocated items include the Group's share of profits from equity accounted investments and corporate balances. Corporate balances relate to shared services functions that are not directly attributable to an identifiable segment. These functions include management, finance, legal, information technology, marketing, and human resources that provide support to the other segments identified above.

Net finance costs are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Group basis.

Inter-segment revenues are eliminated on consolidation.

# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 2. Segment reporting (continued)

31 DECEMBER 2024	OPERATING SEGMENTS				TOTAL OPERATING SEGMENTS \$'M	UNALLOCATED		GROUP \$'M
	SOLID WASTE SERVICES \$'M	LIQUID WASTE & HEALTH SERVICES \$'M	INDUSTRIAL & WASTE SERVICES \$'M	ELIMINATIONS \$'M		EQUITY ACCOUNTED INVESTMENTS \$'M	CORPORATE \$'M	
<b>Revenue</b>								
Revenue from customers	1,399.9	321.4	187.0	–	<b>1,908.3</b>	–	–	<b>1,908.3</b>
Other revenue	21.5	10.4	–	–	<b>31.9</b>	–	–	<b>31.9</b>
Inter-segment sales	28.2	28.7	7.5	(64.4)	–	–	–	–
<b>Total revenue</b>	<b>1,449.6</b>	<b>360.5</b>	<b>194.5</b>	<b>(64.4)</b>	<b>1,940.2</b>	–	–	<b>1,940.2</b>
<b>Underlying EBITDA</b> <sup>1</sup>	<b>319.9</b>	<b>64.5</b>	<b>26.0</b>	–	<b>410.4</b>	<b>(2.7)</b>	<b>(24.5)</b>	<b>383.2</b>
Depreciation and amortisation	(142.7)	(23.3)	(15.1)	–	<b>(181.1)</b>	–	(6.9)	<b>(188.0)</b>
<b>Underlying EBIT</b> <sup>1</sup>	<b>177.2</b>	<b>41.2</b>	<b>10.9</b>	–	<b>229.3</b>	<b>(2.7)</b>	<b>(31.4)</b>	<b>195.2</b>
Net insurance recoveries <sup>2</sup>								6.2
IT transformation costs <sup>3</sup>								(10.4)
Loss on disposal of equity accounted investment <sup>4</sup>								(16.9)
<b>Profit from operations (EBIT)</b>								<b>174.1</b>
Net finance costs								(58.9)
<b>Profit before income tax</b>								<b>115.2</b>
Income tax expense								(41.0)
<b>Profit after income tax</b>								<b>74.2</b>
<b>Capital expenditure:</b>								
Property, plant and equipment	95.4	13.5	5.3	–	<b>114.2</b>	–	0.9	<b>115.1</b>
Intangible assets	–	1.3	–	–	<b>1.3</b>	–	14.2	<b>15.5</b>

- Underlying earnings are categorised as non-IFRS financial information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group.
- Net insurance recoveries of \$6.2 million were recognised during the period in relation to property damage and business interruption claims agreed by the insurers for the June 2022 fire that occurred at the medical waste processing facility in Dandenong, Victoria.
- IT transformational project costs related to customisation and configuration of cloud-based software that Cleanaway does not control. As a result, these costs do not qualify for capitalisation as intangible assets.
- On 20 December 2024, the Group divested its 45% interest in Cleanaway ResourceCo RRF Pty Ltd (CRRRF) which had a carrying value of \$10.5 million, and forgave loans owed by CRRRF of \$19.4 million, in exchange for cash consideration of \$13.0 million.

# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 2. Segment reporting (continued)

31 DECEMBER 2023	OPERATING SEGMENTS				ELIMINATIONS \$'M	TOTAL OPERATING SEGMENTS \$'M	UNALLOCATED		GROUP \$'M
	SOLID WASTE SERVICES \$'M	LIQUID WASTE & HEALTH SERVICES \$'M	INDUSTRIAL & WASTE & WASTE SERVICES \$'M	EQUITY ACCOUNTED INVESTMENTS \$'M			CORPORATE \$'M		
<b>Revenue</b>									
Revenue from customers	1,329.3	311.6	203.5	–	<b>1,844.4</b>	–	–	<b>1,844.4</b>	
Other revenue	16.5	10.7	–	–	<b>27.2</b>	–	–	<b>27.2</b>	
Inter-segment sales	31.1	25.9	7.0	(64.0)	–	–	–	–	
<b>Total revenue</b>	<b>1,376.9</b>	<b>348.2</b>	<b>210.5</b>	<b>(64.0)</b>	<b>1,871.6</b>	–	–	<b>1,871.6</b>	
<b>Underlying EBITDA<sup>1</sup></b>	<b>299.6</b>	<b>52.0</b>	<b>28.6</b>	–	<b>380.2</b>	<b>(2.7)</b>	<b>(21.0)</b>	<b>356.5</b>	
Depreciation and amortisation	(140.6)	(23.1)	(13.0)	–	<b>(176.7)</b>	–	(5.9)	<b>(182.6)</b>	
<b>Underlying EBIT<sup>1</sup></b>	<b>159.0</b>	<b>28.9</b>	<b>15.6</b>	–	<b>203.5</b>	<b>(2.7)</b>	<b>(26.9)</b>	<b>173.9</b>	
Integration costs <sup>2</sup>								(1.3)	
IT transformation costs <sup>3</sup>								(10.7)	
<b>Profit from operations (EBIT)</b>								<b>161.9</b>	
Net finance costs								(56.9)	
<b>Profit before income tax</b>								<b>105.0</b>	
Income tax expense								(30.7)	
<b>Profit after income tax</b>								<b>74.3</b>	
<b>Capital expenditure:</b>									
Property, plant and equipment	149.7	25.0	17.8	–	<b>192.5</b>	–	2.0	<b>194.5</b>	
Intangible assets	2.6	–	–	–	<b>2.6</b>	–	9.6	<b>12.2</b>	

- Underlying earnings are categorised as non-IFRS financial information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group.
- Costs of \$1.3 million associated with the integration of Global Renewables Holdings Pty Ltd were incurred during the period.
- IT transformational project costs related to customisation and configuration of cloud-based software that Cleanaway does not control. As a result, these costs do not qualify for capitalisation as intangible assets.

## 3. Revenue

	31 DEC 2024 \$'M	31 DEC 2023 \$'M
Revenue from customers <sup>1</sup>	1,908.3	1,844.4
Other revenue <sup>1</sup>	31.9	27.2
<b>Total Revenue</b>	<b>1,940.2</b>	<b>1,871.6</b>

- Refer to the segment reporting note for disaggregation of revenue.



# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 4. Property, plant and equipment

	NON-LANDFILL LAND AND BUILDINGS \$'M	LANDFILL ASSETS \$'M	LEASEHOLD IMPROVEMENTS \$'M	PLANT AND EQUIPMENT \$'M	CAPITAL WORK IN PROGRESS \$'M	TOTAL \$'M
Opening balance at 1 July 2024	293.2	421.0	67.0	731.5	264.4	1,777.1
Additions	–	–	–	–	109.1	109.1
Net movement in remediation assets <sup>1</sup>	–	(1.7)	0.1	–	–	(1.6)
Disposals	–	–	–	(1.0)	–	(1.0)
Transfers of assets	6.9	15.0	10.5	111.7	(144.6)	(0.5)
Depreciation	(3.0)	(29.6)	(4.1)	(71.2)	–	(107.9)
<b>Closing balance at 31 December 2024</b>	<b>297.1</b>	<b>404.7</b>	<b>73.5</b>	<b>771.0</b>	<b>228.9</b>	<b>1,775.2</b>

<sup>1</sup> Net movement in remediation assets reflects adjustments to the remediation provision for open landfill sites and leasehold improvements.

## 5. Equity accounted investments

The Group holds a 50% interest or greater than 50% interest in some of the following equity accounted investments but does not have control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The Group does not have control over these entities either through management control or voting rights.

NAME OF ENTITY	COUNTRY	REPORTING DATE	DIRECT OWNERSHIP INTEREST		CARRYING VALUE OF INVESTMENT	
			31 DEC 2024 %	30 JUNE 2024 %	31 DEC 2024 \$'M	30 JUNE 2024 \$'M
<b>Joint ventures:</b>						
Cleanaway ResourceCo RRF Pty Ltd <sup>1</sup>	Australia	30 June	–	45	–	11.4
Circular Plastics Australia Pty Ltd	Australia	30 June	50	50	10.0	12.6
Tomra Cleanaway Pty Ltd	Australia	30 June	50	50	7.1	6.2
Tomra Cleanaway (Victoria) Pty Ltd	Australia	30 June	50	50	2.5	2.0
A.C.N. 635 425 964 Pty Ltd <sup>2</sup>	Australia	30 June	51	51	9.5	9.5
Wonthaggi Recyclers Pty Ltd	Australia	30 June	50	50	0.5	0.5
Daniels Sharpmart New Zealand Ltd <sup>3</sup>	New Zealand	30 June	–	50	–	–
Lucas Heights Bioenergy Pty Ltd <sup>4</sup>	Australia	30 June	50	–	46.7	–
<b>Associates:</b>						
Circular Plastics (PET) Holdings Pty Ltd	Australia	30 June	33	33	9.4	10.4
					<b>85.7</b>	<b>52.6</b>

<sup>1</sup> On 20 December 2024, the Group divested its 45% interest in Cleanaway ResourceCo RRF Pty Ltd. Refer to note 2.

<sup>2</sup> Decisions regarding relevant activities of the entity requires unanimous consent of owners, and as such, the Group has joint control. A.C.N. 635 425 964 Pty Ltd holds a 100% interest in Western Sydney Energy and Resource Recovery Centre Pty Ltd.

<sup>3</sup> This entity was deregistered on 25 November 2024.

<sup>4</sup> During the period, the Group contributed exclusive gas rights to the gas at its landfill site in Lucas Heights, NSW for a period of 20 years, in exchange for a 50% interest in Lucas Heights Bioenergy Pty Ltd. The fair value of the Group's contribution was determined based on the value of the contribution provided by the joint venture partner, and no net gain or loss was recognised on recognition of the joint venture due to ongoing performance obligations over the term of the exclusive gas rights.

# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 5. Equity accounted investments (continued)

### (a) Share of profits/(losses) from equity accounted investments

	JOINT VENTURES		ASSOCIATES		TOTAL EQUITY ACCOUNTED INVESTMENTS	
	31 DEC 2024 \$'M	31 DEC 2023 \$'M	31 DEC 2024 \$'M	31 DEC 2023 \$'M	31 DEC 2024 \$'M	31 DEC 2023 \$'M
Revenue	190.0	142.9	34.0	12.6	<b>224.0</b>	155.5
Expenses	(195.8)	(145.7)	(39.3)	(18.6)	<b>(235.1)</b>	(164.3)
<b>Losses before income tax (100%)</b>	<b>(5.8)</b>	<b>(2.8)</b>	<b>(5.3)</b>	<b>(6.0)</b>	<b>(11.1)</b>	<b>(8.8)</b>
Share of losses before income tax	(2.8)	(1.3)	(1.8)	(2.0)	<b>(4.6)</b>	(3.3)
Income tax benefit	1.2	–	0.7	0.6	<b>1.9</b>	0.6
<b>Share of losses recognised</b>	<b>(1.6)</b>	<b>(1.3)</b>	<b>(1.1)</b>	<b>(1.4)</b>	<b>(2.7)</b>	<b>(2.7)</b>

### (b) Transactions with equity accounted investments

The following table provides the total amount of transactions with equity accounted investments during the half-year ended 31 December 2024.

	SALES TO EQUITY ACCOUNTED INVESTMENTS <sup>1</sup>		PURCHASES FROM EQUITY ACCOUNTED INVESTMENTS		INTEREST INCOME FROM EQUITY ACCOUNTED INVESTMENTS	
	31 DEC 2024 \$'M	31 DEC 2023 \$'M	31 DEC 2024 \$'M	31 DEC 2023 \$'M	31 DEC 2024 \$'M	31 DEC 2023 \$'M
Joint ventures	71.3	54.2	0.3	0.4	0.2	0.7
Associates	2.9	3.9	–	–	0.3	0.2
	<b>74.2</b>	<b>58.1</b>	<b>0.3</b>	<b>0.4</b>	<b>0.5</b>	<b>0.9</b>

<sup>1</sup> Sales to joint ventures comprise \$54.6 million to Tomra Cleanaway Pty Ltd (31 December 2023: \$50.9 million), \$15.0 million to Tomra Cleanaway (Victoria) Pty Ltd (31 December 2023: \$2.6 million), \$0.7 million to Wonthaggi Recyclers Pty Ltd (31 December 2023: \$0.6 million), \$0.2 million to Circular Plastics Australia Pty Ltd (31 December 2023: \$0.1 million) and \$0.8 million to Cleanaway ResourceCo RRF Pty Ltd prior to divestment (31 December 2023: nil).

	TRADE AMOUNTS OWED BY EQUITY ACCOUNTED INVESTMENTS		TRADE AMOUNTS OWED TO EQUITY ACCOUNTED INVESTMENTS		LOANS TO EQUITY ACCOUNTED INVESTMENTS <sup>1</sup>	
	31 DEC 2024 \$'M	30 JUNE 2024 \$'M	31 DEC 2024 \$'M	30 JUNE 2024 \$'M	31 DEC 2024 \$'M	30 JUNE 2024 \$'M
Joint ventures	3.3	2.3	0.1	–	8.4	22.6
Associates	2.3	0.8	–	0.5	9.8	7.5
	<b>5.6</b>	<b>3.1</b>	<b>0.1</b>	<b>0.5</b>	<b>18.2</b>	<b>30.1</b>

<sup>1</sup> Loans to equity accounted investments comprise unsecured loans to: subsidiaries of Circular Plastics Australia (PET) Holdings Pty Ltd of \$9.8 million (30 June 2024: \$7.5 million) repayable between 31 October 2025 and 2 March 2026; Circular Plastics Australia Pty Ltd of \$6.2 million (30 June 2024: \$2.5 million) repayable on 15 December 2026; and Tomra Cleanaway (Victoria) Pty Ltd of \$2.2 million (30 June 2024: \$2.2 million) repayable on 31 October 2028. Loans outstanding from ResourceCo RRF Pty Ltd at 20 December 2024 of \$19.4 million (30 June 2024: \$17.9 million) were forgiven as part of the Group's divestment of its 45% interest in the entity. Refer to note 2.

For personal use only

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

### 6. Net finance costs

	31 DEC 2024 \$'M	31 DEC 2023 \$'M
<b>Finance costs</b>		
Interest on borrowings	(31.9)	(30.2)
Interest on leases	(13.5)	(13.0)
Amortisation of capitalised borrowing costs	(0.6)	(0.7)
Unwind of discount on provisions and other liabilities	(14.9)	(13.3)
Amortisation of gain on modification of fixed rate borrowings	(1.1)	(1.0)
Fair value loss on USPP Notes	(32.0)	(2.1)
Net fair value gain on derivative financial instruments	33.0	1.8
	<b>(61.0)</b>	<b>(58.5)</b>
<b>Finance income</b>		
Interest income	2.1	1.6
	<b>2.1</b>	<b>1.6</b>
<b>Net finance costs</b>	<b>(58.9)</b>	<b>(56.9)</b>

### 7. Borrowings

	UNSECURED			TOTAL BORROWINGS \$'M
	BANK LOANS \$'M	US PRIVATE PLACEMENT NOTES \$'M	CLEAN ENERGY FINANCE CORPORATION \$'M	
Opening balance at 1 July 2024	642.9	351.0	87.6	<b>1,081.5</b>
Net proceeds of borrowings	60.0	–	–	<b>60.0</b>
<b>Cash flows</b>	<b>60.0</b>	–	–	<b>60.0</b>
Non-cash drawdowns	4.4	–	–	<b>4.4</b>
Fair value changes	–	32.0	–	<b>32.0</b>
Borrowing costs reversed	–	0.1	–	<b>0.1</b>
Amortisation of modification gain on fixed rate borrowings	–	–	1.1	<b>1.1</b>
Amortisation of borrowing costs	0.5	0.1	–	<b>0.6</b>
<b>Closing balance at 31 December 2024</b>	<b>707.8</b>	<b>383.2</b>	<b>88.7</b>	<b>1,179.7</b>

# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 7. Borrowings (continued)

The headroom available in the Group's facilities at 31 December 2024 is summarised below:

		AVAILABLE \$'M	UTILISED \$'M	NOT UTILISED \$'M
Syndicated Facility Agreement	Facility A <sup>1,2,3</sup>	210.0	(121.8)	88.2
	Facility B <sup>3</sup>	200.0	(185.0)	15.0
	Facility C <sup>3</sup>	265.0	(120.0)	145.0
	Facility E <sup>3</sup>	400.0	(400.0)	–
US Private Placement (USPP) Notes		383.2	(383.2)	–
Clean Energy Finance Corporation (CEFC) <sup>4</sup>		90.0	(90.0)	–
Uncommitted bank guarantee facility <sup>1</sup>		130.0	(94.4)	35.6
		<b>1,678.2</b>	<b>(1,394.4)</b>	<b>283.8</b>

- These facilities include \$189.7 million (30 June 2024: \$176.1 million) in guarantees and letters of credit, which only give rise to a liability where the Group fails to perform its contractual obligations. Included in the not utilised Facility A is \$27.3 million (30 June 2024: \$37.6 million) which can only be used for bank guarantees.
- This facility includes \$11.5 million (30 June 2024: \$5.5 million) of corporate credit card limit utilisation and \$15.0 million (30 June 2024: \$15.0 million) of overdraft utilisation.
- Amounts utilised exclude capitalised borrowing costs of \$1.6 million (30 June 2024: \$2.1 million) and \$4.4 million (30 June 2024: nil) of bank loans advanced under uncommitted facilities.
- Amount utilised excludes capitalised borrowing costs of \$0.1 million (30 June 2024: \$0.1 million) and unamortised gains on fixed rate debt of \$1.2 million (30 June 2024: \$2.3 million).

## 8. Earnings per share

	31 DEC 2024 CENTS	31 DEC 2023 CENTS
Basic earnings per share	3.3	3.3
Diluted earnings per share	3.3	3.3

	31 DEC 2024 \$'M	31 DEC 2023 \$'M
Profit after income tax	74.2	74.3
Net profit attributable to non-controlling interests	(0.9)	(1.1)
<b>Profit after income tax attributable to ordinary equity holders</b>	<b>73.3</b>	<b>73.2</b>

A reconciliation of weighted average number of ordinary shares is provided in the table below:

	31 DEC 2024	31 DEC 2023
<b>Weighted average number of ordinary shares used as the denominator</b>		
Number for basic earnings per share	2,230,344,263	2,227,501,330
Effect of potential ordinary shares	8,217,628	7,344,346
<b>Number for diluted earnings per share</b>	<b>2,238,561,891</b>	<b>2,234,845,676</b>

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

### 9. Issued capital

	31 DEC 2024	
	NUMBER OF SHARES	\$'M
Opening balance	2,229,377,942	3,106.8
Issue of shares under dividend reinvestment plan	545,767	1.6
Issue of shares under employee incentive plans	1,113,290	–
<b>Closing balance</b>	<b>2,231,036,999</b>	<b>3,108.4</b>

### 10. Dividends

	31 DEC 2024		31 DEC 2023	
	CENTS PER SHARE	\$'M	CENTS PER SHARE	\$'M
<b>Dividends paid during the period</b>				
Final dividend relating to prior period	2.55	56.9	2.45	54.5
<b>Dividends determined in respect of the period</b>				
Interim dividend relating to current period	2.80	62.5	2.45	54.6

# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 11. Share-based payments

Total share-based payment expense of \$3.6 million (31 December 2023: \$2.2 million) is included in the Consolidated Income Statement. Performance rights outstanding at the reporting date consist of the following grants:

OFFER	GRANT DATE	END OF PERFORMANCE OR SERVICE PERIOD	PERFORMANCE RIGHTS AT 1 JULY 2024	GRANTED DURING THE PERIOD	VESTED DURING THE PERIOD	FORFEITED/ EXPIRED DURING THE PERIOD	PERFORMANCE RIGHTS AT 31 DEC 2024
<b>LONG-TERM INCENTIVE PLAN</b>							
2022 LTI	25 Oct 2021	30 Jun 2024	2,287,783	–	(553,555)	(1,734,228)	–
2023 LTI	Various <sup>1</sup>	30 Jun 2025	2,540,512	–	–	(35,794)	<b>2,504,718</b>
2024 LTI	Various <sup>2</sup>	30 Jun 2026	3,171,239	18,251	–	(68,322)	<b>3,121,168</b>
2025 LTI	Various <sup>3</sup>	30 June 2027	–	3,583,968	–	–	<b>3,583,968</b>
<b>SHORT-TERM INCENTIVE PLAN</b>							
2023 STI	Various <sup>4</sup>	30 Jun 2024	222,811	–	(222,811)	–	–
2024 STI	Various <sup>5</sup>	30 Jun 2025	–	535,029	–	–	<b>535,029</b>
<b>OTHER GRANTS</b>							
CEO sign on	22 Oct 2021	Various <sup>6</sup>	190,114	–	(190,114)	–	–
EGM LW&H and I&WS sign on	01 Mar 2023	Various <sup>7</sup>	96,525	–	(96,525)	–	–
Executive sign on	29 Aug 2022	Various <sup>8</sup>	110,793	–	(65,574)	–	<b>45,219</b>
Executive sign on	10 Oct 2022	Various <sup>9</sup>	55,470	–	(55,470)	–	–
Executive sign on	3 October 2023	Various <sup>10</sup>	84,751	–	(31,782)	–	<b>52,969</b>
<b>Total</b>			<b>8,759,998</b>	<b>4,137,248</b>	<b>(1,215,831)</b>	<b>(1,838,344)</b>	<b>9,843,071</b>
Vested and exercisable at 31 Dec 2024							–

- On 16 September 2022, 1,841,190 LTI 2023 rights were granted. On 10 October 2022, 32,419 LTI 2023 rights were granted. On 2 November 2022, 19,937 LTI 2023 rights were granted. Mr M Schubert's 727,700 LTI 2023 rights were granted on 21 October 2022 following approval at the Annual General Meeting (AGM). On 22 November 2022, 78,247 LTI 2023 rights were granted. On 16 December 2022, 31,672 LTI 2023 rights were granted. On 16 January 2023, 25,621 LTI 2023 rights were granted. On 1 March 2023, 170,188 LTI 2023 rights were granted. Of the 2,926,974 LTI 2023 rights granted, 318,650 were forfeited during the period ended 30 June 2023 and 67,812 were forfeited during the period ended 30 June 2024.
- Mr M Schubert's 757,680 LTI 2024 rights were granted on 20 October 2023 following approval at the Annual General Meeting (AGM). On 3 October 2023, 42,256 performance rights were granted. On 3 November 2023, 2,328,952 performance rights were granted. On 1 December 2023, 80,416 performance rights were granted. On 30 October 2024, 18,251 performance rights were granted. Of the 3,227,555 LTI 2024 rights granted 38,065 were forfeited during the period ended 30 June 2024.
- Mr M Schubert's 715,806 LTI 2025 rights were granted on 25 October 2024 following approval at the AGM. On 30 October 2024, 2,868,162 rights were granted.
- Grant Date for all Executive STI 2023 rights was 15 September 2023, except for 67,713 rights which were granted to Mr M Schubert following approval at the AGM on 20 October 2023.
- Grant Date for all Executive STI 2024 rights was 13 September 2024, except for 136,004 rights granted to Mr M Schubert on 25 October 2024 following approval at the AGM.
- Of the 380,228 sign on rights issued, 190,114 vested on 30 August 2023 and 190,114 vested on 30 August 2024.
- Of the 173,745 sign on rights issued, 77,220 vested on 31 August 2023 and 96,525 vested on 31 August 2024.
- Of the 145,048 sign on rights issued, 34,255 vested on 31 August 2023, 65,574 vested on 31 August 2024 and 45,219 vest on 31 August 2025.
- Of the 75,063 sign on rights issued, 19,593 vested on 31 August 2023 and 55,470 vested on 31 August 2024.
- Of the 84,751 sign on rights issued, 31,782 vested on 31 August 2024, 31,782 vest on 31 August 2025 and 21,187 vest on 31 August 2026.

The vesting date for LTI offers is on or after 14 days after the date on which the annual financial results of the Group for the financial year, associated with the end of the performance period is released to the ASX. Other offers vest on or after the end of the relevant performance or service period.

Awards granted in the current period are set out below:

# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 11. Share-based payments (continued)

### (a) 2025 Long Term Incentive award

During the period, the Group issued performance rights attached to the Group's LTI plan to the CEO and other senior executives. The performance rights are subject to four performance hurdles:

- 40% of performance rights vest if a certain relative Total Shareholder Return (TSR) ranking is achieved against constituents of the S&P/ASX 150 Industrial Sector Index (excluding those classified as mining, financial services, oil and gas and overseas domiciled) that remain listed for the duration of the performance period.
- 20% of performance rights vest if a certain underlying EPS compound annual growth rate (CAGR) target is achieved.
- 20% of performance rights vest if a certain Green House Gas (GHG) emissions reduction is achieved.
- 20% of the performance rights vest if a certain return on invested capital (ROIC) is achieved.

The following sets out the assumptions made in determining the fair value of these performance rights:

	2025 LTI TSR TRANCHE	2025 LTI EPS CAGR TRANCHE	2025 LTI CARBON TRANCHE	2025 LTI ROIC TRANCHE
<b>VALUATION APPROACH</b>	Monte Carlo Simulation	Black Scholes Model	Black Scholes Model	Black Scholes Model
	1 July 2024	1 July 2024	1 July 2024	1 July 2024
Performance period	– 30 June 2027	– 30 June 2027	– 30 June 2027	– 30 June 2027
Volatility <sup>1</sup> (%)	20.0%	20.0%	20.0%	20.0%
<b>GRANT DATE 25 OCTOBER 2024</b>				
Number of rights	286,323	143,161	143,161	143,161
Risk-free interest rate (%)	4.31%	4.31%	4.31%	4.31%
Fair value per right <sup>2</sup>	\$1.41	\$2.66	\$2.66	\$2.66
<b>GRANT DATE 30 OCTOBER 2024</b>				
Number of rights	1,147,272	573,630	573,630	573,630
Risk-free interest rate (%)	4.34%	4.34%	4.34%	4.34%
Fair value per right <sup>2</sup>	\$1.25	\$2.56	\$2.56	\$2.56

1 Expected volatility is based on the historic volatility of Cleanaway shares over a range of periods.

2 The fair value is reduced to reflect there is no dividend entitlement during the performance period.

# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 11. Share-based payments (continued)

The performance targets of the 2025 LTI award are set out in the table below:

<i>Relative TSR performance measured over three years from 1 July 2024 to 30 June 2027</i>	Relative TSR Ranking against the constituents of the S&P/ASX150: <ul style="list-style-type: none"><li>• Below 50<sup>th</sup> percentile: 0% vesting</li><li>• At 50<sup>th</sup> percentile: 50% vesting</li><li>• 50<sup>th</sup> to 75<sup>th</sup> percentile: straight line vesting between 50% and 100%</li><li>• Above 75<sup>th</sup> percentile: 100% vesting</li></ul>
<i>EPS CAGR performance as measured over three years from 1 July 2024 to 30 June 2027</i>	Earnings per Share Compound Annual Growth Rate (EPS CAGR) to be achieved: <ul style="list-style-type: none"><li>• &lt; 16.0%: 0% vesting</li><li>• At 16%: 50% vesting</li><li>• &gt; 16.0% – ≤ 18.5%: straight line vesting between 50% and 75%</li><li>• &gt; 18.5% – ≤ 20.9%: straight line vesting between 75% and 100%</li><li>• &gt; 20.9%: 100% vesting</li></ul>
<i>FY27 GHG emissions (% of FY2022)</i>	FY27 GHG emissions (% of FY22): <ul style="list-style-type: none"><li>• &gt; 80.0% of FY22: 0% vesting</li><li>• At 80.0% of FY22: 30% vesting</li><li>• &lt; 80.0% – ≥ 78.0% of FY22: straight line vesting between 30% and 50%</li><li>• &lt; 78.0% – ≥ 73.0% of FY22: straight line vesting between 50% and 100%</li><li>• &lt; 73%: 100% vesting</li></ul>
<i>FY27 return on invested capital in FY2027</i>	Return on invested capital to be achieved: <ul style="list-style-type: none"><li>• &lt; 7.0%: 0% vesting</li><li>• At 7.0%: 50% vesting</li><li>• &gt; 7.0% – ≤ 7.3%: straight line vesting between 50% and 75%</li><li>• &gt; 7.3% – ≤ 7.6%: straight line vesting between 75% and 100%</li><li>• &gt; 7.6%: 100% vesting</li></ul>

### (b) Short-term Incentive (STI) plan

The Cleanaway STI plan is an annual plan that is used to motivate and reward senior executives across a range of performance measures over the financial year. Under the plan, participants are granted a combination of cash and rights to deferred shares if certain performance standards are met. The Group uses EBIT targets as the main performance standard for the STI plan. Vesting of the performance rights granted is deferred for one year. The fair value of the 2024 STI deferred rights is \$2.85.



## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

### 12. Financial assets and liabilities at fair value

All assets and liabilities for which fair value is measured or disclosed in the financial statements are classified within the fair value hierarchy on the basis of nature, characteristics and risks and described as follows based on the lower level of input that is significant to the fair value measurement as a whole.

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

There were no transfers between levels during the half-year.

The following table provides the fair value measurement of the Group's financial instruments which have been valued using market observable inputs (level 2), including interest and foreign currency rates and models using present value and future potential exposure calculations where applicable:

	FIXED RATE BORROWINGS MEASURED AT AMORTISED COST		DERIVATIVES MEASURED AT FAIR VALUE	
	CLEAN ENERGY FINANCE CORPORATION \$'M	USPP NOTES (HEDGED ITEMS) \$'M	CCIRS <sup>1</sup> (HEDGING INSTRUMENTS) \$'M	IRS <sup>2</sup> (HEDGING INSTRUMENTS) \$'M
Opening fair value of liabilities as at 1 July 2024	(86.8)	(353.5)	(45.1)	0.6
Amortisation of fair value loss on recognition	–	–	0.1	–
Movement relating to changes in AUD or USD interest rates:				
Fair value hedges	–	(0.6)	0.6	–
Cash flow hedges	–	–	–	(0.6)
Other	(1.7)	–	1.6	–
Movement relating to change in AUD/USD exchange rates:				
Cash flow hedges	–	(31.4)	30.8	–
Movement relating to change in AUD/USD currency basis	–	–	0.1	–
Closing fair value of liabilities as at 31 December 2024	<b>(88.5)</b>	<b>(385.5)</b>	<b>(11.9)</b>	–
Carrying amount of liabilities as at 31 December 2024	(88.7)	(383.2)	(11.9)	–
Accumulated fair value adjustments on the hedged items	–	12.2	n/a	n/a

- 1 Cross Currency Interest Rate Swaps (CCIRS) fair value movements of \$0.6 million for fair value hedges includes an effective portion of \$0.6 million and an ineffective portion of nil. CCIRS fair value movements of \$30.8 million for cash flow hedges include an effective portion of \$31.4 million and an ineffective portion of \$(0.6) million. The notional amount of the derivatives is US\$270.0/AUD\$397.6 million.
- 2 Interest Rate Swaps (IRS) fair value movements of \$(0.6) million for cash flow hedges includes an effective portion of \$(0.6) million and an ineffective portion of nil. The notional amount of the IRS is \$100.0 million, swapping floating rate interest exposure on this notional amount to fixed rate interest.

# Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

## 13. Contingent liabilities

On 18 August 2014, a Cleanaway vehicle was involved in a motor vehicle accident on the South Eastern Freeway in Glen Osmond, South Australia. The incident resulted in the death of two members of the public, and two other persons were seriously injured. During the year ended 30 June 2017, Cleanaway was charged with work health and safety offences in relation to the incident. Cleanaway was found guilty of these health and safety offences in April 2021 but this decision was appealed to the South Australian Supreme Court and was partly successful, with six of the eight charges being set aside. A further appeal to the full bench of the South Australian Supreme Court with respect to the two outstanding charges has been made by Cleanaway. The appeal was heard in November 2022 and Cleanaway is still awaiting the appeal judgement. There is a potential that other claims may emerge in due course and the extent of Cleanaway's liability and the timing for these matters to be resolved is not known at this time.

On 11 September 2020, the Victorian Environment Protection Authority (EPA) issued an invoice to the Group in the amount of \$6.9 million for an alleged underpayment of the landfill levy payable for the financial year ended 30 June 2018. The alleged underpayment related to materials purchased from the adjacent Boral quarry. The Boral material was used by Cleanaway at its Melbourne Regional Landfill as daily cover during the financial year ended 30 June 2018. The EPA's position is that the landfill levy is payable in respect of the Boral material as it was 'waste' within the meaning of the Environment Protection Act 1970. Cleanaway does not agree that this material was 'waste' as the material was purchased from Boral and used in its landfilling operations. On 16 August 2021, the EPA commenced proceedings in the Magistrates' Court of Victoria seeking recovery of the \$6.9 million plus interest and costs (the Proceedings). The Proceedings have been moved to the Supreme Court and a hearing has been set down for 7 days, commencing on 4 August 2025. On 2 February 2022, the EPA issued an invoice to the Group for \$4.7 million in relation to an alleged underpayment of the landfill levy for the financial year ended 30 June 2019. The alleged underpayment also relates to material Cleanaway purchased from Boral for use as cover material. Cleanaway's position is that the material is not waste and as such, does not attract the landfill levy. For the financial years ended 30 June 2020 and 2021, and most recently financial year 2023 (confirmed on 17 December 2024, following the EPA audit) no levy underpayments by Cleanaway were recorded. For the financial year ended 30 June 2022, the EPA has undertaken an audit and has indicated that there is an underpayment of levy in the amount of \$7.2 million. Cleanaway has disputed the auditor's findings and discussions have commenced with the EPA. No invoice has been issued as yet. The Group's arguments to avoid payment of landfill levy for the year ended 30 June 2022 are the same arguments that apply for the years ended 30 June 2018 and 2019, and are similar to those that were accepted by the EPA in relation to the assessment of landfill levies for the years ended 30 June 2020 and 2021.

In 2021, as part of the transaction to acquire the Sydney Resource Network from Suez Groupe (S.A.S) (now Vigie Groupe (S.A.S) (Vigie)) and Suez International (S.A.S) (Suez), Cleanaway acquired land including the Lucas Heights Waste Resource Recovery Park and the Sydney Clay Target Club (the Club). Cleanaway has since become aware that the land used by the Club has lead contamination. Cleanaway has commenced legal proceedings against Vigie, Suez and Veolia Recycling and Recovery (NSW) Pty Ltd relating to potential remediation costs.

Management is reviewing a possible compliance matter relating to employee entitlements (including superannuation) covering certain depots in Northern New South Wales. Cleanaway's enterprise bargaining and employee contract environment is complex, and should a compliance matter be identified, the Group is committed to rectifying the issue and, to the extent there has been any underpayment, compensating impacted employees as a matter of priority. Potential underpayments identified to date are not significant to the Financial Report, however a comprehensive review remains in progress. In addition to this, a detailed review of the application of the terms of the relevant Enterprise Agreements has commenced, including obtaining independent expert advice. Cleanaway is also undertaking additional reviews of its compliance with other industrial instruments which apply across its broader operations. As at the half-year and the date of this report, any material obligation and likelihood of payment is yet to be determined.

A subsidiary of Boral Limited has commenced legal proceedings against a subsidiary of Cleanaway alleging historical breaches of the landfill Operating Agreement which governs operations at Melbourne Regional Landfill (MRL). Cleanaway is vigorously defending this matter, and it is not expected that it will result in material exposure to the Group.

Certain companies within the Group are party to various legal actions, commercial disputes and/or negotiations that arise in the normal course of business including with customers, suppliers and/or regulators. As at year end and the date of this report, it is expected that any liabilities or assets arising from these matters would not have a material effect on the Group.

## Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2024

### 14. Events occurring after the reporting date

On 8 February 2025, the Company agreed with lenders to increase its Facility E commitments, under the Syndicated Facility Agreement, by a total of \$100 million to \$500 million. All other terms of the facility remain unchanged.

On 4 February 2025, there was a significant fire at Cleanaway's liquid waste processing facility at St Marys, New South Wales, resulting in closure of the site whilst the cause is investigated and the extent of the damage is assessed. The fire has caused damage to plant and equipment on the site and resulted in certain clean-up obligations, however significant uncertainty remains on the nature and extent of damage and in forming a reliable estimate of the full financial exposure to be incurred. A write-off of assets is expected to be recognised in FY25 as the extent of the damage is determined. Other costs expected as a result of the fire, including clean-up costs and additional costs to service customers will be expensed as incurred or provided for when the obligation arises. The losses incurred by the Group in relation to the incident are expected to be mitigated by recoveries from Cleanaway's insurance policies. Insurance recoveries will only be recognised when receipt is virtually certain.

Other than noted above, there have been no matters or circumstances that have arisen since 31 December 2024 that have affected the Group's operations not otherwise disclosed in this Report.

# Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes for the half-year ended 31 December 2024 are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
  - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



P G Etienne  
Chairman and Non-Executive Director



M J Schubert  
Chief Executive Officer and Managing Director

Melbourne, 18 February 2025

For personal use only

# Independent Auditor's Review Report

to the members of Cleanaway Waste Management Limited



Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

Shape the future  
with confidence

## Independent Auditor's Review Report to the members of Cleanaway Waste Management Limited

### Conclusion

We have reviewed the accompanying half-year financial report of Cleanaway Waste Management Limited (the Company) and its subsidiaries (collectively the Group), which comprises the Consolidated Balance Sheet as at 31 December 2024, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink that reads 'Ernst &amp; Young'.

Ernst & Young

Melbourne  
18 February 2025

A handwritten signature in black ink that reads 'Ashley Butler'.

Ashley Butler  
Partner