

Appendix 4D

Results for announcement to the market for the half-year ended 31 December 2022.

ASX Listing Rule 4.2A.3.

Reporting period

Reporting period: 31 December 2022

Previous corresponding period: 31 December 2021

The Half-Year Consolidated Financial Report should be read in conjunction with the 2022 Annual Report.

Results for announcement to the market

	31 DEC 2022 S'M	31 DEC 2021 S'M	UP/DOWN	MOVEMENT
Revenue from ordinary activities	1,777.9	1,364.6	Up	30.3%
Profit after income tax	49.0	52.5	Down	6.7%
<i>Attributable to:</i>				
Ordinary equity holders of the parent	47.9	51.5	Down	7.0%
Non-controlling interest	1.1	1.0	Up	10.0%
Profit after income tax	49.0	52.5		

Dividends

DIVIDEND INFORMATION	AMOUNT PER SHARE (CENTS)
Final 2022 unfranked dividend (paid 7 October 2022)	2.45
Interim 2023 unfranked dividend (to be paid 6 April 2023)	2.45
<i>Interim dividend dates:</i>	
Record date	7 March 2023
Payment date	6 April 2023

An interim dividend of 2.45 cents per share has been declared. The Dividend Reinvestment Plan (DRP) will be in operation for the interim dividend. The DRP election date is 8 March 2023. 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 9 March 2023 to 15 March 2023. No discount will be applied to shares issued under the DRP.

Net Tangible Assets (NTA) per security

	31 DEC 2022 CENTS	30 JUNE 2022 CENTS
NTA per security (including right-of-use assets)	(3.3)	(20.9)

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 2022.

Status of audit

The Consolidated Financial Report for the half-year ended 31 December 2022, which contains the independent auditor's review report, is attached.



D J F Last
Company Secretary
22 February 2023

Cleanaway Waste Management Limited

ABN 74 101 155 220

Consolidated Financial Report

For the half-year ended 31 December 2022

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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 2022 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*.

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 2022.

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.

M P Chellew	Chairman and Non-Executive Director
M J Schubert	Chief Executive Officer and Managing Director
R M Smith	Non-Executive Director
T A Sinclair	Non-Executive Director
R M Harding	Non-Executive Director (retired 20 October 2022)
P G Etienne	Non-Executive Director
S L Hogg	Non-Executive Director
I A Player	Non-Executive Director
A M Kelly	Non-Executive Director
J McArthur	Non-Executive Director (appointed 1 September 2022)

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

On 3 August 2022 the Group announced the appointment of Ms Jackie McArthur as an Independent Non-Executive Director of the Company. The appointment was effective from 1 September 2022.

Review of results

The Group's statutory profit after income tax (attributable to ordinary equity holders) for the half-year ended 31 December 2022 was \$47.9 million (2021: \$51.5 million).

The Group's underlying profit after income tax (attributable to ordinary equity holders) for the half-year ended 31 December 2022 of \$65.8 million decreased by 12.6% on the prior period (2021: \$75.3 million).

Operating cash flows decreased 9.0% to \$203.4 million (2021: \$223.6 million). On 31 August 2022 the Group acquired Global Renewables Holdings Pty Ltd (GRL) and effectively settled an unfavourable contract with GRL for consideration of \$167.0 million. This acquisition has been funded by a fully underwritten equity raising of \$350.0 million to institutional investors and a non-underwritten share purchase plan of \$50.0 million (refer to note 9 to the Consolidated Financial Statements).

The Group's net assets increased from \$2,628.2 million at 30 June 2022 to \$3,024.4 million at 31 December 2022.

At 31 December 2022 the Group had a net current asset deficiency of \$71.9 million (30 June 2022: \$242.4 million). As set out in note 7 to the Consolidated Financial Statements, the Group has unutilised committed debt facilities of \$578.7 million at 31 December 2022 available to repay the Group's creditors as required and therefore the Directors are satisfied that the Group can meet its financial obligations as and when they fall due.

Net tangible assets have increased by \$359.7 million during the period to negative net tangible assets of \$72.4 million at 31 December 2022 (30 June 2022: \$432.1 million). Net tangible assets are calculated as net assets less intangible assets. The increase since 30 June 2022 is mainly a result of the equity raising.

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 (continued)

Group results for the half-year ended 31 December 2022

	UNDERLYING ADJUSTMENTS				UNDERLYING ¹ \$'M
	STATUTORY ¹ \$'M	ACQUISITION & INTEGRATION COSTS ⁴ \$'M	FLOOD IMPACTS ⁵ \$'M	MEDICAL WASTE FACILITY INCIDENTS ⁶ \$'M	
Solid Waste Services					267.9
Industrial & Waste Services					25.4
Liquid Waste & Health Services					48.3
Equity accounted investments					0.6
Waste management					342.2
Corporate					(20.0)
EBITDA²	298.5	5.5	(0.2)	18.4	322.2
Depreciation and amortisation	(183.9)	–	–	–	(183.9)
EBIT³	114.6	5.5	(0.2)	18.4	138.3
Net finance costs	(45.4)	–	–	–	(45.4)
Profit before income tax	69.2	5.5	(0.2)	18.4	92.9
Income tax expense	(20.2)	(0.4)	0.1	(5.5)	(26.0)
Profit after income tax	49.0	5.1	(0.1)	12.9	66.9
Attributable to:					
Ordinary equity holders	47.9	5.1	(0.1)	12.9	65.8
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 and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group. The non-IFRS financial information is unaudited.

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

3 EBIT represents earnings before interest and income tax.

4 Acquisition and integration costs of \$5.5 million include transaction costs and other costs associated with the acquisition of Global Renewable Holdings Pty Ltd of \$3.4 million and the ongoing integration of the Sydney Resource Network of \$2.1 million.

5 Several Cleanaway sites were impacted by the East Coast floods which occurred during late February and early March 2022. Insurance proceeds of \$0.2 million have been recognised during the current period in relation to damaged fleet.

6 In June 2022, a fire caused significant damage to equipment at the medical waste processing facility in Dandenong, Victoria. The Victorian Health business has incurred additional net expenses of \$18.4 million during the half-year ended 31 December 2022, largely related to alternative waste disposal costs.

Directors' Report

Operating review (continued)

Group results for the half-year ended 31 December 2021

	UNDERLYING ADJUSTMENTS						UNDERLYING ¹ \$'M
	STATUTORY ¹ \$'M	ACQUISITION & INTEGRATION COSTS ⁴ \$'M	CEO TRANSITION & RESTRUCTURING PROJECTS ⁵ \$'M	WRITE OFF SYDNEY EFW ⁶ \$'M	GAIN ON SALE AND LEASEBACK OF PROPERTY ⁷	OTHER ⁸ \$'M	
Solid Waste Services							209.1
Industrial & Waste Services							23.6
Liquid Waste & Health Services							53.4
Equity accounted investments							(0.1)
Waste management							286.0
Corporate							(12.3)
EBITDA²	253.2	16.1	7.9	6.0	(8.2)	(1.3)	273.7
Depreciation and amortisation	(143.8)	–	–	–	–	–	(143.8)
Impairment of assets	(8.9)	8.9	–	–	–	–	–
EBIT³	100.5	25.0	7.9	6.0	(8.2)	(1.3)	129.9
Net finance costs	(25.2)	2.5	–	–	–	(0.2)	(22.9)
Profit before income tax	75.3	27.5	7.9	6.0	(8.2)	(1.5)	107.0
Income tax expense	(22.8)	(6.7)	(2.4)	(1.8)	2.5	0.5	(30.7)
Profit after income tax	52.5	20.8	5.5	4.2	(5.7)	(1.0)	76.3
Attributable to:							
Ordinary equity holders	51.5	20.8	5.5	4.2	(5.7)	(1.0)	75.3
Non-controlling interest	1.0	–	–	–	–	–	1.0

- 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 and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group. The non-IFRS financial information is unaudited.
- 2 EBITDA represents earnings before interest, income tax, and depreciation, amortisation and impairments.
- 3 EBIT represents earnings before interest and income tax.
- 4 Acquisition and integration costs include transaction costs and other costs associated with the acquisition and integration of the Sydney Resource Network of \$17.5 million offset by \$1.4 million remeasurement of the contingent consideration in relation to the acquisition of the Grasshopper Group. In addition, a \$8.9 million impairment charge was recognised related to assets which will have no future economic benefit to the Group post acquisition and \$2.5 million of net finance costs were incurred to retain the financing for the acquisition of the Sydney Resource Network.
- 5 On 30 August 2021 Mr Mark Schubert commenced in the role of CEO. Costs related to his sign-on bonus and performance rights incurred in the current period total \$0.7 million. On commencement, Mr Schubert commissioned some initiatives to enhance compliance and safety processes across the Group, appointed consultants to conduct a review into the future strategy of the Group and has appointed new members of the Group Executive Team. Costs incurred on these projects and related to the termination of outgoing Executive Team members total \$7.2 million.
- 6 Following the NSW Government release of their Energy from Waste Infrastructure Plan on 10 September 2021, the Eastern Creek site designated by the Western Sydney Energy and Resource Recovery Centre Pty Ltd project, and owned 51% by the Group, is no longer considered a viable site for development of an Energy from Waste facility. Costs related to the environmental impact study of \$6.0 million, which were to be recovered from the joint venture company upon the project reaching financing stage, have been written off.
- 7 On 15 July 2021 the Group completed the sale of a depot located in Erskine Park, New South Wales for a sum of \$15.7 million and will lease it back over a term of seven years with five, five-year options to extend the lease. A gain of \$8.2 million resulted from the transaction.
- 8 The credit to EBITDA of \$1.3 million relates to the increase in discount rate on measurement of remediation liabilities related to closed landfill sites and industrial properties. Net finance costs relate to the fair value gain on cross currency interest rate swaps (CCIRS) of \$6.8 million offset by the fair value loss on the related USPP Notes of \$6.6 million.

Directors' Report

Operating review (continued)

The Group comprises three operating segments being Solid Waste Services, Industrial & Waste Services and Liquid Waste & Health 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 2022 \$'M	31 DEC 2021 \$'M
Underlying EBITDA ¹	267.9	209.1
Underlying EBIT ²	124.5	107.0

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.
Financial metrics	Total revenue for the Solid Waste Services segment increased by 38.8% to \$1,344.8 million, and net revenue ³ increased by 24.4% to \$1,038.0 million. Underlying EBITDA increased by 28.1% to \$267.9 million, and underlying EBIT increased by 16.4% to \$124.5 million.
Performance	<p>On 31 August 2022, the Group completed the acquisition of Global Renewables Holdings Pty Ltd (GRL). GRL operates a facility that processes approximately 220kt p.a of Sydney's 'red bin' putrescible waste.</p> <p>GRL contributed \$8.0 million EBITDA and \$6.8 million EBIT during the initial four-month period of ownership and is performing in line with expectations. The asset is strategically located and is currently delivering ~30% landfill diversion. During the period, the operational team undertook trials at the facility with further analysis underway to determine the optimal transition plan for the facility as it prepares to capture the emerging Sydney FOGO opportunity.</p> <p>Solid Waste Services revenue also benefited from a full six-months contribution from the Sydney Resource Network assets, increased activity and contractual price increases to capture higher input costs. This was partially offset by lower old corrugated containers (OCC) prices, higher labour costs and continued upward pressure on fuel prices.</p> <p>Labour costs were higher due to greater use of overtime and sub-contractors resulting from the tight labour market, absenteeism and elevated job vacancies. Towards the end of the period the recruitment process outsourcing (RPO) program began to gain traction as vacant positions were filled.</p> <p>The temporary closure of the New Chum landfill in Queensland, together with the operational impacts resulting from the floods in the first half of 2022 adversely affected the business. The associated fleet replacement program is nearing completion.</p> <p>Ground works on the Western Sydney MRF commenced during the period, with the facility expected to be operational towards the end of the financial year ending 30 June 2024.</p>

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

2 EBIT represents earnings before interest and income tax.

3 Net revenue excludes landfill levies collected of \$306.8 million (31 December 2021: \$134.7 million).

Directors' Report

Operating review (continued)

Industrial & Waste Services

	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Underlying EBITDA	25.4	23.6
Underlying EBIT	12.4	10.6

<i>Core business</i>	The Industrial & Waste Services segment provides a wide variety of services to the Infrastructure, Oil & Gas, Industrial and Resources markets. Services include drain cleaning, non-destructive digging, vacuum loading, high pressure cleaning, pipeline maintenance and CCTV.
<i>Financial metrics</i>	Total revenue increased by 11.8% to \$182.6 million, underlying EBITDA increased by 7.6% to \$25.4 million and underlying EBIT increased by 17.0% to \$12.4 million.
<i>Performance</i>	<p>Revenue was \$182.6 million with strong performances across all regions driven by increased activity with existing customers and new contract wins.</p> <p>EBITDA of \$25.4 million reflected strong contract management, increased activity at existing sites, new contracts and negotiated price increases to somewhat offset cost pressures. Persistent cost inflation compressed EBITDA margins.</p> <p>Underlying EBIT increased by \$1.8 million to \$12.4 million and underlying EBIT margin expanded 30 basis points to 6.8% reflecting the underlying EBITDA outcome and broadly steady depreciation and amortisation expenses.</p> <p>The Industrial & Waste Services segment continued to deliver a strong customer re-sign and win rate. The strategy to increase presence in the Oil & Gas sector is proving to be successful with significant contracts with Santos and ExxonMobil secured during the period.</p> <p>The segment also extended a contract with BHP at Olympic Dam and successfully tendered for a Snowy 2.0 contract with a further opportunity to extend the contract in the future.</p>

Directors' Report

Operating review (continued)

Liquid Waste & Health Services

	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Underlying EBITDA	48.3	53.4
Underlying EBIT	26.6	31.5

<i>Core business</i>	<p>The Liquid Waste & Health Services segment comprises:</p> <ul style="list-style-type: none"> • Liquid Waste – the collection, treatment, processing, refining and recycling and destruction of hazardous and non-hazardous liquids, hydrocarbons and chemical waste, specialised packaged 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.
<i>Financial metrics</i>	<p>Liquid Waste & Health Services revenue increased 10.1% to \$306.1 million, underlying EBITDA decreased 9.6% to \$48.3 million and underlying EBIT decreased 15.6% to \$26.6 million.</p>
<i>Performance</i>	<p>While underlying EBITDA and EBIT margins decreased 340 and 260 basis points respectively to 15.8% and 8.7% compared to the prior corresponding period, they improved by 10 and 80 basis points respectively compared with the half-year period ended 30 June 2022.</p> <p>The Liquids and Technical Services business realised strong revenue growth with positive momentum across the business, particularly in Victoria and Queensland. Price increases were implemented to reflect increasing input costs. The return of cruise lines and hospitality has resulted in growth across oily water and grease trap volumes.</p> <p>Higher costs due to poor labour availability and higher equipment repair and maintenance costs, together with less infrastructure related project work, resulted in slightly lower EBITDA.</p> <p>From an underlying EBITDA perspective, the Hydrocarbons business performed broadly in line with the prior corresponding period. Strong revenue growth resulted from higher post collections volumes and prices, and growth in servicing through Cleanaway Equipment Services. This was offset by higher natural gas and diesel input costs and higher freight and labour costs.</p> <p>The Health Services business revenue was broadly in line with the prior corresponding period due to lower COVID related clinical waste from hotel quarantine, hospital and vaccination clinics and aged care centres, offset by cost recoveries from hospitals and increases in revenue from biosecurity, and cruise ships as the travel sector rebounds.</p> <p>Network inefficiencies resulted from the loss of the hammer mill waste processing facility in Victoria due to a fire in June 2022, and together with higher gas, labour and diesel costs resulted in significantly lower EBITDA.</p> <p>Draft EPA approval for our Victorian autoclaves, a replacement solution for the hammer mill, was granted recently and they are expected to be operational in the last quarter of the year ending 30 June 2023.</p> <p>By the end of the period there was a significant reduction in the volume of COVID related waste, which will reduce the impact on the network and allow for improved operational efficiency.</p>

Directors' Report

Environmental regulation

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

The Group is committed to achieving the highest standards of environmental performance. There were no material breaches of environmental statutory requirements and no 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

There have been no matters or circumstances that have arisen since the end of the half-year 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.



M P Chellew
Chairman and Non-Executive Director
Melbourne,
22 February 2023



M J Schubert
Chief Executive Officer and Managing Director

Auditor's Independence Declaration



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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 2022, 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 & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink, appearing to be 'Ashley Butler', written in a cursive style.

Ashley Butler
Partner
22 February 2023

Consolidated Income Statement

For the half-year ended 31 December 2022

	NOTES	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Revenue	3	1,777.9	1,364.6
Other income		0.4	1.0
Labour related expenses		(582.7)	(500.3)
Collection, recycling, and waste disposal expenses		(613.1)	(388.0)
Fleet operating expenses		(191.9)	(140.6)
Property expenses		(30.8)	(25.6)
Other expenses		(61.9)	(60.0)
Gain on sale and leaseback of property	2	–	8.2
Write down loan to equity accounted investment	2	–	(6.0)
Share of profit/(losses) from equity accounted investments	5	0.6	(0.1)
Depreciation and amortisation expense		(183.9)	(143.8)
Impairment of plant and equipment	2	–	(8.9)
Profit from operations		114.6	100.5
Net finance costs	6	(45.4)	(25.2)
Profit before income tax		69.2	75.3
Income tax expense		(20.2)	(22.8)
Profit after income tax		49.0	52.5
Attributable to:			
Ordinary equity holders		47.9	51.5
Non-controlling interest		1.1	1.0
Profit after income tax		49.0	52.5

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

Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2022

	NOTES	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Profit after income tax		49.0	52.5
Other comprehensive income (to be reclassified to profit or loss in subsequent periods)			
Net (loss)/gain on currency basis on cross currency interest rate swaps (net of tax)		(1.2)	2.1
Net comprehensive (loss)/income recognised directly in equity		(1.2)	2.1
Total comprehensive income for the period		47.8	54.6
Attributable to:			
Ordinary equity holders		46.7	53.6
Non-controlling interest		1.1	1.0
Total comprehensive income for the period		47.8	54.6
Earnings per share attributable to the ordinary equity holders of the Company:			
Basic earnings per share (cents)	8	2.2	2.5
Diluted earnings per share (cents)	8	2.2	2.5

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

Consolidated Balance Sheet

As at 31 December 2022

	NOTES	31 DEC 2022 \$'M	30 JUNE 2022 \$'M
Assets			
Current assets			
Cash and cash equivalents		124.9	66.5
Trade and other receivables		588.4	532.5
Inventories		34.3	26.7
Income tax receivable		1.0	0.2
Other assets		23.4	29.6
Total current assets		772.0	655.5
Non-current assets			
Property, plant and equipment	4	1,505.5	1,434.5
Right-of-use assets		597.4	614.7
Intangible assets		3,096.8	3,060.3
Equity accounted investments	5	53.5	52.2
Net deferred tax assets		4.2	11.4
Other assets		24.0	20.1
Total non-current assets		5,281.4	5,193.2
Total assets		6,053.4	5,848.7
Liabilities			
Current liabilities			
Trade and other payables		506.9	470.1
Interest-bearing liabilities	7	93.8	100.6
Employee entitlements		88.1	91.0
Provisions		114.8	197.0
Other liabilities		40.3	39.2
Total current liabilities		843.9	897.9
Non-current liabilities			
Interest-bearing liabilities	7	1,470.1	1,583.2
Employee entitlements		9.2	8.7
Provisions		504.7	536.0
Derivative financial instruments		51.7	39.3
Other liabilities		149.4	155.4
Total non-current liabilities		2,185.1	2,322.6
Total liabilities		3,029.0	3,220.5
Net assets		3,024.4	2,628.2
Equity			
Issued capital	9	3,100.9	2,700.6
Reserves		33.0	31.6
Retained earnings		(113.5)	(106.9)
Parent entity interest		3,020.4	2,625.3
Non-controlling interest		4.0	2.9
Total equity		3,024.4	2,628.2

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 2022

	PARENT ENTITY INTEREST			TOTAL \$'M	NON- CONTROLLING INTEREST \$'M	TOTAL EQUITY \$'M
	ORDINARY SHARES \$'M	RESERVES \$'M	RETAINED EARNINGS \$'M			
At 1 July 2022	2,700.6	31.6	(106.9)	2,625.3	2.9	2,628.2
Profit for period	–	–	47.9	47.9	1.1	49.0
Other comprehensive income	–	(1.2)	–	(1.2)	–	(1.2)
Total comprehensive income for the period	–	(1.2)	47.9	46.7	1.1	47.8
Issue of shares (net of transaction costs)	394.8	–	–	394.8	–	394.8
Share-based payment expense (net of tax)	–	2.6	–	2.6	–	2.6
Dividends reinvested/(paid)	5.5	–	(54.5)	(49.0)	–	(49.0)
Balance at 31 December 2022	3,100.9	33.0	(113.5)	3,020.4	4.0	3,024.4
At 1 July 2021	2,695.7	25.1	(86.9)	2,633.9	2.4	2,636.3
Profit for period	–	–	51.5	51.5	1.0	52.5
Other comprehensive income	–	2.1	–	2.1	–	2.1
Total comprehensive income for the period	–	2.1	51.5	53.6	1.0	54.6
Share-based payment expense (net of tax)	–	2.5	–	2.5	–	2.5
Dividends reinvested/(paid)	2.3	–	(48.4)	(46.1)	–	(46.1)
Balance at 31 December 2021	2,698.0	29.7	(83.8)	2,643.9	3.4	2,647.3

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

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2022

		31 DEC 2022 S'M	31 DEC 2021 S'M
Cash flows from operating activities			
Profit before income tax		69.2	75.3
Adjustments for:			
Depreciation and amortisation expense		183.9	143.8
Impairment of plant and equipment	2	–	8.9
Net finance costs	6	45.4	25.2
Share-based payment expense		2.3	2.0
Remediation and rectification provision remeasurement		(1.1)	(1.3)
Share of (profit)/losses from equity accounted investments		(0.6)	0.1
Write down loan to equity accounted investment	2	–	6.0
Gain on sale and leaseback of property	2	–	(8.2)
Net gain on disposal of property, plant and equipment		(0.6)	(1.1)
Other non-cash items		(0.7)	(1.6)
Net cash from operating activities before changes in assets and liabilities		297.8	249.1
Changes in assets and liabilities:			
Increase in receivables		(55.9)	(64.5)
Decrease in other assets		9.0	0.8
Increase in inventories		(5.3)	(2.2)
Increase in payables		28.6	72.8
(Decrease)/increase in employee entitlements		(4.8)	1.2
Increase/(decrease) in other liabilities		7.6	(0.1)
Decrease in provisions		(36.4)	(12.0)
Cash generated from operating activities		240.6	245.1
Net interest paid		(28.7)	(15.5)
Income taxes paid		(8.5)	(6.0)
Net cash from operating activities		203.4	223.6
Cash flows from investing activities			
Payments for property, plant and equipment		(168.0)	(129.5)
Payments for intangible assets		(7.7)	(1.2)
Payments for purchase of businesses (net of cash acquired)	12	(168.8)	(505.7)
Proceeds from disposal of property, plant and equipment		1.5	18.1
Investment in equity accounted investments		(0.9)	(6.0)
Loans to equity accounted investments		(1.6)	(5.4)
Loans repaid by equity accounted investments		0.7	–
Dividends received from equity accounted investments		0.3	0.6
Net cash used in investing activities		(344.5)	(629.1)
Cash flows from financing activities			
Proceeds from borrowings		–	500.0
Repayment of borrowings		(95.0)	(30.0)
Repayment of lease liabilities		(49.1)	(36.0)
Payment of debt and equity raising costs		(7.4)	(3.1)
Proceeds from issue of ordinary shares	9	400.0	–
Payment of dividends to ordinary equity holders		(49.0)	(46.1)
Net cash from financing activities		199.5	384.8
Net increase/(decrease) in cash and cash equivalents		58.4	(20.7)
Cash and cash equivalents at the beginning of the period		66.5	69.4
Cash and cash equivalents at 31 December		124.9	48.7

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 2022

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 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 2022 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 derivative financial instruments, which are measured at fair value. For assets and liabilities recognised in business combinations, the cost is measured at fair value except for employee entitlements and taxation balances. Cost is otherwise based on the fair value of the consideration given in exchange for assets.

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.

Comparative information has been restated to reflect the final determined fair values of the Sydney Resource Network business acquisition (refer note 12).

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 2022. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group's net assets increased from \$2,628.2 million at 30 June 2022 to \$3,024.4 million at 31 December 2022.

At 31 December 2022 the Group had a net current asset deficiency of \$71.9 million (30 June 2022: \$242.4 million). As set out in note 7 to the Financial Statements, the Group has unutilised committed debt facilities of \$578.7 million at 31 December 2022 available to repay the Group's creditors as required and therefore the Directors are satisfied that the Group can meet its financial obligations as and when they fall due.

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 relevant to the Group include:

- *Improvements to AASB 2018-2022 cycle – Reference to the Conceptual Framework – Amendments to AASB 3*

The amendments are intended to update a reference to the new Conceptual Framework without significantly changing the requirements of AASB 3. The amendments also add a new paragraph to AASB 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. These amendments have not impacted the Consolidated Financial Statements.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

1. Summary of significant accounting policies (continued)

Standards issued but not yet effective

New standards are effective for annual periods beginning after 1 July 2023 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.

- *Classification of Liabilities as Current or Non-current – Amendments to AASB 101 (to be initially applied in the financial year ending 30 June 2024)*

In January 2020, the Board 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

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.

- *Definition of Accounting Estimates – Amendments to AASB 108 (to be initially applied in the financial year ending 30 June 2024)*

The AASB has issued amendments to AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* in which it introduced a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in Accounting Policy and correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop estimates. Cleanaway does not intend to early adopt this change.

- *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to AASB 112 (to be initially applied in the year ending 30 June 2024)*

The AASB issued amendments to AASB 112 *Income Taxes* which narrow the scope of the initial recognition exception under AASB 112 so that it no longer applies to transactions that give rise to equal taxable and deductible differences. Currently Cleanaway applies the gross up method to both lease liabilities and remediation obligations whereby it recognises deferred tax assets in respect of the liabilities and deferred tax liabilities in respect of the assets.

Cleanaway have assessed this change and as the Group already account for deferred tax in accordance with the requirements in the amendment, there will be no significant impact to the Group on adoption of this amendment.

- *Disclosure of Accounting Policies – Amendments to AASB 101 and IFRS Practice Statement 2 (to be initially applied in the year ending 30 June 2024)*

The AASB has issued amendments to AASB 101 *Presentation of Financial Statements* and IFRS Practice Statement 2 *Making Materiality Judgements* in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures with the aim to making the accounting policies more useful.

- *Lease Liability in a Sale and Leaseback – Amendments to AASB 16 (to be initially applied in the year ending 30 June 2024)*

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. Cleanaway does not intend to early adopt this amendment.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

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 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.

- **Industrial & Waste Services**

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

- **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 packaged 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.

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 balances 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 2022

2. Segment reporting (continued)

31 DECEMBER 2022	OPERATING SEGMENTS				TOTAL OPERATING SEGMENTS \$'M	UNALLOCATED		GROUP \$'M
	SOLID WASTE SERVICES \$'M	INDUSTRIAL & WASTE SERVICES \$'M	LIQUID WASTE & HEALTH SERVICES \$'M	ELIMINATIONS \$'M		EQUITY ACCOUNTED INVESTMENTS \$'M	CORPORATE \$'M	
Revenue								
Revenue from customers	1,308.8	177.4	272.1	–	1,758.3	–	–	1,758.3
Other revenue	9.5	–	10.1	–	19.6	–	–	19.6
Inter-segment sales	26.5	5.2	23.9	(55.6)	–	–	–	–
Total revenue	1,344.8	182.6	306.1	(55.6)	1,777.9	–	–	1,777.9
Underlying EBITDA ¹	267.9	25.4	48.3	–	341.6	0.6	(20.0)	322.2
Depreciation and amortisation	(143.4)	(13.0)	(21.7)	–	(178.1)	–	(5.8)	(183.9)
Underlying EBIT ¹	124.5	12.4	26.6	–	163.5	0.6	(25.8)	138.3
Acquisition and integration costs ²								(5.5)
Flood impacts ³								0.2
Medical waste facility incidents ⁴								(18.4)
Profit from operations (EBIT)								114.6
Net finance costs								(45.4)
Profit before income tax								69.2
Income tax expense								(20.2)
Profit after income tax								49.0
Capital expenditure:								
Property, plant and equipment	131.7	9.4	21.1	–	162.2	–	5.8	168.0
Intangible assets	0.1	–	–	–	0.1	–	7.6	7.7

1 Underlying earnings are categorised as non-IFRS financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group.

2 Acquisition and integration costs of \$5.5 million include transaction costs and other costs associated with the acquisition of Global Renewable Holdings Pty Ltd of \$3.4 million and the ongoing integration of the Sydney Resource Network of \$2.1 million.

3 Several Cleanaway sites were impacted by the East Coast floods which occurred during late February and early March 2022. Insurance proceeds of \$0.2 million have been recognised during the current period in relation to damaged fleet.

4 In June 2022, a fire caused significant damage to equipment at the medical waste processing facility in Dandenong, Victoria. The Victorian Health business has incurred additional net expenses of \$18.4 million during the half-year ended 31 December 2022, largely related to alternative waste disposal costs.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

2. Segment reporting (continued)

31 DECEMBER 2021	OPERATING SEGMENTS				TOTAL OPERATING SEGMENTS \$'M	UNALLOCATED		GROUP \$'M
	SOLID WASTE SERVICES \$'M	INDUSTRIAL & WASTE SERVICES \$'M	LIQUID WASTE & HEALTH SERVICES \$'M	ELIMINATIONS \$'M		EQUITY ACCOUNTED INVESTMENTS \$'M	CORPORATE \$'M	
Revenue								
Revenue from customers	940.5	158.9	248.6	–	1,348.0	–	–	1,348.0
Other revenue	5.7	–	10.9	–	16.6	–	–	16.6
Inter-segment sales	22.9	4.4	18.6	(45.9)	–	–	–	–
Total revenue	969.1	163.3	278.1	(45.9)	1,364.6	–	–	1,364.6
Underlying EBITDA¹	209.1	23.6	53.4	–	286.1	(0.1)	(12.3)	273.7
Depreciation and amortisation	(102.1)	(13.0)	(21.9)	–	(137.0)	–	(6.8)	(143.8)
Underlying EBIT¹	107.0	10.6	31.5	–	149.1	(0.1)	(19.1)	129.9
Acquisition and integration costs ²								(25.0)
CEO transition and restructuring ³								(7.9)
Write down loan to Sydney EfW ⁴								(6.0)
Gain on sale and leaseback of property ⁵								8.2
Remediation and rectification provision remeasurement ⁶								1.3
Profit from operations (EBIT)								100.5
Net finance costs								(25.2)
Profit before income tax								75.3
Income tax expense								(22.8)
Profit after income tax								52.5
Capital expenditure:								
Property, plant and equipment	98.2	9.4	16.8	–	124.4	–	5.1	129.5
Intangible assets	0.5	–	0.2	–	0.7	–	0.5	1.2

- Underlying earnings are categorised as non-IFRS financial information and therefore have been presented in compliance with ASIC Regulatory Guide 230 – Disclosing non-IFRS information. The exclusion of underlying adjustments provides a result which, in the Directors' view, more closely reflects the ongoing operations of the Group.
- Acquisition and integration costs include transaction costs and other costs associated with the acquisition and integration of the Sydney Resource Network of \$17.5 million offset by \$1.4 million remeasurement of the contingent consideration in relation to the acquisition of the Grasshopper Group. In addition, a \$8.9 million impairment charge was recognised related to assets which will have no future economic benefit to the Group post acquisition of the Sydney Resource Network.
- On 30 August 2021 Mr Mark Schubert commenced in the role of CEO. Costs related to his sign-on bonus and performance rights incurred in the current period total \$0.7 million. On commencement, Mr Schubert commissioned some initiatives to enhance compliance and safety processes across the Group, appointed consultants to conduct a review into the future strategy of the Group and has appointed new members of the Group Executive Team. Costs incurred on these projects and related to the termination of outgoing Executive Team members total \$7.2 million.
- Following the NSW Government release of their Energy from Waste Infrastructure Plan on 10 September 2021, the Eastern Creek site designated by the Western Sydney Energy and Resource Recovery Centre Pty Ltd project and owned 51% by the Group, is no longer considered a viable site for development of an Energy from Waste facility. Costs related to the environmental impact study of \$6.0 million, which were to be recovered from the joint venture company upon the project reaching financing stage, have been written off.
- On 15 July 2021 the Group completed the sale of a depot located in Erskine Park, New South Wales for a sum of \$15.7 million and will lease it back over a term of seven years with five, five-year options to extend the lease. A gain of \$8.2 million resulted from the transaction.
- The credit of \$1.3 million relates to the increase in discount rate on measurement of remediation liabilities related to closed landfill sites and industrial properties.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

3. Revenue

	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Revenue from customers ¹	1,758.3	1,348.0
Other revenue	19.6	16.6
Total Revenue	1,777.9	1,364.6

¹ Refer to the segment reporting note for disaggregation of revenue.

4. Property, plant and equipment

	NON-LANDFILL LAND AND BUILDINGS \$'M	LANDFILL ASSETS ³ \$'M	LEASEHOLD IMPROVEMENTS \$'M	PLANT AND EQUIPMENT \$'M	CAPITAL WORK IN PROGRESS \$'M	TOTAL \$'M
Opening balance at 1 July 2022	256.2	364.1	55.3	602.3	156.6	1,434.5
Additions	–	–	–	–	156.4	156.4
Acquisition of business ¹	2.6	–	0.4	19.4	–	22.4
Net movement in remediation assets ²	–	(5.2)	–	–	–	(5.2)
Disposals	(0.1)	–	–	(0.8)	–	(0.9)
Transfers of assets	0.7	28.9	2.4	79.1	(110.1)	1.0
Depreciation	(3.0)	(32.5)	(3.2)	(64.0)	–	(102.7)
Closing balance at 31 December 2022	256.4	355.3	54.9	636.0	202.9	1,505.5

¹ Refer note 12.

² Net movement in remediation assets reflects adjustments to the remediation provision for open landfill sites and leasehold improvements.

³ Landfill assets are depreciated using airspace related to the current licensed areas and expected extensions of that landfill area. Total landfill assets related to the New Chum Landfill are currently being depreciated assuming that the height rise application, currently subject to appeal by Cleanaway in the Land and Environment Court in Queensland, will be awarded in our favour. This position is based on our expectation that a height rise application will be granted, given all relevant facts and circumstances, our own internal analysis and the views expressed by our third party experts. Should the current appeal and any other future remedies not be successful, the available airspace will need to be revised. Assets related to the New Chum landfill and subject to the appeal total \$34.1 million (30 June 2022: \$30.9 million). In addition, it is estimated that the remediation provision may increase by up to \$35.0 million if the height rise application is not awarded and is mainly attributed to expected future site infrastructure costs, including gas infrastructure and stormwater management, which would no longer qualify to be recognised as assets when incurred, as well as capping works which would be brought forward and results in discounting the cashflows in the nearer term. The estimated costs related to future infrastructure and capping works are subject to finalisation of design and further review by internal and external engineering experts.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

5. Equity accounted investments

The Group holds an interest in 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 power 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 2022 %	30 JUNE 2022 %	31 DEC 2022 \$'M	30 JUNE 2022 \$'M
Joint ventures:						
Cleanaway ResourceCo RRF Pty Ltd	Australia	30 June	45	45	15.7	16.2
Circular Plastics Australia Pty Ltd	Australia	30 June	50	50	7.7	7.7
Tomra Cleanaway Pty Ltd	Australia	30 June	50	50	5.8	5.4
Western Sydney Energy and Resource Recovery Centre Pty Ltd	Australia	30 June	51	51	9.5	9.5
Wonthaggi Recyclers Pty Ltd	Australia	30 June	50	50	0.4	0.3
Daniels Sharpsmart New Zealand Limited	New Zealand	30 June	50	50	–	–
Associates:						
Circular Plastics (PET) Holdings Pty Ltd	Australia	30 June	33	33	14.4	13.1
					53.5	52.2

(a) Share of profit/(losses) from equity accounted investments

	JOINT VENTURES		ASSOCIATES		TOTAL EQUITY ACCOUNTED INVESTMENTS	
	31 DEC 2022 \$'M	31 DEC 2021 \$'M	31 DEC 2022 \$'M	31 DEC 2021 \$'M	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Revenues	118.7	107.8	15.8	–	134.5	107.8
Expenses	(117.8)	(107.9)	(14.7)	–	(132.5)	(107.9)
Profit/(losses) before income tax (100%)	0.9	(0.1)	1.1	–	2.0	(0.1)
Share of profit before income tax	0.5	0.1	0.4	–	0.9	0.1
Income tax expense	(0.2)	(0.2)	(0.1)	–	(0.3)	(0.2)
Share of net profit/(losses) recognised	0.3	(0.1)	0.3	–	0.6	(0.1)

(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 2022.

	SALES TO EQUITY ACCOUNTED INVESTMENTS ¹		PURCHASES FROM EQUITY ACCOUNTED INVESTMENTS		INTEREST REVENUE FROM EQUITY ACCOUNTED INVESTMENTS	
	31 DEC 2022 \$'M	31 DEC 2021 \$'M	31 DEC 2022 \$'M	31 DEC 2021 \$'M	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Joint ventures	42.5	38.6	0.4	2.1	0.6	–
Associates	3.8	0.3	–	–	0.1	–
	46.3	38.9	0.4	2.1	0.7	–

¹ Sales to equity accounted investments comprise \$41.5 million to Tomra Cleanaway Pty Ltd (31 December 2021: \$37.6 million), \$0.5 million to Wonthaggi Recyclers Pty Ltd (31 December 2021: \$0.4 million), \$0.2 million to Circular Plastics Australia Pty Ltd (31 December 2021: Nil) and \$0.3 million to Cleanaway ResourceCo RRF Pty Ltd (31 December 2021: \$0.3 million).

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

5. Equity accounted investments (continued)

(b) Transactions with equity accounted investments (continued)

	TRADE AMOUNTS OWED BY EQUITY ACCOUNTED INVESTMENTS		TRADE AMOUNTS OWED TO EQUITY ACCOUNTED INVESTMENTS		LOANS TO EQUITY ACCOUNTED INVESTMENTS ¹	
	31 DEC 2022 \$'M	30 JUNE 2022 \$'M	31 DEC 2022 \$'M	30 JUNE 2022 \$'M	31 DEC 2022 \$'M	30 JUNE 2022 \$'M
Joint ventures	0.8	0.7	2.5	3.6	15.7	16.6
Associates	–	0.5	–	–	3.5	1.5
	0.8	1.2	2.5	3.6	19.2	18.1

¹ Loans to equity accounted investments comprise unsecured loans to: Tomra Cleanaway Pty Ltd of \$0.9 million (30 June 2022: \$1.7 million) repayable on 23 May 2023; Cleanaway ResourceCo RRF Pty Ltd of \$14.5 million (30 June 2022: \$14.6 million) repayable on 30 June 2027; Circular Plastics Australia (PET) Pty Ltd of \$1.9 million (30 June 2022: \$1.5 million) repayable on 2 March 2026; Circular Plastics Australia (PET) VIC Pty Ltd of \$1.6 million (30 June 2022: nil) repayable on 28 January 2023; Daniels Sharpsmart New Zealand Limited of \$0.3 million (30 June 2022: \$0.3 million) repayable on 22 December 2025.

6. Net finance costs

	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Finance costs		
Interest on borrowings	(20.9)	(7.7)
Interest on leases	(11.6)	(8.6)
Amortisation of capitalised transaction costs	(0.7)	(0.3)
Unwind of discount on provisions and other liabilities	(12.2)	(5.5)
Transaction costs expensed	–	(2.5)
Amortisation of gain on modification of fixed rate borrowings	(1.0)	(0.9)
Fair value gain/(loss) on USPP Notes	10.4	(6.6)
Fair value (loss)/gain on cross currency interest rate swaps (CCIRS)	(10.8)	6.8
	(46.8)	(25.3)
Finance income		
Interest income	1.4	0.1
	1.4	0.1
Net finance costs	(45.4)	(25.2)

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

7. Interest-bearing liabilities

	UNSECURED			SECURED	TOTAL INTEREST-BEARING LIABILITIES \$'M
	BANK LOANS \$'M	US PRIVATE PLACEMENT NOTES \$'M	CLEAN ENERGY FINANCE CORPORATION \$'M	LEASE LIABILITIES \$'M	
Opening balance at 1 July 2022	607.5	351.9	83.5	640.9	1,683.8
Net repayment of borrowings	(95.0)	–	–	(49.1)	(144.1)
Cash flows	(95.0)	–	–	(49.1)	(144.1)
Lease drawdowns	–	–	–	26.6	26.6
Remeasurement of lease liabilities	–	–	–	3.8	3.8
Non-cash drawdowns	2.4	–	–	–	2.4
Fair value changes	–	(10.4)	–	–	(10.4)
Borrowing costs reversed	–	0.1	–	–	0.1
Amortisation of modification gain	–	–	1.0	–	1.0
Amortisation of borrowing costs	0.6	0.1	–	–	0.7
Closing balance at 31 December 2022	515.5	341.7	84.5	622.2	1,563.9

The headroom available in the Group's facilities at 31 December 2022 is summarised below:

		AVAILABLE \$'M	UTILISED \$'M	NOT UTILISED \$'M
Syndicated Facility Agreement	Facility A ^{1,2,3}	180.0	(120.7)	59.3
	Facility B ³	200.0	(10.0)	190.0
	Facility C ³	315.0	–	315.0
	Facility E ³	500.0	(500.0)	–
			341.7	(341.7)
US Private Placement (USPP) Notes		90.0	(90.0)	–
Clean Energy Finance Corporation ⁴		95.0	(80.6)	14.4
Bank guarantee facilities ¹				
		1,721.7	(1,143.0)	578.7

1 These facilities include \$181.8 million (30 June 2022: \$177.0 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 \$9.3 million (30 June 2022: \$19.2 million) which can only be used for bank guarantees.

2 This facility includes \$4.5 million (30 June 2022: \$4.5 million) of corporate credit card limit utilisation and \$15.0 million (30 June 2022: \$15.0 million) of overdraft utilisation.

3 Amounts utilised exclude capitalised transaction costs of \$1.4 million (30 June 2022: \$2.0 million) and \$6.9 million (30 June 2022: \$3.7 million) of bank loans advanced under uncommitted facilities.

4 Amount utilised excludes capitalised transaction costs of \$0.1 million (30 June 2022: \$0.1 million) and unamortised gain on fixed rate debt of \$5.4 million (30 June 2022: \$6.4 million).

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

8. Earnings per share

	31 DEC 2022	31 DEC 2021
Basic earnings per share (cents)	2.2	2.5
Diluted earnings per share (cents)	2.2	2.5

	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Profit after income tax	49.0	52.5
Profit attributable to non-controlling interests	(1.1)	(1.0)
Profit after income tax attributable to ordinary equity holders	47.9	51.5

The calculation of weighted average number of ordinary shares for the current and comparative periods have been adjusted to reflect the bonus element in the equity raising which occurred during August 2022 and September 2022 and did not impact earnings per share reported in the comparative period.

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

	31 DEC 2022	Restated 31 DEC 2021
Weighted average number of ordinary shares used as the denominator		
Number for basic earnings per share	2,174,747,314	2,073,320,084
Effect of potential ordinary shares	7,191,811	6,229,870
Number for diluted earnings per share	2,181,939,125	2,079,549,954

9. Issued capital

	31 DEC 2022		30 JUNE 2022	
	NUMBER OF SHARES	\$'M	NUMBER OF SHARES	\$'M
Opening balance	2,062,587,594	2,700.6	2,059,434,558	2,695.7
Issue of shares under dividend reinvestment plan	2,030,277	5.5	1,799,628	4.9
Issue of shares under employee incentive plans	1,381,952	–	1,353,408	–
Equity raising ¹	160,000,297	400.0	–	–
Costs related to equity raising, net of tax ²	–	(5.2)	–	–
Closing balance	2,226,000,120	3,100.9	2,062,587,594	2,700.6

1 On 24 August 2022, the Group raised \$350.0 million in a fully underwritten placement to institutional investors at a price of \$2.50 per share. On 19 September 2022, the Group raised a further \$50.0 million in a Share Purchase Plan at a price of \$2.50 per share.

2 Costs of \$7.4 million (after tax \$5.2 million) were incurred in relation to the equity raising.

10. Dividends

	31 DEC 2022 CENTS PER SHARE	31 DEC 2021 CENTS PER SHARE	31 DEC 2022 \$'M	31 DEC 2021 \$'M
Dividends paid during the period				
Final dividend relating to prior period	2.45	2.35	54.5	48.4
Dividends determined in respect of the period				
Interim dividend relating to current period	2.45	2.45	54.5	50.5

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

11. Share-based payments

Total share-based payment expense of \$2.3 million (31 December 2021: \$2.0 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 30 JUNE 2022	GRANTED DURING THE PERIOD	VESTED DURING THE PERIOD	FORFEITED/ EXPIRED DURING THE PERIOD	PERFORMANCE RIGHTS AT 31 DEC 2022
LONG-TERM INCENTIVE PLAN							
2020 LTI	30 Oct 2019	30 Jun 2022	2,083,235	–	(1,010,717)	(1,072,518)	–
2021 LTI	16 Dec 2020	30 Jun 2023	1,833,910	–	–	(218,988)	1,614,922
2022 LTI	25 Oct 2021	30 Jun 2024	2,577,876	–	–	(194,094)	2,383,782
2023 LTI	Various ¹	30 Jun 2025	–	2,621,246	–	(215,448)	2,405,798
SHORT-TERM INCENTIVE PLAN							
2021 STI	25 Oct 2021	30 Jun 2022	189,161	–	(189,161)	–	–
2022 STI	Various ²	30 Jun 2023	–	221,613	–	–	221,613
OTHER GRANTS							
CEO sign on	22 Oct 2021	Various ³	532,319	–	(152,091)	–	380,228
EGM SWS sign on	18 Feb 2022	Various ⁴	159,222	–	(29,983)	–	129,239
Executive sign on	29 Aug 2022	Various ⁵	–	145,048	–	–	145,048
Executive sign on	10 Oct 2022	Various ⁶	–	75,063	–	–	75,063
Total			7,375,723	3,062,970	(1,381,952)	(1,701,048)	7,355,693
Vested and exercisable at 31 Dec 2022							–

¹ 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).

² Grant Date for all Executive STI 2022 rights was 15 September 2022, except for 75,970 rights which were granted to Mr M Schubert following approval at the AGM on 21 October 2022.

³ Of the 532,319 sign on rights issued, 152,091 vested on 30 August 2022, 190,114 vest on 30 August 2023 and 190,114 vest on 30 August 2024.

⁴ Of the 159,222 sign on rights issued, 29,983 vested on 22 August 2022 and 129,239 vest on 21 August 2023.

⁵ Of the 145,048 sign on rights issued, 34,255 vest on 31 August 2023, 65,574 vest on 31 August 2024 and 45,219 vest on 31 August 2025.

⁶ Of the 75,063 sign on rights issued, 19,593 vest on 31 August 2023 and 55,470 vest on 31 August 2024.

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:

(a) 2023 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 three performance hurdles:

- 50% of performance rights vest if a certain relative TSR ranking is achieved against constituents of the S&P/ASX 200 Industrial Sector Index.
- 25% of performance rights vest if a certain underlying EPS CAGR target is achieved.
- 25% of performance rights vest if a certain CH₄ emissions reduction is achieved.

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

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

11. Share-based payments (continued)

(a) 2023 Long Term Incentive award (continued)

	2023 LTI TSR TRANCHE	2023 LTI EPS CAGR TRANCHE	2023 LTI CARBON TRANCHE
GRANT DATE 16 SEPTEMBER 2022			
Valuation approach	Monte Carlo Simulation	Black Scholes Model	Black Scholes Model
Number of rights	920,600	460,295	460,295
Performance period	1 July 2022 – 30 June 2025	1 July 2022 – 30 June 2025	1 July 2022 – 30 June 2025
Risk-free interest rate (%)	3.42%	3.42%	3.42%
Volatility ¹ (%)	30.0%	30.0%	30.0%
Fair value per right ²	\$1.687	\$2.623	\$2.623
GRANT DATE 21 OCTOBER 2022			
Valuation approach	Monte Carlo Simulation	Black Scholes Model	Black Scholes Model
Number of rights	363,850	181,925	181,925
Performance period	1 July 2022 – 30 June 2025	1 July 2022 – 30 June 2025	1 July 2022 – 30 June 2025
Risk-free interest rate (%)	3.72%	3.72%	3.72%
Volatility ¹ (%)	30.0%	30.0%	30.0%
Fair value per right ²	\$1.532	\$2.429	\$2.429

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.

The performance targets of the 2023 LTI award are set out in the table below.

<i>Relative TSR performance measured over three years from 1 July 2022 to 30 June 2025</i>	<p>Relative Total Shareholder Return (TSR) Ranking against the constituents of the S&P/ASX200 Industrial Sector Index:</p> <ul style="list-style-type: none"> • Below 50th percentile – 0% vesting • At 50th percentile – 50% vesting • 50th to 75th percentile – straight line vesting between 50% and 100% • Above 75th percentile – 100% vesting
<i>EPS CAGR performance as measured over three years from 1 July 2022 to 30 June 2025</i>	<p>Earnings per Share Compound Annual Growth Rate (EPS CAGR) to be achieved:</p> <ul style="list-style-type: none"> • < 5.0% – 0% vesting • 5.0% – 30% vesting • > 5.0% – ≤ 10.0% – straight line vesting between 30% and 80% • > 10.0% – ≤ 11.0% – straight line vesting between 80% and 100% • > 11.0 – 100% vesting
<i>FY2025 CH₄ (Methane) Emissions (% of FY2022)</i>	<p>FY2025 CH₄ Emissions (% of FY22):</p> <ul style="list-style-type: none"> • Greater than 95% of FY2022 – 0% vesting • Equal to 95.0% of FY2022 – 50% vesting • 95.0% to 87.0% of FY2022 – straight line vesting between 50% and 100% • Less than 87.0% of FY2022 – 100% vesting

(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 2022 STI deferred rights was \$2.87 for 145,643 rights granted on 15 September 2022 and \$2.58 for 75,970 rights granted on 21 October 2022.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

11. Share-based payments (continued)

(c) Other grants

Executives were awarded sign-on rights as they forfeited incentives upon resignation from their previous employer. The following table sets out the assumptions in determining the fair value of these performance rights:

SCHEME	TRANCHE 1	TRANCHE 2	TRANCHE 3	TRANCHE 4	TRANCHE 5
Number of rights	34,255	65,574	45,219	19,593	55,470
Grant date	29 Aug 2022	29 Aug 2022	29 Aug 2022	10 Oct 2022	10 Oct 2022
Performance period	29 Aug 2022– 31 Aug 2023	29 Aug 2022– 31 Aug 2024	29 Aug 2022– 31 Aug 2025	10 Oct 2022– 31 Aug 2023	10 Oct 2022– 31 Aug 2024
Risk-free interest rate	3.16%	3.31%	3.35%	3.16%	3.32%
Volatility ¹ (%)	30.0%	30.0%	30.0%	30.0%	30.0%
Fair value per right ²	\$2.706	\$2.653	\$2.601	\$2.652	\$2.599

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

2 The fair value reflects the closing share price on the grant date and 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 2022

12. Business combinations

Half-year ended 31 December 2022

Global Renewables Holdings Pty Ltd

On 31 August 2022 the Group acquired a 100% interest in the Global Renewables Holdings Pty Ltd (GRL). GRL is a New South Wales (NSW) Environmental Protection Agency (EPA) licensed, large-scale composting facility that processes approximately 220kT per annum of Sydney's mixed household waste in Western Sydney. The acquisition of GRL accelerates Cleanaway's BluePrint 2030 organics strategy by providing high circularity, low-carbon solutions for 'Red bin' mixed waste today and future FOGO bin waste. In acquiring this business the unfavourable contract provision, recognised in the acquisition of the Sydney Resource Network from Suez, is settled.

Details of the business combination are provided below:

BUSINESS ACQUIRED	DATE OF ACQUISITION	DESCRIPTION OF THE BUSINESS	OPERATING SEGMENT
Global Renewable Holdings	31 August 2022	Licensed composting facility based in Sydney, NSW	Solid Waste Services

The provisional fair values of the identifiable assets and liabilities of the business combination at the date of acquisition were:

	31 DEC 2022 S'M
Assets	
Cash and cash equivalents	0.9
Trade and other receivables	5.0
Tax receivable	1.8
Inventories	3.4
Property, plant and equipment	22.4
Intangibles	10.4
Other assets	0.7
	44.6
Liabilities	
Trade and other payables	5.4
Employee entitlements	2.3
	7.7
Total identifiable net assets at fair value	36.9
Goodwill arising on acquisition	59.7
Purchase consideration	96.6

Intangibles represent the value assigned to 748,367 Australian Carbon Credit Units (ACCUs). The fair value attributed to these ACCUs represents the value a market participant with a goal of reducing carbon emissions would pay.

Goodwill acquired comprises the value of expected synergies arising from integration of the acquired business and is non-deductible for income tax purposes.

	31 DEC 2022 S'M
Cash paid (included in cash flows from investing activities)	(167.0)
Effective settlement of the unfavourable contract	70.4
Total purchase consideration	(96.6)

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

12. Business combinations (continued)

Half-year ended 31 December 2022 (continued)

	31 DEC 2022 \$'M
Net cash acquired (included in cash flows from investing activities)	0.9
Cash paid (included in cash flows from investing activities)	(167.0)
Transaction costs of the acquisition (included in cash flows from operating activities)	(3.4)
Net cash flow on acquisition	(169.5)

From the date of acquisition to 31 December 2022, the business contributed \$1.0 million of revenue and \$6.8 million of profit before tax to the Group. If the business had been acquired at the beginning of the reporting period, revenue of \$1.5 million and profit before tax of \$10.3 million would have been contributed to the Group.

Year ended 30 June 2022

Sydney Resource Network

On 18 December 2021 the Group acquired a group of assets, located in Sydney, NSW from Suez Groupe (S.A.S) and Suez International (S.A.S). The group of assets, which constitute a business are known as the 'Sydney Resource Network' and comprise the properties, right-of-use assets, plant and equipment and customer contracts to enable waste management businesses to be conducted at Kemps Creek landfill which accepts dry/restricted waste and is an organics processing site; Lucas Heights landfill which accepts putrescible waste; and five transfer stations. This acquisition complements the Group's existing NSW Solid Waste Service business and the Group expects to derive significant synergies from the acquisition.

BUSINESS ACQUIRED	DATE OF ACQUISITION	DESCRIPTION OF THE BUSINESS	OPERATING SEGMENT
Sydney Resource Network	18 December 2021	Waste Disposal business based in Sydney, NSW	Solid Waste Services

As at 30 June 2022, provisionally determined values were reported. Subsequent to 30 June 2022, final fair values for the business combination were determined. Comparative amounts for 30 June 2022 have been restated in this financial report to the final determined fair values. The restated aggregated fair value of the identifiable assets and liabilities as at the date of acquisition were:

	PROVISIONAL FAIR VALUE REPORTED AT 30 JUNE 2022 \$'M	ADJUSTMENTS TO PROVISIONAL FAIR VALUE \$'M	FINAL FAIR VALUE \$'M
Assets			
Inventories	2.0	–	2.0
Property, plant and equipment	82.0	–	82.0
Right-of-use assets	126.3	–	126.3
Intangible assets	313.1	–	313.1
Other assets	0.2	–	0.2
	523.6	–	523.6
Liabilities			
Provisions ¹	400.3	(14.0)	386.3
Employee entitlements	2.4	–	2.4
Lease liability	126.3	–	126.3
Net deferred tax liability	2.7	–	2.7
	531.7	(14.0)	517.7
Total identifiable net assets at fair value	(8.1)	(14.0)	5.9
Goodwill arising on acquisition	511.2	(14.0)	497.2
Purchase consideration	503.1	–	503.1

1 The decrease in the fair value of provisions of \$14.0 million comprises: \$15.7 million reduction in unfavourable contract provisions, \$2.4 million increase in remediation provisions and \$0.7 million reduction in waste disposal provisions.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

12. Business combinations (continued)

For some sites that were acquired through the acquisition, the assessment of the extent of any environmental contamination on the site and any remediation obligations is continuing. In each case the environmental contamination pre-dated the Group's acquisition of the sites. The likelihood that the Group may incur a liability in respect of the pre-existing contamination has been assessed as remote. Accordingly, a contingent liability has not been recognised on the acquisition Balance Sheet in respect of any such contamination. This position will be reassessed at each reporting period.

13. 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 – the fair value is calculated using prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

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 ¹ (HEDGING INSTRUMENTS) \$'M
31 DECEMBER 2022			
Opening fair value of liabilities as at 1 July 2022	(83.5)	(355.3)	(39.3)
Amortisation of fair value loss on recognition	–	–	0.1
Movement relating to changes in AUD or USD interest rates:			
Fair value hedges	–	15.5	(17.6)
Other	0.5	–	(0.2)
Movement relating to change in AUD/USD exchange rates:			
Cash flow hedges	–	(5.1)	7.0
Movement relating to change in AUD/USD currency basis	–	–	(1.7)
Closing fair value of liabilities as at 31 December 2022	(83.0)	(344.9)	(51.7)
Carrying amount of liabilities as at 31 December 2022	(84.5)	(341.7)	(51.7)
Accumulated fair value adjustments on the hedged items	–	52.7	n/a

1 Fair value movements in interest rates related to the hedging instruments of \$(17.6) million includes an effective portion of \$(15.5) million and an ineffective portion of \$(2.1) million. Cash flow hedges fair value movements of \$7.0 million include an effective portion of \$5.1 million and an ineffective portion of \$1.9 million. The notional amount of the derivatives is US\$270.0/\$397.6 million.

Notes to the Consolidated Financial Statements

For the half-year ended 31 December 2022

14. Contingent assets and liabilities

There have been no material changes to the contingent liabilities which were disclosed in the 30 June 2022 Annual Report.

15. Events occurring after the reporting date

There have been no matters or circumstances that have arisen since the end of the half-year that have significantly 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 2022 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 2022 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.



M P Chellew
Chairman and Non-Executive Director



M J Schubert
Chief Executive Officer and Managing Director

Melbourne, 22 February 2023

Independent Auditor's Review Report

to the members of Cleanaway Waste Management Limited



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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 2022, the Consolidated Income Statement, 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 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:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. 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 2022 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.

Ernst & Young
Melbourne
22 February 2023

Ashley Butler
Partner

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