

These financial statements for Waste Connections, Inc. are also included in the Form 10-Q for the quarterly period ended March 31, 2025 filed on SEDAR+ on April 24, 2025 in its entirety.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(In thousands of U.S. dollars, except share and per share amounts)

	March 31, 2025	December 31, 2024
ASSETS		
Current assets:		
Cash and equivalents	\$ 111,226	\$ 62,366
Accounts receivable, net of allowance for credit losses of \$25,280 and \$25,730 at March 31, 2025 and December 31, 2024, respectively	952,010	935,027
Prepaid expenses and other current assets	217,802	229,519
Total current assets	1,281,038	1,226,912
Restricted cash	138,220	135,807
Restricted investments	74,160	78,126
Property and equipment, net	8,222,980	8,035,929
Operating lease right-of-use assets	311,563	308,198
Goodwill	8,055,979	7,950,406
Intangible assets, net	2,067,264	1,991,619
Other assets, net	103,293	90,812
Total assets	<u>\$ 20,254,497</u>	<u>\$ 19,817,809</u>
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	\$ 625,582	\$ 637,371
Book overdraft	14,518	14,628
Deferred revenue	404,382	382,501
Accrued liabilities	690,222	736,824
Current portion of operating lease liabilities	39,857	40,490
Current portion of contingent consideration	47,261	59,169
Current portion of long-term debt and notes payable	7,657	7,851
Total current liabilities	1,829,479	1,878,834
Long-term portion of debt and notes payable	8,388,364	8,072,928
Long-term portion of operating lease liabilities	266,675	272,107
Long-term portion of contingent consideration	28,001	27,993
Deferred income taxes	1,011,613	958,340
Other long-term liabilities	716,185	747,253
Total liabilities	12,240,317	11,957,455
Commitments and contingencies (Note 17)		
Equity:		
Common shares: 258,364,361 shares issued and 258,318,013 shares outstanding at March 31, 2025; 258,067,487 shares issued and 258,019,389 shares outstanding at December 31, 2024	3,286,078	3,283,161
Additional paid-in capital	318,350	325,928
Accumulated other comprehensive loss	(207,286)	(205,740)
Treasury shares: 46,348 and 48,098 shares at March 31, 2025 and December 31, 2024, respectively	—	—
Retained earnings	4,617,038	4,457,005
Total Waste Connections' equity	8,014,180	7,860,354
Noncontrolling interest in subsidiaries	—	—
Total equity	8,014,180	7,860,354
Total liabilities and equity	<u>\$ 20,254,497</u>	<u>\$ 19,817,809</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME
(Unaudited)
(In thousands of U.S. dollars, except share and per share amounts)

	Three Months Ended March 31,	
	2025	2024
Revenues	\$ 2,228,176	\$ 2,072,653
Operating expenses:		
Cost of operations	1,291,443	1,221,783
Selling, general and administrative	250,134	220,735
Depreciation	242,307	222,691
Amortization of intangibles	47,642	40,290
Impairments and other operating items	6,440	354
Operating income	390,210	366,800
Interest expense	(80,875)	(78,488)
Interest income	1,770	2,051
Other income (expense), net	1,872	(1,823)
Income before income tax provision	312,977	288,540
Income tax provision	(71,467)	(59,413)
Net income	241,510	229,127
Plus: Net loss attributable to noncontrolling interests	—	927
Net income attributable to Waste Connections	\$ 241,510	\$ 230,054
Earnings per common share attributable to Waste Connections' common shareholders:		
Basic	\$ 0.94	\$ 0.89
Diluted	\$ 0.93	\$ 0.89
Shares used in the per share calculations:		
Basic	258,193,975	257,801,116
Diluted	258,904,806	258,482,473
Cash dividends per common share	\$ 0.315	\$ 0.285

The accompanying notes are an integral part of these condensed consolidated financial statements.

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
(In thousands of U.S. dollars)

	Three Months Ended March 31,	
	2025	2024
Net income	\$ 241,510	\$ 229,127
Other comprehensive income (loss), before tax:		
Interest rate swap amounts reclassified into interest expense	(3,324)	(5,385)
Changes in fair value of interest rate swaps	(1,147)	9,972
Foreign currency translation adjustment	1,740	(56,381)
Other comprehensive loss, before tax	(2,731)	(51,794)
Income tax (expense) benefit related to items of other comprehensive loss	1,185	(1,216)
Other comprehensive loss, net of tax	(1,546)	(53,010)
Comprehensive income	239,964	176,117
Plus: Comprehensive loss attributable to noncontrolling interests	—	927
Comprehensive income attributable to Waste Connections	<u>\$ 239,964</u>	<u>\$ 177,044</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)
(In thousands of U.S. dollars, except share amounts)

	WASTE CONNECTIONS' EQUITY								
	COMMON SHARES		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TREASURY SHARES		RETAINED EARNINGS	NONCONTROLLING INTERESTS	TOTAL
	SHARES	AMOUNT			SHARES	AMOUNT			
Balances at December 31, 2024	258,019,389	\$ 3,283,161	\$ 325,928	\$ (205,740)	48,098	\$ —	\$ 4,457,005	\$ —	\$ 7,860,354
Sale of common shares held in trust	1,750	324	—	—	(1,750)	—	—	—	324
Vesting of restricted share units	343,415	—	—	—	—	—	—	—	—
Vesting of performance-based restricted share units	87,964	—	—	—	—	—	—	—	—
Restricted share units released from deferred compensation plan	888	—	—	—	—	—	—	—	—
Tax withholdings related to net share settlements of equity-based compensation	(170,975)	—	(28,981)	—	—	—	—	—	(28,981)
Equity-based compensation	—	—	21,403	—	—	—	—	—	21,403
Exercise of warrants	19,660	—	—	—	—	—	—	—	—
Issuance of shares under employee share purchase plan	15,922	2,593	—	—	—	—	—	—	2,593
Cash dividends on common shares	—	—	—	—	—	—	(81,477)	—	(81,477)
Amounts reclassified into earnings, net of taxes	—	—	—	(2,443)	—	—	—	—	(2,443)
Changes in fair value of cash flow hedges, net of taxes	—	—	—	(843)	—	—	—	—	(843)
Foreign currency translation adjustment	—	—	—	1,740	—	—	—	—	1,740
Net income	—	—	—	—	—	—	241,510	—	241,510
Balances at March 31, 2025	<u>258,318,013</u>	<u>\$ 3,286,078</u>	<u>\$ 318,350</u>	<u>\$ (207,286)</u>	<u>46,348</u>	<u>\$ —</u>	<u>\$ 4,617,038</u>	<u>\$ —</u>	<u>\$ 8,014,180</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)
(In thousands of U.S. dollars, except share amounts)

WASTE CONNECTIONS' EQUITY

	COMMON SHARES		ADDITIONAL PAID-IN CAPITAL	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TREASURY SHARES		RETAINED EARNINGS	NONCONTROLLING INTERESTS	TOTAL
	SHARES	AMOUNT			SHARES	AMOUNT			
Balances at December 31, 2023	257,600,479	\$ 3,276,661	\$ 284,284	\$ (9,826)	59,442	\$ —	\$ 4,141,690	\$ 4,972	\$ 7,697,781
Sale of common shares held in trust	1,750	286	—	—	(1,750)	—	—	—	286
Vesting of restricted share units	329,996	—	—	—	—	—	—	—	—
Vesting of performance-based restricted share units	153,555	—	—	—	—	—	—	—	—
Restricted share units released from deferred compensation plan	19,149	—	—	—	—	—	—	—	—
Tax withholdings related to net share settlements of equity-based compensation	(256,512)	—	(30,850)	—	—	—	—	—	(30,850)
Equity-based compensation	—	—	19,016	—	—	—	—	—	19,016
Exercise of warrants	97,901	—	—	—	—	—	—	—	—
Issuance of shares under employee share purchase plan	15,407	2,183	—	—	—	—	—	—	2,183
Cash dividends on common shares	—	—	—	—	—	—	(73,573)	—	(73,573)
Amounts reclassified into earnings, net of taxes	—	—	—	(3,958)	—	—	—	—	(3,958)
Changes in fair value of cash flow hedges, net of taxes	—	—	—	7,329	—	—	—	—	7,329
Foreign currency translation adjustment	—	—	—	(56,381)	—	—	—	—	(56,381)
Net income (loss)	—	—	—	—	—	—	230,054	(927)	229,127
Balances at March 31, 2024	<u>257,961,725</u>	<u>\$ 3,279,130</u>	<u>\$ 272,450</u>	<u>\$ (62,836)</u>	<u>57,692</u>	<u>\$ —</u>	<u>\$ 4,298,171</u>	<u>\$ 4,045</u>	<u>\$ 7,790,960</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.

WASTE CONNECTIONS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands of U.S. dollars)

	Three Months Ended March 31,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 241,510	\$ 229,127
Adjustments to reconcile net income to net cash provided by operating activities:		
Loss from disposal of assets, impairments and other	7,778	1,649
Depreciation	242,307	222,691
Amortization of intangibles	47,642	40,290
Deferred income taxes, net of acquisitions	36,165	30,395
Current period provision for expected credit losses	2,470	3,730
Amortization of debt issuance costs	2,034	4,055
Share-based compensation	23,438	21,952
Interest accretion	12,737	11,279
Adjustments to contingent consideration	(1,500)	—
Other	(1,013)	902
Net change in operating assets and liabilities, net of acquisitions	(72,029)	(75,761)
Net cash provided by operating activities	<u>541,539</u>	<u>490,309</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for acquisitions, net of cash acquired	(380,417)	(1,156,422)
Capital expenditures for property and equipment	(212,455)	(169,951)
Proceeds from disposal of assets	969	1,085
Other	(11,308)	(9,291)
Net cash used in investing activities	<u>(603,211)</u>	<u>(1,334,579)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from long-term debt	782,904	2,353,022
Principal payments on notes payable and long-term debt	(541,737)	(1,350,932)
Payment of contingent consideration recorded at acquisition date	(20,137)	(11,295)
Change in book overdraft	(110)	(271)
Payments for cash dividends	(81,477)	(73,573)
Tax withholdings related to net share settlements of equity-based compensation	(28,981)	(30,850)
Debt issuance costs	—	(10,093)
Proceeds from issuance of shares under employee share purchase plan	2,593	2,183
Proceeds from sale of common shares held in trust	324	286
Net cash provided by financing activities	<u>113,379</u>	<u>878,477</u>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	<u>(434)</u>	<u>(577)</u>
Net increase in cash, cash equivalents and restricted cash	51,273	33,630
Cash, cash equivalents and restricted cash at beginning of period	198,173	184,038
Cash, cash equivalents and restricted cash at end of period	<u>\$ 249,446</u>	<u>\$ 217,668</u>
Non-cash financing activities:		
Liabilities assumed and notes payable issued to sellers of businesses acquired	\$ 109,394	\$ 149,634

The accompanying notes are an integral part of these condensed consolidated financial statements.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

1. BASIS OF PRESENTATION AND SUMMARY

The accompanying condensed consolidated financial statements relate to Waste Connections, Inc. and its subsidiaries (the “Company”) for the three month periods ended March 31, 2025 and 2024. In the opinion of management, the accompanying balance sheets and related interim statements of net income, comprehensive income, cash flows and equity include all adjustments, consisting only of normal recurring items, necessary for their fair statement in conformity with U.S. generally accepted accounting principles (“GAAP”). Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Examples include accounting for landfills, self-insurance accruals, income taxes, allocation of acquisition purchase price, contingent consideration accruals and asset impairments. An additional area that involves estimation is when the Company estimates the amount of potential exposure it may have with respect to litigation, claims and assessments in accordance with the accounting guidance on contingencies. Actual results for all estimates could differ materially from the estimates and assumptions that the Company uses in the preparation of its condensed consolidated financial statements.

Interim results are not necessarily indicative of results for a full year. These interim financial statements should be read in conjunction with the financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

2. REPORTING CURRENCY

The functional currency of the Company, as the parent corporate entity, and its operating subsidiaries in the United States, is the U.S. dollar. The functional currency of the Company’s Canadian operations is the Canadian dollar. The reporting currency of the Company is the U.S. dollar. The Company’s consolidated Canadian dollar financial position is translated to U.S. dollars by applying the foreign currency exchange rate in effect at the consolidated balance sheet date. The Company’s consolidated Canadian dollar results of operations and cash flows are translated to U.S. dollars by applying the average foreign currency exchange rate in effect during the reporting period. The resulting translation adjustments are included in other comprehensive income or loss. Gains and losses from foreign currency transactions are included in earnings for the period.

3. NEW ACCOUNTING STANDARDS

Accounting Standards Pending Adoption

Additional Income Tax Disclosures. In December 2023, the Financial Accounting Standards Board (the “FASB”) issued a final standard on improvements to income tax disclosures. The standard requires public business entities to disclose in their rate reconciliation table additional categories of information about federal, state and foreign income taxes and to provide more details about the reconciling items in some categories if the items meet a quantitative threshold. The guidance also requires all entities to disclose annually income taxes paid (net of refunds received) disaggregated by federal (national), state and foreign taxes and to disaggregate the information by jurisdiction based on a quantitative threshold. The standard applies to all entities subject to income taxes. For public business entities, the new requirements will be effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

Disaggregation of Income Statement Expenses. In November 2024, the FASB issued a final standard requiring additional disclosure of the nature of expenses included in the income statement. The standard requires disclosures about specific types of expenses included in the expense captions presented on the face of the statement of operations as well as disclosures about selling expenses. The standard applies to all public business entities and will be effective for annual

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

reporting periods beginning after December 15, 2026 and interim reporting periods within annual reporting periods beginning after December 15, 2027. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company does not expect the adoption of this guidance to have a material impact on its consolidated financial statements.

4. REVENUE

The Company's operations primarily consist of providing non-hazardous waste collection, transfer, disposal and recycling services, non-hazardous oil and natural gas exploration and production ("E&P") waste treatment, recovery and disposal services and intermodal services. The following table disaggregates the Company's revenues by service line for the periods indicated:

	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Commercial	\$ 712,460	\$ 642,859
Residential	571,619	546,211
Industrial and construction roll off	336,998	325,990
Total collection	1,621,077	1,515,060
Landfill	338,754	353,478
Transfer	319,269	301,882
Recycling	61,341	49,025
E&P	150,899	97,408
Intermodal and other	46,549	49,541
Intercompany	(309,713)	(293,741)
Total	<u>\$ 2,228,176</u>	<u>\$ 2,072,653</u>

The factors that impact the timing and amount of revenue recognized for each service line may vary based on the nature of the service performed. Generally, the Company recognizes revenue at the time it performs a service. In the event that the Company bills for services in advance of performance, it recognizes deferred revenue for the amount billed and subsequently recognizes revenue at the time the service is provided. Substantially all of the deferred revenue recorded as of December 31, 2024 was recognized as revenue during the three months ended March 31, 2025 when the service was performed.

See Note 10 for additional information regarding revenue by reportable segment.

Contract Acquisition Costs

The incremental direct costs of obtaining a contract, which consist of sales incentives, are recognized as Other assets in the Company's Condensed Consolidated Balance Sheets, and are amortized to Selling, general and administrative expense over the estimated life of the relevant customer relationship, which ranges from one to five years. The Company recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Company would have recognized is one year or less. The Company had \$28,411 and \$28,161 of deferred sales incentives at March 31, 2025 and December 31, 2024, respectively.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

5. ACCOUNTS RECEIVABLE

Accounts receivable are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of the Company's receivables, net of the allowance for credit losses, represents their estimated net realizable value.

The allowance for credit losses is based on management's assessment of the collectability of assets pooled together with similar risk characteristics. The Company monitors the collectability of its trade receivables as one overall pool due to all trade receivables having similar risk characteristics. The Company estimates its allowance for credit losses based on historical collection trends, the age of outstanding receivables, geographical location of the customer, existing economic conditions and reasonable forecasts. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past-due receivable balances are written off when the Company's internal collection efforts have been unsuccessful in collecting the amount due.

The following is a rollforward of the Company's allowance for credit losses for the periods indicated:

	Three Months Ended March 31,	
	2025	2024
Beginning balance	\$ 25,730	\$ 23,553
Current period provision for expected credit losses	2,470	3,730
Write-offs charged against the allowance	(5,275)	(5,728)
Recoveries collected	2,353	1,356
Impact of changes in foreign currency	2	(53)
Ending balance	<u>\$ 25,280</u>	<u>\$ 22,858</u>

6. LANDFILL ACCOUNTING

At March 31, 2025, the Company's landfills consisted of 101 owned landfills, five landfills operated under life-of-site operating agreements and seven landfills operated under limited-term operating agreements. The Company's landfills had site costs with a net book value of \$3,335,719 at March 31, 2025. For the Company's landfills operated under limited-term operating agreements and life-of-site operating agreements, the owner of the property (generally a municipality) usually owns the permit and the Company operates the landfill for a contracted term. Where the contracted term is not the life of the landfill, the property owner is generally responsible for final capping, closure and post-closure obligations. The Company is responsible for all final capping, closure and post-closure liabilities at the landfills it operates under life-of-site operating agreements.

The Company's internal and third-party engineers perform surveys at least annually to estimate the remaining disposal capacity at its landfills. Many of the Company's existing landfills have the potential for expanded disposal capacity beyond the amount currently permitted. The Company's landfill depletion rates are based on the remaining disposal capacity, considering both permitted and probable expansion airspace, at the landfills it owns and landfills it operates, but does not own, under life-of-site agreements. The Company's landfill depletion rate is based on the term of the operating agreement at its operated landfill that has capitalized expenditures. Expansion airspace consists of additional disposal capacity being pursued through means of an expansion that has not yet been permitted. Expansion airspace that meets certain criteria is included in the estimate of total landfill airspace.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

Based on remaining permitted capacity as of March 31, 2025, and projected annual disposal volumes, the average remaining landfill life for the Company’s owned landfills and landfills operated under life-of-site operating agreements is estimated to be approximately 32 years. As of March 31, 2025, the Company is seeking to expand permitted capacity at six of its owned landfills and two landfills that it operates under life-of-site operating agreements, and considers the achievement of these expansions to be probable. Although the Company cannot be certain that all future expansions will be permitted as designed, the average remaining life, when considering remaining permitted capacity, probable expansion capacity and projected annual disposal volume, of the Company’s owned landfills and landfills operated under life-of-site operating agreements is approximately 34 years. The estimated remaining lives of the Company’s owned landfills and landfills operated under life-of-site operating agreements range from one to several hundred years, with approximately 90% of the projected annual disposal volume from landfills with remaining lives of less than 70 years.

During the three months ended March 31, 2025 and 2024, the Company expensed \$59,410 and \$62,525, respectively, related to landfill depletion at owned landfills and landfills operated under life-of-site agreements.

The Company reserves for estimated final capping, closure and post-closure maintenance obligations at the landfills it owns and landfills it operates under life-of-site operating agreements. The Company calculates the net present value of its final capping, closure and post-closure liabilities by estimating the total obligation in current dollars, inflating the obligation based upon the expected date of the expenditure and discounting the inflated total to its present value using a credit-adjusted risk-free rate. Any changes in expectations that result in an upward revision to the estimated undiscounted cash flows are treated as a new liability and are inflated and discounted at rates reflecting market conditions. Any changes in expectations that result in a downward revision (or no revision) to the estimated undiscounted cash flows result in a liability that is inflated and discounted at rates reflecting the market conditions at the time the cash flows were originally estimated. This policy results in the Company’s final capping, closure and post-closure liabilities being recorded in “layers.” The Company’s discount rate assumption for purposes of computing “layers” for final capping, closure and post-closure liabilities is based on its long-term credit adjusted risk-free rate. The Company’s discount rate assumption for purposes of computing 2025 and 2024 “layers” for final capping, closure and post-closure obligations was 5.50% for both periods. The Company’s long-term inflation rate assumption is 2.75% for each of the years ending December 31, 2025 and 2024. The resulting final capping, closure and post-closure obligations are recorded on the Condensed Consolidated Balance Sheets along with an offsetting addition to site costs which is amortized to depletion expense as the remaining landfill airspace is consumed. Interest is accreted on the recorded liability using the corresponding discount rate. During the three months ended March 31, 2025 and 2024, the Company expensed \$11,872 and \$9,356, respectively, related to final capping, closure and post-closure accretion expense. In the event that changes in an estimate for a closure and post-closure liability are associated with a significant change in facts and circumstances at a landfill or a non-operating section of a landfill, corresponding adjustments to recorded liabilities and Impairments and other operating items are made as soon as is practical.

The following is a reconciliation of the Company’s final capping, closure and post-closure liability balance from December 31, 2024 to March 31, 2025:

Final capping, closure and post-closure liability at December 31, 2024	\$ 860,123
Liability adjustments	14,587
Accretion expense	11,872
Closure payments	(71,937)
Foreign currency translation adjustment	75
Final capping, closure and post-closure liability at March 31, 2025	<u>\$ 814,720</u>

Liability adjustments of \$14,587 for the three months ended March 31, 2025, represent non-cash changes to final capping, closure and post-closure liabilities and are recorded on the Condensed Consolidated Balance Sheets along with

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

an offsetting addition to site costs, which is amortized to depletion expense as the remaining landfill airspace is consumed. At March 31, 2025 and December 31, 2024, the current portion of final capping, closure and post-closure liabilities, included in Accrued Liabilities on the Condensed Consolidated Balance Sheets, was \$185,118 and \$199,735, respectively, and the long-term portion of final capping, closure and post-closure liabilities, included in Other long-term liabilities on the Condensed Consolidated Balance Sheets, was \$629,602 and \$660,388, respectively. The Company performs its annual review of its cost and capacity estimates in the first quarter of each year. In the event that changes in an estimate for a closure and post-closure liability are associated with a significant change in facts and circumstances at a landfill or a non-operating section of a landfill, corresponding adjustments to recorded liabilities and Impairments and other operating items are made as soon as is practical.

At March 31, 2025 and December 31, 2024, \$12,589 and \$8,852, respectively, of the Company's restricted cash balance and \$74,058 and \$77,855, respectively, of the Company's restricted investments balance was for purposes of securing its performance of future final capping, closure and post-closure obligations.

7. ACQUISITIONS

The Company acquired three immaterial non-hazardous solid waste collection and recycling businesses and one immaterial E&P waste treatment and disposal business during the three months ended March 31, 2025. The total transaction-related expenses incurred during the three months ended March 31, 2025 for these acquisitions were \$11,970. These expenses are included in Selling, general and administrative expenses in the Company's Condensed Consolidated Statements of Net Income.

The Company acquired nine immaterial non-hazardous solid waste collection, transfer, recycling and disposal businesses and one immaterial E&P waste treatment and disposal business during the three months ended March 31, 2024. The total transaction-related expenses incurred during the three months ended March 31, 2024 for these acquisitions were \$9,847. These expenses are included in Selling, general and administrative expenses in the Company's Condensed Consolidated Statements of Net Income.

The results of operations of the acquired businesses have been included in the Company's Condensed Consolidated Financial Statements from their respective acquisition dates. The Company expects these acquired businesses to contribute towards the achievement of the Company's strategy to expand through acquisitions. Goodwill acquired is attributable to the synergies and ancillary growth opportunities expected to arise after the Company's acquisition of these businesses.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

The following table summarizes the consideration transferred to acquire these businesses and the preliminary amounts of identifiable assets acquired and liabilities assumed at the acquisition dates for the acquisitions consummated in the three months ended March 31, 2025 and 2024:

	2025	2024
	Acquisitions	Acquisitions
Fair value of consideration transferred:		
Cash	\$ 380,417	\$ 1,156,422
Debt assumed	71,557	64,450
	<u>451,974</u>	<u>1,220,872</u>
Recognized amounts of identifiable assets acquired and liabilities assumed associated with businesses acquired:		
Accounts receivable	16,920	51,852
Prepaid expenses and other current assets	3,055	9,951
Operating lease right-of-use assets	9,805	2,317
Property and equipment	231,167	688,906
Long-term franchise agreements and contracts	28,076	77,384
Customer lists	18,611	102,418
Permits and other intangibles	78,256	136,868
Other assets	—	1,617
Accounts payable and accrued liabilities	(9,846)	(4,727)
Current portion of operating lease liabilities	(105)	(1,515)
Deferred revenue	(207)	(11,886)
Contingent consideration	(8,864)	(12,012)
Long-term portion of operating lease liabilities	(560)	(3,857)
Other long-term liabilities	—	(51,187)
Deferred income taxes	(18,255)	—
Total identifiable net assets	<u>348,053</u>	<u>986,129</u>
Goodwill	<u>\$ 103,921</u>	<u>\$ 234,743</u>

Goodwill acquired during the three months ended March 31, 2025 and 2024, totaling \$55,780 and \$234,743, respectively, is expected to be deductible for tax purposes. The fair value of acquired working capital related to six immaterial acquisitions completed during the twelve months ended March 31, 2025, is provisional pending receipt of information from the acquirees to support the fair value of the assets acquired and liabilities assumed. Any adjustments recorded relating to finalizing the working capital for these six acquisitions are not expected to be material to the Company's financial position. The adjustments recorded during the three months ended March 31, 2025 relating to finalizing the acquired working capital for the individually immaterial acquisitions completed during the twelve months ended December 31, 2024 were not material to the Company's financial position.

The gross amount of trade receivables due under contracts acquired during the three months ended March 31, 2025, was \$17,088, of which \$168 was expected to be uncollectible. The gross amount of trade receivables due under contracts acquired during the three months ended March 31, 2024, was \$52,335, of which \$483 was expected to be uncollectible. The Company did not acquire any other class of receivable as a result of the acquisition of these businesses.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

8. INTANGIBLE ASSETS, NET

Intangible assets, exclusive of goodwill, consisted of the following at March 31, 2025:

	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Loss	Net Carrying Amount
Finite-lived intangible assets:				
Long-term franchise agreements and contracts	\$ 1,127,530	\$ (414,406)	\$ —	\$ 713,124
Customer lists	1,024,163	(716,336)	—	307,827
Permits and other	1,077,247	(171,763)	(40,784)	864,700
	<u>3,228,940</u>	<u>(1,302,505)</u>	<u>(40,784)</u>	<u>1,885,651</u>
Indefinite-lived intangible assets:				
Solid waste collection and transportation permits	181,613	—	—	181,613
Intangible assets, exclusive of goodwill	<u>\$ 3,410,553</u>	<u>\$ (1,302,505)</u>	<u>\$ (40,784)</u>	<u>\$ 2,067,264</u>

The weighted-average amortization period of long-term franchise agreements and contracts acquired during the three months ended March 31, 2025 was 8.5 years. The weighted-average amortization period of customer lists acquired during the three months ended March 31, 2025 was 10.2 years. The weighted-average amortization period of finite-lived permits and other acquired during the three months ended March 31, 2025 was 37.2 years.

Intangible assets, exclusive of goodwill, consisted of the following at December 31, 2024:

	Gross Carrying Amount	Accumulated Amortization	Accumulated Impairment Loss	Net Carrying Amount
Finite-lived intangible assets:				
Long-term franchise agreements and contracts	\$ 1,104,585	\$ (400,674)	\$ —	\$ 703,911
Customer lists	1,005,355	(693,594)	—	311,761
Permits and other	999,357	(164,239)	(40,784)	794,334
	<u>3,109,297</u>	<u>(1,258,507)</u>	<u>(40,784)</u>	<u>1,810,006</u>
Indefinite-lived intangible assets:				
Solid waste collection and transportation permits	181,613	—	—	181,613
Intangible assets, exclusive of goodwill	<u>\$ 3,290,910</u>	<u>\$ (1,258,507)</u>	<u>\$ (40,784)</u>	<u>\$ 1,991,619</u>

Estimated future amortization expense for the next five years relating to finite-lived intangible assets owned as of March 31, 2025 is as follows:

For the year ending December 31, 2025	\$ 194,886
For the year ending December 31, 2026	\$ 172,070
For the year ending December 31, 2027	\$ 150,608
For the year ending December 31, 2028	\$ 133,744
For the year ending December 31, 2029	\$ 120,860

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

9. LONG-TERM DEBT

The following table presents the Company's long-term debt at March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Revolving Credit Agreement, bearing interest ranging from 4.02% to 7.50% ^(a)	\$ 2,479,726	\$ 2,164,325
4.25% Senior Notes due 2028	500,000	500,000
3.50% Senior Notes due 2029	500,000	500,000
4.50% Senior Notes due 2029	347,800	347,500
2.60% Senior Notes due 2030	600,000	600,000
2.20% Senior Notes due 2032	650,000	650,000
3.20% Senior Notes due 2032	500,000	500,000
4.20% Senior Notes due 2033	750,000	750,000
5.00% Senior Notes due 2034	750,000	750,000
3.05% Senior Notes due 2050	500,000	500,000
2.95% Senior Notes due 2052	850,000	850,000
Notes payable to sellers and other third parties, bearing interest ranging from 2.42% to 10.35%, principal and interest payments due periodically with due dates ranging from 2028 to 2044 ^(a)	29,316	30,641
Finance leases, bearing interest ranging from 1.89% to 5.07%, with lease expiration dates ranging from 2026 to 2029 ^(a)	8,344	9,247
	<u>8,465,186</u>	<u>8,151,713</u>
Less – current portion	(7,657)	(7,851)
Less – unamortized debt discount and issuance costs	(69,165)	(70,934)
Long-term portion of debt and notes payable	<u>\$ 8,388,364</u>	<u>\$ 8,072,928</u>

(a) Interest rates represent the interest rates at March 31, 2025.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

Revolving Credit Agreement

The Company, as borrower, Bank of America, N.A., acting through its Canada Branch, as the global agent, the swing line lender and a letter of credit issuer, Bank of America, N.A., as the U.S. agent and a letter of credit issuer, and the other lenders and financial institutions from time to time party thereto (the “Lenders”) are party to that certain Revolving Credit Agreement, dated as of February 27, 2024 (as amended, restated, supplemented or otherwise modified from time to time, the “Revolving Credit Agreement”), pursuant to which the Lenders provide loans and other credit extensions to the Company under a revolving credit facility. Details of the Revolving Credit Agreement at March 31, 2025 and December 31, 2024 are as follows:

	March 31, 2025	December 31, 2024
<i>Revolver</i>		
Available	\$ 464,124	\$ 778,374
Letters of credit outstanding	\$ 56,150	\$ 57,301
Total amount drawn, as follows:	\$ 2,479,726	\$ 2,164,325
Amount drawn – U.S. Term SOFR rate loan	\$ 1,225,000	\$ 800,000
Interest rate applicable – U.S. Term SOFR rate loan	5.42 %	5.65 %
Amount drawn – U.S. Term SOFR rate loan	\$ 320,000	\$ 500,000
Interest rate applicable – U.S. Term SOFR rate loan	5.43 %	5.69 %
Amount drawn – U.S. Term SOFR rate loan	\$ 160,000	\$ 50,000
Interest rate applicable – U.S. Term SOFR rate loan	5.42 %	5.46 %
Amount drawn – U.S. base rate loan	\$ 20,000	\$ 95,000
Interest rate applicable – U.S. base rate loan	7.50 %	7.50 %
Amount drawn – Canadian Term CORRA loan	\$ 678,210	\$ 590,750
Interest rate applicable - Canadian term CORRA loan	4.21 %	5.24 %
Amount drawn – Canadian Term CORRA loan	\$ 66,082	\$ 86,875
Interest rate applicable - Canadian term CORRA loan	4.02 %	4.59 %
Amount drawn – Canadian prime rate loan	\$ 10,434	\$ 41,700
Interest rate applicable - Canadian prime rate loan	4.95 %	5.45 %
Commitment – rate applicable	0.09 %	0.09 %

In addition to the \$56,150 of letters of credit at March 31, 2025 issued and outstanding under the Revolving Credit Agreement, the Company has issued and outstanding letters of credit totaling \$111,868 under facilities other than the Revolving Credit Agreement.

10. SEGMENT REPORTING

The Company’s revenues are generated primarily from the collection, transfer, recycling and disposal of non-hazardous solid waste and the treatment, recovery and disposal of non-hazardous E&P waste. No single contract or customer accounted for more than 10% of the Company’s total revenues at the consolidated or reportable segment level during the periods presented.

For the three months ended March 31, 2025, the Company managed its operations through the following six geographic solid waste operating segments: Southern, Western, Eastern, Central, Canada and MidSouth. The Company’s six geographic solid waste operating segments comprise its reportable segments. Each operating segment is responsible for managing several vertically integrated operations, which are comprised of districts. Certain corporate or regional

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

overhead expense allocations may affect comparability of the segment information presented herein on a period-over-period basis.

The Company's Chief Operating Decision Maker ("CODM") is the Company's President and Chief Executive Officer. The CODM evaluates operating segment profitability and determines resource allocations based on several factors, of which the primary financial measure is segment EBITDA. The Company defines segment EBITDA as earnings before interest, taxes, depreciation, amortization, impairments and other operating items, and other income (expense). Segment EBITDA is not a measure of operating income, operating performance or liquidity under GAAP and may not be comparable to similarly titled measures reported by other companies. The Company's management uses segment EBITDA in the evaluation of segment operating performance as it is a profit measure that is generally within the control of the operating segments. A reconciliation of segment EBITDA to Income before income tax provision is included at the end of this Note 10.

Summarized financial information concerning the Company's reportable segments for the three months ended March 31, 2025 and 2024, is shown in the following tables:

Three Months Ended								
March 31, 2025	Southern	Western	Eastern	Central	Canada	MidSouth	Corporate ^{(a), (f)}	Consolidated
Revenue	\$ 507,668	\$ 499,701	\$ 480,532	\$ 414,986	\$ 332,532	\$ 302,470	\$ —	\$ 2,537,889
Intercompany revenue ^(b)	(54,265)	(61,300)	(77,262)	(41,603)	(29,801)	(45,482)	—	(309,713)
Reported revenue	453,403	438,401	403,270	373,383	302,731	256,988	—	2,228,176
Segment expenses ^(c)	(304,703)	(326,056)	(300,175)	(241,674)	(167,159)	(188,070)	(13,740)	(1,541,577)
Segment EBITDA ^(d)	148,700	112,345	103,095	131,709	135,572	68,918	(13,740)	686,599
Segment EBITDA margin	32.8 %	25.6 %	25.6 %	35.3 %	44.8 %	26.8 %		30.8 %
Depreciation and amortization	(55,860)	(51,998)	(56,202)	(42,427)	(45,825)	(35,171)	(2,466)	(289,949)
Other segment items ^(e)	(5,252)	191	(1,842)	(142)	99	(400)	(76,327)	(83,673)
Income before income tax provision								<u>\$ 312,977</u>
Capital expenditures	\$ 32,453	\$ 34,294	\$ 39,718	\$ 45,972	\$ 31,750	\$ 20,156	\$ 8,112	\$ 212,455
Total assets ^(g)	\$ 4,214,215	\$ 3,485,974	\$ 3,678,666	\$ 2,835,804	\$ 3,547,500	\$ 2,009,776	\$ 482,562	\$ 20,254,497

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

Three Months Ended									
March 31, 2024	Southern	Western	Eastern	Central	Canada	MidSouth	Corporate ^{(a), (f)}	Consolidated	
Revenue	\$ 473,953	\$ 476,703	\$ 431,969	\$ 403,086	\$ 307,346	\$ 273,337	\$ —	\$ 2,366,394	
Intercompany revenue ^(b)	(55,007)	(54,454)	(71,906)	(42,159)	(26,984)	(43,231)	—	(293,741)	
Reported revenue	418,946	422,249	360,063	360,927	280,362	230,106	—	2,072,653	
Segment expenses ^(c)	(290,534)	(309,199)	(265,047)	(235,005)	(159,001)	(172,599)	(11,133)	(1,442,518)	
Segment EBITDA ^(d)	128,412	113,050	95,016	125,922	121,361	57,507	(11,133)	630,135	
Segment EBITDA margin	30.7 %	26.8 %	26.4 %	34.9 %	43.3 %	25.0 %		30.4 %	
Depreciation and amortization	(44,707)	(51,221)	(53,548)	(40,787)	(39,109)	(29,889)	(3,720)	(262,981)	
Other segment items ^(e)	(538)	(1,413)	(362)	803	44	59	(77,207)	(78,614)	
Income before income tax provision								<u>\$ 288,540</u>	
Capital expenditures	\$ 25,966	\$ 37,043	\$ 39,042	\$ 29,442	\$ 18,667	\$ 16,727	\$ 3,064	\$ 169,951	
Total assets ^(g)	\$ 3,500,113	\$ 3,434,367	\$ 3,281,517	\$ 2,793,648	\$ 3,625,769	\$ 1,991,424	\$ 455,822	\$ 19,082,660	

- (a) The majority of Corporate expenses are allocated to the six operating segments. Direct acquisition expenses, expenses associated with common shares held in the deferred compensation plan exchanged for other investment options and share-based compensation expenses associated with Progressive Waste share-based grants outstanding at June 1, 2016 that were continued by the Company are not allocated to the six operating segments and comprise the net EBITDA of the Company's Corporate segment for the periods presented.
- (b) Intercompany revenues reflect each segment's total intercompany sales, including intercompany sales within a segment and between segments. Transactions within and between segments are generally made on a basis intended to reflect the market value of the service.
- (c) Segment expenses consist of all expenses that directly impact the CODM's primary financial measure, segment EBITDA. These expenses include cost of operations and selling, general, and administrative expenses as presented in the Company's Condensed Consolidated Statements of Net Income.
- (d) For those items included in the determination of segment EBITDA, the accounting policies of the segments are the same as those described in the Company's most recent Annual Report on Form 10-K.
- (e) For all geographic operating segments, other segment items consist of gains and losses on: disposal of assets, disposal of operations, litigation settlements, environmental remediation, real estate leases, landfill closure adjustments, contingent liability adjustments, impairments, foreign currency gains/losses and interest income.
- (f) Corporate assets include cash, debt issuance costs, equity investments, operating lease right-of-use assets and corporate facility leasehold improvements and equipment.
- (g) Goodwill is included within total assets for each of the Company's six operating segments.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

The following tables show changes in goodwill during the three months ended March 31, 2025 and 2024, by reportable segment:

	<u>Southern</u>	<u>Western</u>	<u>Eastern</u>	<u>Central</u>	<u>Canada</u>	<u>MidSouth</u>	<u>Total</u>
Balance as of December 31, 2024	\$ 1,577,114	\$ 864,602	\$ 1,735,584	\$ 1,010,574	\$ 1,913,091	\$ 849,441	\$ 7,950,406
Goodwill acquired	76,631	—	26,849	1,975	—	—	105,455
Goodwill acquisition adjustments	—	(1,199)	—	—	(10)	(325)	(1,534)
Impact of changes in foreign currency	—	—	—	—	1,652	—	1,652
Balance as of March 31, 2025	<u>\$ 1,653,745</u>	<u>\$ 863,403</u>	<u>\$ 1,762,433</u>	<u>\$ 1,012,549</u>	<u>\$ 1,914,733</u>	<u>\$ 849,116</u>	<u>\$ 8,055,979</u>
	<u>Southern</u>	<u>Western</u>	<u>Eastern</u>	<u>Central</u>	<u>Canada</u>	<u>MidSouth</u>	<u>Total</u>
Balance as of December 31, 2023	\$ 1,559,703	\$ 779,455	\$ 1,587,491	\$ 1,008,500	\$ 1,723,068	\$ 746,183	\$ 7,404,400
Goodwill acquired	1,322	5,653	37,289	—	91,389	98,665	234,318
Goodwill acquisition adjustments	—	—	—	425	—	—	425
Impact of changes in foreign currency	—	—	—	—	(41,968)	—	(41,968)
Balance as of March 31, 2024	<u>\$ 1,561,025</u>	<u>\$ 785,108</u>	<u>\$ 1,624,780</u>	<u>\$ 1,008,925</u>	<u>\$ 1,772,489</u>	<u>\$ 844,848</u>	<u>\$ 7,597,175</u>

11. DERIVATIVE FINANCIAL INSTRUMENTS

The Company recognizes all derivatives on the Condensed Consolidated Balance Sheets at fair value. All of the Company's derivatives have been designated as cash flow hedges; therefore, the gain or loss on the derivatives will be recognized in accumulated other comprehensive income (loss) ("AOCIL") and reclassified into earnings in the same period during which the hedged transaction affects earnings and is presented in the same income statement line item as the earnings effect of the hedged item. The Company classifies cash inflows and outflows from derivatives within operating activities on the Condensed Consolidated Statements of Cash Flows.

One of the Company's objectives for utilizing derivative instruments is to reduce its exposure to fluctuations in cash flows due to changes in the variable interest rates of certain borrowings under the Revolving Credit Agreement. The Company's strategy to achieve that objective involves entering into interest rate swaps. The interest rate swaps outstanding at March 31, 2025 were specifically designated to the Revolving Credit Agreement and accounted for as cash flow hedges.

At March 31, 2025, the Company's derivative instruments included four interest rate swap agreements as follows:

<u>Date Entered</u>	<u>Notional Amount</u>	<u>Fixed Interest Rate Paid ^(a)</u>	<u>Variable Interest Rate Received</u>	<u>Effective Date ^(b)</u>	<u>Expiration Date</u>
August 2017	\$ 200,000	2.1230 %	1-month Term SOFR	November 2022	October 2025
June 2018	\$ 200,000	2.8480 %	1-month Term SOFR	November 2022	October 2025
June 2018	\$ 200,000	2.8284 %	1-month Term SOFR	November 2022	October 2025
December 2018	\$ 200,000	2.7715 %	1-month Term SOFR	November 2022	July 2027

(a) Plus applicable margin.

(b) In October 2022, the Company amended the reference rate in all of its outstanding interest rate swap contracts to replace One-Month LIBOR with One-Month Term SOFR and certain credit spread adjustments. The Company did not record any gains or losses upon the conversion of the reference rates in these interest rate swap contracts, and the Company believes these amendments will not have a material impact on its Condensed Consolidated Financial Statements.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

The fair values of derivative instruments designated as cash flow hedges at March 31, 2025, were as follows:

Derivatives Designated as Cash Flow Hedges	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps	Prepaid expenses and other current assets ^(a)	\$ 7,766	Accrued liabilities	\$ —
	Other assets, net	1,692		
Total derivatives designated as cash flow hedges		<u>\$ 9,458</u>		<u>\$ —</u>

(a) Represents the estimated amount of the existing unrealized gains on interest rate swaps at March 31, 2025 (based on the interest rate yield curve at that date), included in AOCIL expected to be reclassified into pre-tax earnings within the next 12 months. The actual amounts reclassified into earnings are dependent on future movements in interest rates.

The fair values of derivative instruments designated as cash flow hedges at December 31, 2024, were as follows:

Derivatives Designated as Cash Flow Hedges	Asset Derivatives		Liability Derivatives	
	Balance Sheet Location	Fair Value	Balance Sheet Location	Fair Value
Interest rate swaps	Prepaid expenses and other current assets	\$ 10,545	Accrued liabilities	\$ —
	Other assets, net	3,384		
Total derivatives designated as cash flow hedges		<u>\$ 13,929</u>		<u>\$ —</u>

The following tables summarize the impact of the Company's cash flow hedges on the results of operations, comprehensive income (loss) and AOCIL for the three months ended March 31, 2025 and 2024:

Derivatives Designated as Cash Flow Hedges	Amount of Gain or (Loss) Recognized as AOCIL on Derivatives, Net of Tax ^(a)		Statement of Net Income Classification	Amount of (Gain) or Loss Reclassified from AOCIL into Earnings, Net of Tax ^(b)	
	Three Months Ended March 31,			Three Months Ended March 31,	
	2025	2024		2025	2024
Interest rate swaps	\$ (843)	\$ 7,329	Interest expense	\$ (2,443)	\$ (3,958)

(a) In accordance with the derivatives and hedging guidance, the changes in fair values of interest rate swaps have been recorded in equity as a component of AOCIL. As the critical terms of the interest rate swaps match the underlying debt being hedged, all unrealized changes in fair value are recorded in AOCIL.

(b) Amounts reclassified from AOCIL into earnings related to realized gains and losses on interest rate swaps are recognized when interest payments or receipts occur related to the swap contracts, which correspond to when interest payments are made on the Company's hedged debt.

See Note 15 for further discussion on the impact of the Company's hedge accounting to its consolidated comprehensive income (loss) and AOCIL.

12. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments consist primarily of cash and equivalents, trade receivables, restricted cash and investments, trade payables, debt instruments, contingent consideration obligations and interest rate swaps. As of March 31, 2025 and December 31, 2024, the carrying values of cash and equivalents, trade receivables, restricted cash and investments, trade payables and contingent consideration are considered to be representative of their respective fair values. The carrying values of the Company's debt instruments, excluding certain notes as listed in the table below, approximate their fair values as of March 31, 2025 and December 31, 2024, based on current borrowing rates, current remaining average life to maturity and borrower credit quality for similar types of borrowing arrangements, and are classified as Level 2

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

within the fair value hierarchy. The carrying values and fair values of the Company's debt instruments where the carrying values do not approximate their fair values as of March 31, 2025 and December 31, 2024, are as follows:

	Carrying Value at		Fair Value ^(a) at	
	March 31, 2025	December 31, 2024	March 31, 2025	December 31, 2024
4.25% Senior Notes due 2028	\$ 500,000	\$ 500,000	\$ 495,200	\$ 488,500
3.50% Senior Notes due 2029	\$ 500,000	\$ 500,000	\$ 480,650	\$ 471,450
4.50% Senior Notes due 2029	\$ 347,800	\$ 347,500	\$ 362,846	\$ 359,168
2.60% Senior Notes due 2030	\$ 600,000	\$ 600,000	\$ 546,420	\$ 536,220
2.20% Senior Notes due 2032	\$ 650,000	\$ 650,000	\$ 548,340	\$ 535,275
3.20% Senior Notes due 2032	\$ 500,000	\$ 500,000	\$ 446,950	\$ 437,150
4.20% Senior Notes due 2033	\$ 750,000	\$ 750,000	\$ 711,075	\$ 696,300
5.00% Senior Notes due 2034	\$ 750,000	\$ 750,000	\$ 745,050	\$ 731,625
3.05% Senior Notes due 2050	\$ 500,000	\$ 500,000	\$ 327,550	\$ 321,700
2.95% Senior Notes due 2052	\$ 850,000	\$ 850,000	\$ 535,840	\$ 528,955

(a) Senior Notes are classified as Level 2 within the fair value hierarchy. Fair value inputs include third-party calculations of the market interest rate of notes with similar ratings in similar industries over the remaining note terms.

For details on the fair value of the Company's interest rate swaps, restricted cash and investments and contingent consideration, refer to Note 14.

13. NET INCOME PER SHARE INFORMATION

The following table sets forth the calculation of the numerator and denominator used in the computation of basic and diluted net income per common share attributable to the Company's shareholders for the three months ended March 31, 2025 and 2024:

	Three Months Ended March 31,	
	2025	2024
Numerator:		
Net income attributable to Waste Connections for basic and diluted earnings per share	\$ 241,510	\$ 230,054
Denominator:		
Basic shares outstanding	258,193,975	257,801,116
Dilutive effect of equity-based awards	710,831	681,357
Diluted shares outstanding	258,904,806	258,482,473

14. FAIR VALUE MEASUREMENTS

The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis in periods subsequent to their initial measurement. These tiers include: Level 1, defined as quoted market prices in active markets for identical assets or liabilities; Level 2, defined as inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, model-based valuation techniques for which all significant assumptions are observable in the market, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and Level 3, defined as unobservable inputs that are not corroborated by market data.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

The Company's financial assets and liabilities recorded at fair value on a recurring basis include derivative instruments and restricted cash and investments. At March 31, 2025 and December 31, 2024, the Company's derivative instruments included pay-fixed, receive-variable interest rate swaps. The Company's interest rate swaps are recorded at their estimated fair values based on quotes received from financial institutions that trade these contracts. The Company verifies the reasonableness of these quotes using similar quotes from another financial institution as of each date for which financial statements are prepared. For the Company's interest rate swaps, the Company also considers the Company's creditworthiness in its determination of the fair value measurement of these instruments in a net liability position and the counterparties' creditworthiness in its determination of the fair value measurement of these instruments in a net asset position. The Company's restricted cash is valued at quoted market prices in active markets for identical assets, which the Company receives from the financial institutions that hold such investments on its behalf. The Company's restricted cash measured at fair value is invested primarily in money market accounts and bank time deposits. The Company's restricted investments are valued at quoted market prices in active markets for similar assets, which the Company receives from the financial institutions that hold such investments on its behalf. The Company's restricted investments measured at fair value are invested primarily in U.S. government securities, agency securities and Canadian bankers' acceptance notes.

The Company's assets and liabilities measured at fair value on a recurring basis at March 31, 2025 and December 31, 2024, were as follows:

	<u>Fair Value Measurement at March 31, 2025 Using</u>			
	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Interest rate swap derivative instruments – net asset position	\$ 9,458	\$ —	\$ 9,458	\$ —
Restricted cash	\$ 138,220	\$ 138,220	\$ —	\$ —
Restricted investments	\$ 73,973	\$ —	\$ 73,973	\$ —
Contingent consideration	\$ (75,262)	\$ —	\$ —	\$ (75,262)

	<u>Fair Value Measurement at December 31, 2024 Using</u>			
	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Interest rate swap derivative instruments – net asset position	\$ 13,929	\$ —	\$ 13,929	\$ —
Restricted cash	\$ 135,807	\$ 135,807	\$ —	\$ —
Restricted investments	\$ 77,900	\$ —	\$ 77,900	\$ —
Contingent consideration	\$ (87,162)	\$ —	\$ —	\$ (87,162)

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

The following table summarizes the changes in the fair value for Level 3 liabilities related to contingent consideration for the three months ended March 31, 2025 and 2024:

	<u>Three Months Ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 87,162	\$ 115,030
Contingent consideration recorded at acquisition date	8,864	12,012
Payment of contingent consideration recorded at acquisition date	(20,137)	(11,295)
Adjustments to contingent consideration	(1,500)	—
Interest accretion expense	863	1,986
Foreign currency translation adjustment	10	—
Ending balance	<u>\$ 75,262</u>	<u>\$ 117,733</u>

15. OTHER COMPREHENSIVE INCOME (LOSS)

Other comprehensive income (loss) includes changes in the fair value of interest rate swaps that qualify for hedge accounting. The components of other comprehensive income (loss) and related tax effects for the three months ended March 31, 2025 and 2024 are as follows:

	<u>Three Months Ended March 31, 2025</u>		
	<u>Gross</u>	<u>Tax Effect</u>	<u>Net of Tax</u>
Interest rate swap amounts reclassified into interest expense	\$ (3,324)	\$ 881	\$ (2,443)
Changes in fair value of interest rate swaps	(1,147)	304	(843)
Foreign currency translation adjustment	1,740	—	1,740
	<u>\$ (2,731)</u>	<u>\$ 1,185</u>	<u>\$ (1,546)</u>

	<u>Three Months Ended March 31, 2024</u>		
	<u>Gross</u>	<u>Tax Effect</u>	<u>Net of Tax</u>
Interest rate swap amounts reclassified into interest expense	\$ (5,385)	\$ 1,427	\$ (3,958)
Changes in fair value of interest rate swaps	9,972	(2,643)	7,329
Foreign currency translation adjustment	(56,381)	—	(56,381)
	<u>\$ (51,794)</u>	<u>\$ (1,216)</u>	<u>\$ (53,010)</u>

A rollforward of the amounts included in AOCIL, net of taxes, for the three months ended March 31, 2025 and 2024, is as follows:

	<u>Interest</u>	<u>Foreign</u>	<u>Accumulated</u>
	<u>Rate Swaps</u>	<u>Currency</u>	<u>Other</u>
Balance at December 31, 2024	\$ 10,237	\$ (215,977)	\$ (205,740)
Amounts reclassified into earnings	(2,443)	—	(2,443)
Changes in fair value	(843)	—	(843)
Foreign currency translation adjustment	—	1,740	1,740
Balance at March 31, 2025	<u>\$ 6,951</u>	<u>\$ (214,237)</u>	<u>\$ (207,286)</u>

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

	Interest Rate Swaps	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2023	\$ 16,749	\$ (26,575)	\$ (9,826)
Amounts reclassified into earnings	(3,958)	—	(3,958)
Changes in fair value	7,329	—	7,329
Foreign currency translation adjustment	—	(56,381)	(56,381)
Balance at March 31, 2024	<u>\$ 20,120</u>	<u>\$ (82,956)</u>	<u>\$ (62,836)</u>

See Note 11 for further discussion on the Company's derivative instruments.

16. SHAREHOLDERS' EQUITY

Share-Based Compensation

Restricted Share Units

A summary of activity related to restricted share units ("RSUs") during the three-month period ended March 31, 2025, is presented below:

	<u>Unvested Shares</u>
Outstanding at December 31, 2024	912,560
Granted	353,840
Forfeited	(12,749)
Vested and issued	(343,415)
Outstanding at March 31, 2025	<u>910,236</u>

The weighted average grant-date fair value per share for the common shares underlying the RSUs granted during the three-month period ended March 31, 2025 was \$185.66.

Recipients of the Company's RSUs who participate in the Company's Nonqualified Deferred Compensation Plan may have elected in years prior to 2015 to defer some or all of their RSUs as they vest until a specified date or dates they choose. At the end of the deferral periods, unless a qualified participant makes certain other elections, the Company issues to recipients who deferred their RSUs common shares of the Company underlying the deferred RSUs. At March 31, 2025 and 2024, the Company had 29,092 and 29,980 vested deferred RSUs outstanding, respectively.

Performance-Based Restricted Share Units

A summary of activity related to performance-based restricted share units ("PSUs") during the three-month period ended March 31, 2025, is presented below:

	<u>Unvested Shares</u>
Outstanding at December 31, 2024	219,143
Granted	80,104
Vested and issued	(87,964)
Outstanding at March 31, 2025	<u>211,283</u>

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

During the three months ended March 31, 2025, the Company’s Compensation Committee granted PSUs with three-year performance-based metrics that the Company must meet before those awards may be earned, and the performance period for those grants ends on December 31, 2027. The Compensation Committee will determine the achievement of performance results and corresponding vesting of PSUs for each performance period. The weighted average grant-date fair value per share for the common shares underlying all PSUs granted during the three-month period ended March 31, 2025 was \$176.19.

Deferred Share Units

A summary of activity related to deferred share units (“DSUs”) during the three-month period ended March 31, 2025, is presented below:

	Vested Shares
Outstanding at December 31, 2024	20,418
Granted	2,485
Outstanding at March 31, 2025	22,903

The DSUs consist of a combination of DSU grants outstanding under the Progressive Waste share-based compensation plans that were continued by the Company following the Progressive Waste acquisition and DSUs granted by the Company since the Progressive Waste acquisition. The weighted average grant-date fair value per share for the common shares underlying the DSUs granted during the three-month period ended March 31, 2025 was \$189.04.

Other Restricted Share Units

RSU grants outstanding under the Progressive Waste share-based compensation plans were continued by the Company following the Progressive Waste acquisition and allow for the issuance of shares or cash settlement to employees upon vesting or other distribution events. A summary of activity related to Progressive Waste RSUs during the three-month period ended March 31, 2025, is presented below:

Outstanding at December 31, 2024	45,466
Cash settled	(1,750)
Outstanding at March 31, 2025	43,716

No RSUs under the Progressive Waste share-based compensation plans were granted subsequent to June 1, 2016.

Employee Share Purchase Plan

On May 15, 2020, the Company’s shareholders approved the 2020 Employee Share Purchase Plan (the “ESPP”). Under the ESPP, qualified employees may elect to have payroll deductions withheld from their eligible compensation on each payroll date in amounts equal to or greater than one percent (1%) but not in excess of ten percent (10%) of eligible compensation in order to purchase the Company’s common shares under certain terms and subject to certain restrictions set forth in the ESPP. The exercise price is equal to 95% of the closing price of the Company’s common shares on the last day of the relevant offering period, provided, however, that such exercise price will not be less than 85% of the volume weighted average price of the Company’s common shares as reflected on the Toronto Stock Exchange (the “TSX”) over the final five trading days of such offering period. The maximum number of shares that may be issued under the ESPP is 1,000,000. Under the ESPP, employees purchased 15,922 of the Company’s common shares for \$2,593 during the three months ended March 31, 2025. Under the ESPP, employees purchased 15,407 of the Company’s common shares for \$2,183 during the three months ended March 31, 2024.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

Normal Course Issuer Bid

On July 23, 2024, the Board of Directors of the Company approved, subject to receipt of regulatory approvals, the annual renewal of the Company's normal course issuer bid (the "NCIB") to purchase up to 12,901,981 of the Company's common shares during the period of August 12, 2024 to August 11, 2025 or until such earlier time as the NCIB is completed or terminated at the option of the Company. The renewal followed the conclusion of the Company's NCIB that expired August 9, 2024. The Company received TSX approval for its annual renewal of the NCIB on August 6, 2024. Under the NCIB, the Company may make share repurchases only in the open market, including on the New York Stock Exchange (the "NYSE"), the TSX, and/or alternative Canadian trading systems, at the prevailing market price at the time of the transaction.

In accordance with TSX rules, any daily repurchases made through the TSX and alternative Canadian trading systems is limited to a maximum of 60,089 common shares, which represents 25% of the average daily trading volume on the TSX of 240,359 common shares for the period from February 1, 2024 to July 31, 2024. The TSX rules also allow the Company to purchase, once a week, a block of common shares not owned by any insiders, which may exceed such daily limit. The maximum number of shares that can be purchased per day on the NYSE will be 25% of the average daily trading volume for the four calendar weeks preceding the date of purchase, subject to certain exceptions for block purchases.

The timing and amounts of any repurchases pursuant to the NCIB will depend on many factors, including the Company's capital structure, the market price of the common shares, any share buyback taxes applicable and overall market conditions. All common shares purchased under the NCIB shall be immediately cancelled following their repurchase.

For each of the three months ended March 31, 2025 and 2024, the Company did not repurchase any common shares pursuant to the NCIB in effect during that period. As of March 31, 2025, the maximum number of shares available for repurchase under the current NCIB was 12,901,981.

Cash Dividend

In October 2024, the Company announced that its Board of Directors increased its regular quarterly cash dividend by \$0.03, from \$0.285 to \$0.315 per Company common share. Cash dividends of \$81,477 and \$73,573 were paid during the three months ended March 31, 2025 and 2024, respectively.

17. COMMITMENTS AND CONTINGENCIES

In the normal course of its business and as a result of the extensive governmental regulation of the solid waste and E&P waste industries, the Company is subject to various judicial and administrative proceedings involving Canadian regulatory authorities as well as U.S. federal, state and local agencies. In these proceedings, an agency may subpoena the Company for records, or seek to impose fines on the Company or revoke or deny renewal of an authorization held or sought by the Company, including an operating permit. From time to time, the Company may also be subject to actions brought by special interest or other groups, adjacent landowners or residents in connection with the permitting and licensing of landfills, transfer stations, and E&P waste treatment, recovery and disposal operations, or alleging environmental damage or violations of the permits and licenses pursuant to which the Company operates. The Company uses \$1,000 as a threshold for disclosing environmental matters involving a governmental authority and potential monetary sanctions.

In addition, the Company is a party to various claims and suits pending for alleged damages to persons and property, alleged violations of certain laws and alleged liabilities arising out of matters occurring during the normal operation of the

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

Company's business. Except as noted in the matters described below, as of March 31, 2025, there is no current proceeding or litigation involving the Company or its property that the Company believes could have a material adverse effect on its business, financial condition, results of operations or cash flows.

Jefferson Parish, Louisiana Landfill Litigation

Between June 2016 and December 31, 2020, one of the Company's subsidiaries, Louisiana Regional Landfill Company ("LRLC"), conducted certain operations at a municipal solid waste landfill known as the Jefferson Parish Landfill (the "JP Landfill"), located in Avondale, Louisiana, near the City of New Orleans. LRLC's operations were governed by an Operating Agreement entered into in May 2012 by LRLC under its previous name, IESI LA Landfill Corporation, and the owner of the JP Landfill, Jefferson Parish (the "Parish"). The Parish also holds the State of Louisiana permit for the operation of the JP Landfill. Aptim Corporation, and later River Birch, LLC, operated the landfill gas collection system at the JP Landfill under a separate contract with the Parish.

In July and August 2018, four separate lawsuits seeking class action status were filed against LRLC and certain other Company subsidiaries, the Parish, and Aptim Corporation in Louisiana state court, and subsequently removed to the United States District Court for the Eastern District of Louisiana, before Judge Susie Morgan in New Orleans. The court later consolidated the claims of the putative class action plaintiffs (the "*Ictech-Bendeck*" action). Beginning in December 2018, a series of 11 substantively identical mass actions were filed in Louisiana state court against LRLC and certain other Company subsidiaries, the Parish, and Aptim Corporation. The claims of the mass action plaintiffs were removed to and consolidated in federal court in the Eastern District of Louisiana, also before Judge Susie Morgan (the "*Addison*" action). On August 10, 2024, the Company's subsidiaries and the *Addison* plaintiffs reached an agreement in principle to settle the *Addison* plaintiffs' claims against the Company in an amount not material to the Company's financial statements; the Parish and Aptim Corporation also reached agreements in principle to settle the *Addison* action. On August 12, 2024, the court entered an order dismissing the *Addison* action without prejudice pending consummation of the settlement agreements.

The *Ictech-Bendeck* plaintiffs assert claims for damages from odors allegedly emanating from the JP Landfill. The consolidated putative class action complaint alleges that the JP Landfill released "noxious odors" into the plaintiffs' properties and the surrounding community and asserts a range of liability theories—nuisance, negligence (since dismissed), and strict liability—against all defendants. The *Ictech-Bendeck* plaintiffs seek unspecified damages.

The court held an eight-day trial on general causation during January and February 2022. On November 29, 2022, the court issued a 45-page decision on the general causation trial. The court concluded that all putative class plaintiffs established general causation—specifically that emissions and gases from the JP Landfill were capable of causing certain damages alleged by the plaintiffs. The court held that it only needed to determine the level of exposure necessary to result in injuries and that the level existed somewhere offsite, and that it was not required to delineate this level of exposure within a geographic area. The court did, however, limit the time period for damages, to between July 2017 and December 2019, and the types of alleged injuries for which the plaintiffs are able to seek damages, to headaches, nausea, vomiting, loss of appetite, sleep disruption, dizziness, fatigue, anxiety and worry, a decrease in quality of life, and loss of enjoyment or use of property.

After the general causation decision, extensive discovery occurred in 2023 and 2024. On May 15, 2024, the *Ictech-Bendeck* plaintiffs filed an amended motion for class certification, which the defendants opposed. Plaintiffs described the putative class as residents of the Parish suffering an injury as a result of exposure to odors from the JP Landfill between July 1, 2017 and December 31, 2019, in five proposed geographic sub-classes encompassing residents within a delineated area of the Parish that extended roughly five miles from the JP Landfill to the north and east. Counsel for the putative class

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

asked the court to certify a class on liability and allocation issues and that specific causation be left for individual determinations after a class trial.

On August 8, 2024, the Parish and the *Ictech-Bendeck* plaintiffs notified the court and the other parties that they had reached an agreement in principle on settlement of the plaintiffs' class claims against the Parish. The court held a settlement conference on August 9, 2024, memorializing the terms of the plaintiffs' settlement with the Parish, including a settlement amount of \$4,500 to be paid by the Parish to the *Ictech-Bendeck* plaintiffs. The settlement agreement purports to assign to the *Ictech-Bendeck* plaintiffs the Parish's claims against the Company defendants and Aptim Corporation. On March 27, 2025, the court approved the settlement.

After the completion of briefing and an evidentiary hearing on the *Ictech-Bendeck* class certification motion against the Company defendants and Aptim Corporation, on March 27, 2025, the court denied the motion for class certification. The court has set a deadline of May 7, 2025 for the *Ictech-Bendeck* plaintiffs to amend their complaint to proceed with the claims of the individual plaintiffs.

At this time, the Company is not able to determine the likelihood of any outcome regarding the underlying claims of the individual plaintiffs in the *Ictech-Bendeck* action, including the allocation of any potential liability among the Company defendants, the Parish, and Aptim Corporation.

Los Angeles County, California Landfill Expansion Litigation

A. Chiquita Canyon, LLC Lawsuit Against Los Angeles County

In October 2004, the Company's subsidiary, Chiquita Canyon, LLC ("CCL"), then under prior ownership, filed an application (the "Application") with the County of Los Angeles (the "County") Department of Regional Planning ("DRP") for a conditional use permit (the "CUP") to authorize the continued operation and expansion of the Chiquita Canyon Landfill (the "CC Landfill"). The CC Landfill has operated since 1972, and as a regional landfill, accepted approximately 2.3 million tons of materials for disposal and beneficial use in 2024. The CC Landfill was the second largest landfill in the County and played a vital role in the County's ability to safely and quickly gather, process, and dispose of thousands of tons of waste, six days a week. The Application requested expansion of the existing waste footprint on CCL's contiguous property, an increase in maximum elevation, creation of a new entrance and new support facilities, construction of a facility for the County or another third-party operator to host household hazardous waste collection events, designation of an area for mixed organics/composting, and other modifications.

After many years of reviews and delays, upon the recommendation of County staff, the County's Regional Planning Commission (the "Commission") approved the Application on April 19, 2017, but imposed operating conditions, fees and exactions that substantially reduced the historical landfill operations and represented a large increase in aggregate taxes and fees. CCL objected to many of the requirements imposed by the Commission. Estimates for new costs imposed on CCL under the CUP are in excess of \$300,000, if the CC Landfill was still open for the acceptance of waste.

CCL appealed the Commission's decision to the County Board of Supervisors ("Board"), but the appeal was not successful. At a subsequent hearing, on July 25, 2017, the Board approved the CUP. On October 20, 2017, CCL filed in the Superior Court of California, County of Los Angeles a verified petition for writ of mandate and complaint against the County and the Board captioned *Chiquita Canyon, LLC v. County of Los Angeles* (the "Complaint"). The Complaint challenges the terms of the CUP in 13 counts generally alleging that the County violated multiple California and federal statutes and California and federal constitutional protections. CCL seeks the following relief: (a) an injunction and writ of mandate against certain of the CUP's operational restrictions, taxes and fees, (b) a declaration that the challenged conditions are unconstitutional and in violation of state and federal statutes, (c) reimbursement for any such illegal fees

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

paid under protest, (d) damages, (e) an award of just compensation for a taking, (f) attorney fees, and (g) all other appropriate legal and equitable relief.

Following extensive litigation in 2018 and 2019 on the permissible scope of CCL's challenge, the Superior Court issued its decision on July 2, 2020, granting CCL's petition for writ of mandate in part and denying it in part. CCL prevailed with respect to 12 of the challenged conditions, many of which imposed new fees and exactions on the CC Landfill. On October 11, 2022, CCL and the County entered into a settlement agreement that required CCL to file a CUP modification application with the County embodying the terms of the settlement agreement. CCL filed the CUP modification application on November 10, 2022, an addendum to CCL's environmental impact report in accordance with the California Environmental Quality Act on January 12, 2024, and a revised addendum on September 30, 2024. The next steps contemplated by the settlement agreement included: completion of review by the County; scheduling the CUP modification application for a hearing before the Commission; if appealed, a hearing before the Board; and, upon approval by the Board of the CUP modification application and satisfaction of certain other contingencies, CCL would dismiss this lawsuit.

At a meeting between the County and the Company on September 23, 2024, the County first stated that it would not be possible to complete the environmental review and present the CUP modification to the Commission in 2024. Absent approval of the modified CUP, beginning January 1, 2025, the CUP requires CCL to reduce its maximum annual solid waste tonnage capacity from approximately two million tons of solid waste per year to approximately one million tons of solid waste per year. CCL and the County were required under the settlement agreement to cooperate to take additional lawful and reasonable measures to effectuate the basic terms and goals of the settlement agreement, which included modifying this tonnage reduction to a gradual step-down in tonnage. However, because the County was unable to fully implement the settlement agreement or provide a viable alternative solution to address the severe tonnage restrictions that took effect on January 1, 2025, maintaining ongoing operations at the CC Landfill was no longer economically viable. Thus, CCL closed active waste disposal operations as of December 31, 2024.

On January 10, 2025, CCL and the County appeared before the Superior Court for a trial setting conference and the Court set the remaining claims for a bench trial, beginning October 13, 2025. At this time, the Company is not able to determine the likelihood of any outcome in this matter.

B. December 11, 2017 Notice of Violation Regarding Certain CUP Conditions.

The County, through its DRP, issued a Notice of Violation ("NOV"), dated December 11, 2017, alleging that CCL violated certain conditions of the CUP, including Condition 79(B)(6) by failing to pay an \$11,600 Bridge & Thoroughfare Fee ("B&T fee") that was purportedly due on July 25, 2017. The alleged B&T fee was ostensibly to fund the construction of transportation infrastructure in the area of the CC Landfill. At the time the NOV was issued, CCL had already contested the legality of the B&T fee in the October 20, 2017 Complaint filed against the County in Los Angeles County Superior Court, described above under paragraph A (the "CUP lawsuit").

On January 12, 2018, CCL filed an appeal of the alleged violations in the NOV. Subsequently, CCL filed additional legal arguments and exhibits contesting the NOV. On March 6, 2018, a DRP employee designated as hearing officer sustained the NOV, including the \$11,600 B&T fee, and imposed an administrative penalty in the amount of \$83 and a noncompliance fee of \$0.75. A written decision memorializing the hearing officer's findings and order was issued on July 10, 2018. On April 13, 2018, CCL filed in the Superior Court of California, County of Los Angeles, a Petition for Writ of Administrative Mandamus against the County seeking to overturn the decision sustaining the NOV, contending that the NOV and decision are not supported by the facts or law. On July 17, 2018, the court granted CCL leave to pay the \$11,600 B&T fee and to amend its Complaint in the CUP lawsuit to reflect the payment under protest, allowing the challenge to the B&T fee under the Mitigation Fee Act to proceed in the CUP lawsuit. CCL paid the B&T fee under protest on August 10, 2018, and also paid on that date the administrative penalty of \$83 and the noncompliance fee of \$0.75. The court indicated that the NOV case would be coordinated with the CUP lawsuit. On October 11, 2022, CCL and the County entered into a settlement agreement, described above under paragraph A. However, as described above, CCL has now

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

closed the CC Landfill for the acceptance of waste as of December 31, 2024, and CCL's remaining claims have been set for trial. A status conference and order to show cause in this case is currently set for May 8, 2025. At this time, the Company is not able to determine the likelihood of any outcome in this matter.

Elevated Temperature Landfill Event

Beginning in May 2023, the Company's subsidiary, CCL, began receiving NOV's from the South Coast Air Quality Management District ("SCAQMD") for alleged violations of Section 41700 of the California Health & Safety Code and SCAQMD Rule 402 based on complaints from the public of odors, which SCAQMD inspectors stated that they verified were from the CC Landfill. Each Rule 402 NOV alleges the CC Landfill is "discharging such quantities of air contaminants to cause injury, detriment, nuisance or annoyance to a considerable number of persons." CCL's retained expert consultants in Elevated Temperature Landfill ("ETLF") events have attributed the odors and other impacts to an ETLF event that is occurring in a lined, non-active area of the CC Landfill.

Since May 2023, CCL has received approximately 321 NOV's for alleged violations of SCAQMD Rule 402. CCL has also received 18 additional NOV's from SCAQMD alleging violations of the Stipulated Order for Abatement, the California Health & Safety Code, other SCAQMD rules, and CCL's Title V permit.

On August 15, 2023, SCAQMD petitioned its Hearing Board for an Order for Abatement in Hearing Board Case No. 6177-4 to address the Rule 402 NOV's issued by SCAQMD inspectors as a result of the ETLF event. SCAQMD and CCL negotiated a Stipulated Order for Abatement (the "Stipulated Order"), which was issued by the Hearing Board on September 6, 2023. Modifications to the Stipulated Order were approved by the Hearing Board after hearings on January 16 and 17, March 21, April 24, August 17, 20, and 27, and November 13, 2024, and April 16, 2025. The modified Stipulated Order contains 105 conditions. The next status and modification hearing is scheduled for June 4 and 17, 2025.

On November 22, 2023, CCL received an NOV from the Los Angeles Regional Water Quality Control Board ("Water Board") for alleged violations of CCL's Waste Discharge Requirements Order No. R4-2018-0172, including the Monitoring and Reporting Program. The allegations relate to increased leachate production and leachate seeps caused by the ETLF event. CCL has received three more NOV's from the Water Board regarding alleged discharges, reporting, and other compliance violations. CCL has submitted full responses to each of the November 22, 2023, and January 24, March 28, and April 9, 2024 NOV's from the Water Board.

On June 27, 2024, CCL received a fifth NOV from the Water Board for alleged non-compliance with a March 20, 2024 Investigative Order issued by the Water Board pursuant to California Water Code §§ 13267 and 13383. CCL has provided a full response to the alleged violations.

On February 15 and March 29, 2024, CCL received two Summaries of Violations ("SOV") from the Department of Toxic Substances Control ("DTSC"). The SOV's allege violations of California's hazardous waste control laws and their implementing regulations related to three incidents in which offsite shipments of leachate, which tested above a regulatory threshold, were shipped to non-hazardous waste treatment and disposal facilities. CCL has submitted full responses to both SOV's from DTSC.

On April 1, 2025, CCL received a third SOV from DTSC. The SOV alleges violations of California's hazardous waste control laws and their implementing regulations related to three loads of leachate which allegedly failed to comply with landfill disposal restriction requirements and for allegedly failing to minimize the possibility of a release of hazardous waste or hazardous waste constituents. CCL is in the process of evaluating and preparing a full response to this SOV.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

On June 4, 2024, CCL received a Finding of Violation (“FOV”) from the U.S. Environmental Protection Agency, alleging violations of the New Source Performance Standards (“NSPS”) and National Emission Standards for Hazardous Air Pollutants (“NESHAP”) for municipal solid waste landfills, the NSPS and NESHAP General Provisions, and certain conditions of CCL’s Title V permit. CCL has submitted a full response to the alleged violations.

At this time, CCL is not able to determine the likely penalties that the regulatory agencies will seek for these alleged violations, but they could be substantial. CCL is also incurring substantial costs in conjunction with efforts to address the ETLF event and any related impacts, including attendant air emissions, and to manage the increased production and changing composition of the leachate. At this time, the Company is not able to determine the likelihood of any outcome of the resolution of these alleged violations, including the amount of penalties.

Chiquita Canyon Landfill Civil Litigation

Given the facts related to the ETLF event and the alleged violations described above, numerous civil lawsuits have been filed against CCL and other Company subsidiaries, including Chiquita Canyon, Inc., Waste Connections of California, Inc., Waste Connections Management Services Inc. and Waste Connections US, Inc. These began with *Howse et al. v. Chiquita Canyon, LLC, et al.* (Los Angeles Co. Superior Court; filed September 5, 2023, removed to U.S.D.C. C.D. Cal. October 4, 2023). That case included class action claims, but in May 2024, those claims were dropped and the case continues as a mass tort case in federal district court. In November 2024, Judge Frimpong in the Central District of California consolidated *Howse* and all other then filed, related cases into *In re Chiquita Landfill Litigation*. Master File No. 2:23-CV-08380-MEMF-MAR. (C.D. Cal.). As additional, related cases have been filed, the Company has sought to consolidate them with *In re Chiquita Landfill Litigation*. The Court consolidated the County Action (described below) with *In re Chiquita Landfill Litigation* for discovery purposes only.

There are approximately 9,200 total plaintiffs in these civil lawsuits as of April 21, 2025, which includes some from cases filed but not yet served, and the Company expects additional complaints and plaintiffs in the future.

The claims in the ongoing cases allege, among other things, nuisance odors, chemical exposures and other torts, including private nuisance (continuing and permanent), public nuisance (continuing and permanent), negligence, negligence per se, strict liability for ultrahazardous activities, and a violation of Health and Safety Code § 41700. Plaintiffs seek damages for physical injury, fear of future physical injury, increased risk of future injury, including the need for medical monitoring, emotional distress, harm to real and personal property, medical expenses, relocation expenses, and punitive damages. Plaintiffs seek all costs of suits and attorneys’ fees. Some of the cases allege that officers and directors and/or agents of the Company’s subsidiaries had advance knowledge that failure to properly maintain and operate the CC Landfill would result in the sorts of harms that the plaintiffs allegedly suffered. Some of the cases seek injunctive relief to prevent further harm to the plaintiffs or to close the CC Landfill.

The additional cases include: *Suggs et al. v. Chiquita Canyon, LLC, et al.* (Los Angeles Superior Court; filed February 2, 2024, removed to U.S.D.C. C.D. Cal. March 25, 2024); *Siryani et al. v. Chiquita Canyon, LLC, et al.* (Los Angeles Superior Court; filed March 27, 2024, removed to U.S.D.C. C.D. Cal. on April 29, 2024); *Adams Evans et al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court; filed April 15, 2014, removed to U.S.D.C. C.D. Cal. on July 5, 2024); *Aleksanyan et al. v. Chiquita Canyon, LLC et al.* (U.S.D.C. C.D. Cal.; filed May 20, 2024); *Jolene Acosta et al., v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court; filed May 29, 2024, removed to U.S.D.C. C.D. Cal. on July 12, 2024); *Quaiden Fenstermaker et. al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court; filed May 29, 2024, removed to U.S.D.C. C.D. Cal. on July 13, 2024); *Briana Mejia et al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court; filed May 29, 2024, removed to U.S.D.C. C.D. Cal. on July 15, 2024); *Araiza et al. v. Chiquita Canyon, LLC et al.* (U.S.D.C. C.D. Cal.; filed June 3, 2024); *Melineh Gasparians et al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court; filed June 10, 2024; removed to U.S.D.C. C.D. Cal. on September 4, 2024); *Claudia Rivera et al. v. Chiquita*

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

Canyon, LLC et al. (Los Angeles Superior Court; filed June 14, 2024, removed to U.S.D.C. C.D. Cal. on July 22, 2024); *Alejandra Suarez et al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court; filed June 20, 2024; removed to U.S.D.C. C.D. Cal. on July 29, 2024); *Geon Hwang, et al. v. Chiquita Canyon, LLC et al.* (U.S.D.C. C.D. Cal.; filed July 8, 2024); *Anabel Austin, et al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court; filed July 9, 2024; removed to U.S.D.C. C.D. Cal. on August 16, 2024); *Isabell Dolores Palomino et al. v. Chiquita Canyon, LLC et al.* (U.S.D.C. C.D. Cal.; filed July 12, 2024); *Stephanie Audish et al. v. Chiquita Canyon, LLC* (Los Angeles Superior Court; filed July 16, 2024); *Scott Benjamin Siegal et al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court; filed July 16, 2024); *Alina Hakopyan et al. v. Chiquita Canyon, LLC* (Los Angeles Superior Court; filed August 6, 2024); *Kaiden Alim et al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court, filed September 27, 2024); *Nicholas Difatta et al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court, filed October 5, 2024); *Jane Chun-Won Yang et al. v. Chiquita Canyon, LLC et al.* (U.S.D.C. C.D. Cal. filed on November 19, 2024); *K.E. et al. v. Chiquita Canyon, LLC et al.* (U.S.D.C. C.D. Cal. filed on November 22, 2024); *Maria Magdalena Alanis, et al. v. Chiquita Canyon, LLC et al.* (U.S.D.C. C.D. Cal. filed January 6, 2025, transferred to Judge Frimpong but not yet consolidated). One law firm filed 359 individual cases in Los Angeles Superior Court, which the Company related and consolidated to that firm's first filed case, *Serieddine et al. v. Chiquita Canyon, LLC, et al.* (Los Angeles Superior Court; filed January 8, 2024), and removed the cases en masse as *In re Serieddine*. *In re Serieddine* was consolidated with *In re Chiquita Landfill Litigation*.

Six cases have been filed, but not yet served: *Fernando Perez et al. v. Chiquita Canyon, LLC et al.* (U.S.D.C. C.D. Cal. filed December 30, 2024); *Nancy Mariel Aguilar et al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court, filed January 27, 2025); *Grace Lara et al. v. Chiquita Canyon, LLC et al.* (U.S.D.C. C.D. Cal. filed February 10, 2025); *Kiwi Chang et al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court, filed February 24, 2025); *Lara Ojeda et al. v. Chiquita Canyon, LLC et al.* (Los Angeles Superior Court, filed March 6, 2025); and *Babken Egoian et al. v. Chiquita Canyon, LLC et al.* (U.S.D.C. C.D. Cal., filed March 31, 2025).

The Company is continuing to vigorously defend itself in these lawsuits; however, at this time, the Company is not able to determine the likelihood of any outcome regarding the underlying claims.

County of Los Angeles Litigation

Based upon the same facts alleged in the above-referenced "Chiquita Canyon Landfill Civil Litigation," on December 17 2024, Los Angeles County filed a complaint in the U.S. District Court, Central District of California, No. 2:24-cv-10819-RGK-PD, against Chiquita Canyon, LLC, Chiquita Canyon, Inc. and Waste Connections US, Inc. This case has been assigned to Judge Frimpong, the same judge overseeing *In Re Chiquita Landfill Litigation* and is now consolidated with the mass tort for discovery purposes. The Company filed a motion to dismiss on February 19, 2025 and that motion is set for hearing on May 29, 2025.

The County's lawsuit alleges public nuisance under California statutes and Los Angeles County ordinances, public nuisance per se, and unfair business practices related to the alleged violation of ordinances referenced in the public nuisance claims. The County seeks an injunction to bring the CC Landfill into compliance with all local, state, and federal laws and regulations, including all necessary measures to "contain and extinguish" the ETLF, prevent odors and gases from reaching any residential zone, and eliminate leachate seeps; subsidize the relocation of affected citizens living near the CC Landfill; and subsidize mitigation measures undertaken by affected citizens living, working, or studying near the CC Landfill, such as the purchase of air purification systems, double paned windows, home hardening, and assistance with utility bills. Alternatively, the County requests the appointment of a receiver to take possession and control of the CC Landfill. The County also seeks to recover civil penalties and attorney's fees. The Company is not able to determine the potential penalty amount that the County will seek in this lawsuit.

WASTE CONNECTIONS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(DOLLAR AMOUNTS IN THOUSANDS OF U.S. DOLLARS, EXCEPT PER SHARE AMOUNTS OR AS
OTHERWISE NOTED)

The Company is continuing to vigorously defend itself in this matter; however, at this time, the Company is not able to determine the likelihood of any outcome regarding the underlying claims.

18. SUBSEQUENT EVENT

On April 23, 2025, the Company announced that its Board of Directors approved a regular quarterly cash dividend of \$0.315 per Company common share. The dividend will be paid on May 22, 2025, to shareholders of record on the close of business on May 7, 2025.