



31 January 2020

The Manager  
ASX Market Announcements Office  
ASX Limited  
60 Bridge Street  
Sydney NSW 2000

By email

Dear Sir/Madam

Activities Report and Appendix 4C – quarter ended 31.12.2019

In accordance with Listing Rule 4.7B, please find attached M8 Sustainable Limited's Activities and Appendix 4C cashflow reports for the quarter ended 31.12.2019.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'John Colli'.

John Colli  
Company Secretary



ASX Announcement | 31 January 2020

## **QUARTERLY ACTIVITIES REPORT**

**FOR PERIOD ENDED 31 DECEMBER 2019**

### **HIGHLIGHTS**

- Successful completion of the Initial Public Offering (IPO) to raise \$19.5 million
- Commencement of works at the Gingin Landfill Project, with M8 Sustainable on track for construction of Cell 1 to begin in February
- Ramp-up of the Maddington Waste Processing Facility continues, with strong growth in the customer base and waste volumes and increased sales in recycled civil products

M8 Sustainable Limited (“M8S” or “the Company”) is pleased to provide the following update on its activities for the quarter ended 31 December 2019.

### **INITIAL PUBLIC OFFERING**

The Company successfully completed its IPO in December 2019 after raising the planned funds of A\$19.5 million. Trading in the Company’s shares commenced on 11 December 2019. Canaccord Genuity (Australia) Limited acted as the Lead Manager for the IPO.

M8S received strong support from a number of well-known institutional investors, with the Company’s top 20 shareholders at the time of listing accounting for 79% of the shares on issue. SBANG Sustainable Energies Ltd, a Thai-based renewable energy company, is the largest shareholder (35.68%).

Upon listing, Robert McKinnon, Richard Allen and Mark Puzey were appointed as non - executive directors of the Company.

M8S’s high-quality portfolio of waste management assets is underpinned by the Company’s flagship development, the Gingin Landfill Project (“Gingin”), an exciting growth asset which played a key role in M8S’s successful IPO listing. M8S also owns the Maddington Waste Processing Facility (construction and demolition waste) (“Maddington”) and provides management services to the Brockway Facility located in Shenton Park. Importantly, both operations are strategically located to service WA’s major metropolitan corridor.

## **SITE WORKS COMMENCED AT GINGIN LANDFILL PROJECT**

Gingin is a fully-permitted landfill facility with a licensed capacity of 150,000 tonnes per annum.

Site works complete or underway include:

- Site survey for the area that will encompass Cell 1, the associated infrastructure and main access road - complete;
- Clearing of Cell 1 and the main access road - underway;
- Construction of the secondary access road and laydown area - underway.

Following the release of tender documents, construction contract negotiations are well advanced, with core contracts expected to be awarded in February.

Once commissioned, Gingin will begin accepting non-recyclable material generated at Maddington, M8S's other core facility. M8S also intends to develop the Maddington site to include a putrescible waste transfer station to aggregate and supply waste to Gingin, enabling it to capture waste generated from surrounding metropolitan areas.

The Gingin landfill design incorporates a leachate recirculation system to maximise degradation of organic waste and improve the production of methane gas for the generation of renewable energy (electricity and heat).

The Shire of Gingin acknowledged that the Company intends to seek the approval of the relevant authorities for a licence in order to recover and re-process the organic fraction of the waste sent to the landfill into compost like products.

This will turn each of the planned 10 Gingin landfill cells into functioning bioreactors.

## **OPERATIONS UPDATE – MADDINGTON FACILITY**

Maddington has an approved annual licence capacity of 500,000 tonnes per annum.

Maddington has been in a ramp-up phase since re-opening to the public in August 2019, with M8S focused on two key workstreams:

1. The ramp-up of capacity of Commercial & Industrial and Construction & Demolition waste streams;
2. Production of high-quality recycled products for sale to the civil constructions sector, such as recycled road base, aggregates and clean fill material.

Maddington has experienced strong growth in its customer base, with more than 80 individual customers including skip bin operators, demolition contractors and civil construction contractors, using the facility to dispose of waste.

Importantly, waste volumes continue to grow towards an initial target of 210,000 tonnes per annum, while the sale of recycled civil products continue to increase.

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**ENDS-**

For further information please contact:

**Tom Rudas**, Managing Director, (08) 61409518

**Michael Weir**, Citadel-MAGNUS 0402 347 032, or,

**Cameron Gilenko**, Citadel-MAGNUS 0466 984 953

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

M8 Sustainable Limited

**ABN**

12 620 758 358

**Quarter ended ("current quarter")**

31 December 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (..6...months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	220	296
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	(263)	(594)
(c) advertising and marketing	0	0
(d) leased assets	(121)	(136)
(e) staff costs	(468)	(1,088)
(f) administration and corporate costs	(1,661)	(2,110)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(321)	(565)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (provide details if material)	(219)	(219)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,833)</b>	<b>(4,416)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	(207)	(327)
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	(261)	(261)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (..6...months) \$A'000
2.2 Proceeds from disposal of:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	91	100
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0
2.3 Cash flows from loans to other entities	0	0
2.4 Dividends received (see note 3)	0	0
2.5 Other (provide details if material)	0	0
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(377)</b>	<b>(488)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	19,500	19,500
3.2 Proceeds from issue of convertible debt securities	0	0
3.3 Proceeds from exercise of options	0	0
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(576)	(576)
3.5 Proceeds from borrowings	1,858	5,728
3.6 Repayment of borrowings	(8,476)	(8,632)
3.7 Transaction costs related to loans and borrowings	0	0
3.8 Dividends paid	0	0
3.9 Other (provide details if material)	(246)	(492)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>12,060</b>	<b>15,528</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	19	41
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(2,833)	(4,416)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(377)	(488)

Appendix 4C  
Quarterly cash flow report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (..6...months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	13,856	15,528
4.5	Effect of movement in exchange rates on cash held	0	0
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>10,665</b>	<b>10,665</b>

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	10,665	10,665
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>10,665</b>	<b>10,665</b>

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	321
6.2	Aggregate amount of payments to related parties and their associates included in item 2	0

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

As part of the IPO commitments; M8 Sustainable Limited (M8S) was obliged to pay the interest to SBANG Sustainable Energies Limited; the Shareholders of the Company against the finance provided through Loan and Convertible Loans. As on the date of reporting the said debt has been settled in full.

**7. Financing facilities**

*Note: the term "facility" includes all forms of financing arrangements available to the entity.*

*Add notes as necessary for an understanding of the sources of finance available to the entity.*

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	4,000	0
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
<b>7.4 Total financing facilities</b>	<b>4,000</b>	<b>0</b>

7.5 **Unused financing facilities available at quarter end** 4,000

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

M8S entered into a loan agreement with SBANG Sustainable Energies Limited, a Thailand based company for AUD 4,000,000 at the interest of 10% per annum. The termination date of the of the loan is 24 months after the first advance is made or such other date that is agreed upon by both parties in writing.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(2,833)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	10,665
8.3 Unused finance facilities available at quarter end (Item 7.5)	4,000
8.4 Total available funding (Item 8.2 + Item 8.3)	14,665
<b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>5.17</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:  
Not Applicable

- Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:  
Not Applicable. The Company raised \$19.5 million through IPO and listed on 11 December 2019. In view of the above the Company does not foresee raising any further funds.

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:  
Yes. Following the successful completion of M8S's IPO in raising \$19.5m; the Company is well placed to pursue the completion of Ginign landfill project. To promote and enhance the operating activities of Company's Maddington site.



## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2020

Authorised by: the board of directors  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.