



ASX Announcement | 24 June 2021

\$4.7M FULLY UNDERWRITTEN RENOUNCEABLE ENTITLEMENT OFFER

- **1 for 1 Renounceable Rights Issue to raise \$4.7 million; priced at \$0.02 cents per share, with rights to start trading from 30 June 2021**
- **Major shareholder, M8 Holding Limited (formerly SBANG Sustainable Energies Limited), taking up full entitlement under the offer of approximately \$1.67 million**
- **Funds raised will be used for the progressive ramp up of steel activities at Maddington, complete construction of Gingin and supplement working capital to strengthen the balance sheet**
- **Key focus on completing construction and commissioning of the Gingin Landfill Facility with commencement of operations currently expected in Q1 2022.**

M8 Sustainable Limited (**ASX: M8S**) (**'M8S'** or **'the Company'**) is seeking to raise a minimum of \$4,664,596 (before costs), through a pro rata renounceable entitlement offer of one (1) fully paid ordinary share in the capital of the Company (**Share**) for every one (1) Share held by eligible shareholders on 1 July 2021, at an issue price of \$0.02 per Share (**Entitlement Offer**).

The Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited, who is also acting as Lead Manager. M8S's major shareholder, M8 Holding Limited (formerly SBANG Sustainable Energies Limited) has signed a binding commitment letter to take up its full entitlement under the Entitlement Offer of approximately \$1.67 million. Further details of this will be set out in the prospectus for the Entitlement Offer.

The funds raised from the Entitlement Offer will assist M8S in the progressive ramp up of steel activities at the Maddington Waste Processing Facility (**'Maddington'**), complete construction of the Gingin Landfill Facility (**'Gingin'**) and strengthen the balance sheet.

Maddington is a fully permitted Construction & Demolition (C&D) and Commercial & Industrial (C&I) recycling facility, with a combined licensed annual capacity of 500,000tpa. The facility experienced volume growth from June to December 2020. However, challenges in the regulatory environment resulted in insufficient margins and led M8S to adjust its strategy to focus on higher margin waste streams.

That strategy pivot has reduced operating costs, limiting the volume of waste sent to landfill and delivered improvement in profitability of operations during the March 2021 quarter and into the June quarter.

M8S is also focused on advancing Gingin and is currently targeting a completion date of construction in December 2021, with commissioning and operations currently expected to commence in Q1 2022.

Gingin is a fully permitted bioreactor landfill facility with capacity of 150,000tpa.

The landfill facility will generate biogas through the accelerated breakdown of organics in the bio-reactor cell, allowing M8S to produce renewable energy. Gingin is approved for Class II putrescible waste and importantly, its current Works Approval allows M8S to seek approval for a Class III License which will allow M8S to receive certain hazardous waste.

The Company's waste management assets are strategically located to service WA's major metropolitan corridors.

Indicative use of proceeds of Entitlement Offer

The Company proposes to use the proceeds of the Entitlement Offer as follows:

Use	Approximate amount to be allocated assuming full subscription under the Entitlement Offer (A\$)	%
Gingin Construction	1,254,875	26.9
Maddington – ramp up of steel operations	1,000,000	21.4
Working Capital	2,129,216	45.7
Expenses of the Entitlement Offer	280,505	6.0
Total	4,664,596	100

The above expenditure budget is indicative only and may change according to circumstances prevailing at the time.

Summary of the Entitlement Offer

1. The Entitlement Offer comprises one (1) new Share for every one (1) existing Share held by existing eligible shareholders on the record date of 1 July 2021 at \$0.02 cents per Share.
2. Eligible shareholders will comprise those shareholders with a registered address in Australia, New Zealand, Hong Kong, Singapore or Thailand (being all of the shareholders of the Company at the date of this announcement) or any other shareholders in other jurisdictions to whom the Company decides to make offers.
3. The Entitlement Offer is fully underwritten subject to certain terms and conditions by Canaccord Genuity (Australia) Limited. Canaccord Genuity (Australia) Limited is also acting as Lead Manager to the Entitlement Offer.
4. Shares issued under the Entitlement Offer will rank equally with existing Shares on issue on the record date. The Company will make application for official quotation of the new Shares proposed to be issued under the Entitlement Offer. Share entitlements are renounceable and will be tradeable on the ASX.

5. 233,229,835 Shares are expected to be issued pursuant to the Entitlement Offer. Shareholders who do not take up all or any part of their entitlement will have their equity interest in the Company diluted.
6. No Shares will be issued pursuant to the Entitlement Offer until the Minimum Subscription of \$4,664,596 has been received.
7. A top-up facility will be available allowing eligible shareholders to apply for additional Shares over and above their entitlements (additional Shares will be issued to the extent there is a shortfall under the Entitlement Offer).

Timetable

Further details of the Entitlement Offer, including details on how to accept and key risks of the Entitlement Offer together with a summary of the key terms of the underwriting agreement (including termination events), will be set out in a prospectus which is expected to be released to the ASX on 25 June 2021 and dispatched to shareholders on 5 July 2021. Outlined below is a timetable of relevant events and dates relating to the Entitlement Offer. These events and dates are indicative only and subject to change. Subject to the ASX Listing Rules, the Corporations Act and other applicable laws, the Company's Board reserves the right to modify all dates, including the Entitlement Offer closing date.

Event	Date
Announce Entitlement Offer and Lodge Appendix 3B (pre market open)	24 June 2021
Lodgement of Prospectus with the ASIC and ASX	25 June 2021
Ex-date	30 June 2021
Rights start trading	30 June 2021
Record Date for determining Entitlements	1 July 2021
Entitlement Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	5 July 2021
Rights stop trading	19 July 2021
Securities quoted on a deferred settlement basis	20 July 2021
Last day to extend the Closing Date	21 July 2021
Closing Date as at 5:00pm*	26 July 2021
ASX and Underwriter notified of under subscriptions	28 July 2021
Underwriter subscribes for Shortfall under terms of Underwriting Agreement	30 July 2021
Issue date and lodgement of Appendix 2A with ASX applying for quotation of the Shares	2 August 2021
Quotation of Shares issued under the Entitlement Offer	3 August 2021

Application for new Shares under the Entitlement Offer may only be made by completing the Application Form which accompanies the prospectus. Shareholders eligible to participate in the Entitlement Offer should read the prospectus carefully and consult professional advisers as necessary.

Enquiries

Any enquiries regarding the Entitlement Offer should be directed to:

John Colli, Company Secretary, + 61 8 6140 9521

This announcement is authorised for market release by the Board of Directors.

ENDS-

For further information please contact:

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Cameron Gilenko, Citadel-MAGNUS 0466 984 953

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ABOUT M8 SUSTAINABLE

M8 Sustainable is a key player in the fast-growing WA waste management sector, with a strategic focus on the downstream sectors of processing and disposal.

M8 operates a metropolitan construction and demolition waste processing facility in Maddington – while its key growth asset is a major new bioreactor waste management facility at Gingin in Perth's north, currently under construction.

The Company's integrated business model generates revenue from waste processing and the recovery and sale of waste-derived products, while a considerable opportunity exists for the Gingin facility to host a waste-to-energy bioreactor facility.