



ASX Announcement | 6 October 2022

\$4 MILLION CONVERTIBLE NOTE FACILITY

M8 Sustainable Limited (**ASX: M8S**) (**M8S** or the **Company**) is pleased to announce that it has signed an agreement with Reforme Special Situation Pty Ltd (**RSS**) for a loan facility of up to \$4 million by way of the issue of Convertible Notes.

RSS is a related entity of Adroit Capital Group ESG Pty Ltd (**Adroit**). On 3 October 2022, M8S made a placement of 71,428,521 fully paid ordinary shares to Adroit to raise \$500,000.

The funds raised by the \$4m loan facility will be utilised towards providing working capital for the Company.

Key terms of the Convertible Note loan facility are as follows:

- facility amount: up to \$4million
- drawdown: 1 convertible note in the Company with a face value of \$1.00 will be issued for every \$1.00 drawn down under the facility
- interest rate: 5% per annum (capitalised) on the outstanding amount of the facility
- conversion price: subject to the satisfaction of conditions precedent, the convertible notes will convert into fully paid ordinary shares in M8S at an issue price of 0.5 cent each at the election of RSS
- conditions precedent: conversion of the convertible notes is conditional upon the satisfaction of conditions precedent which include any required shareholder approval for the issue of shares in M8S
- term: unless converted into shares or repaid earlier, any moneys drawn down under the facility must be repaid by the Company 36 months after first drawdown
- early redemption: the Company can repay moneys drawn down under the facility earlier than the end of the term with the consent of RSS; further, if shareholder approval for the issue of shares in M8S upon the conversion of the convertible notes is not obtained when sought, RSS may require the Company to repay all sums outstanding under the loan facility within 30 days of notice from RSS
- voluntary escrow: to the extent shares in M8S are issued upon the conversion of the convertible notes prior to the first-year anniversary of the date of the loan facility agreement, such shares will be subject to voluntary escrow until such first year anniversary, subject to standard exceptions and compliance with the Corporations Act.

Following the placement with Adroit and the \$4m Convertible Note facility with RSS, M8S is in negotiations with M8 Holding Limited to reduce the convertible note facility announced on 19 August 2022 from \$10 million to \$5.5 million.

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

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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.