



ASX Announcement | 30 November 2022

**ANNUAL GENERAL MEETING
WEDNESDAY 30 NOVEMBER 2022
CHAIRMAN'S ADDRESS**

The 2022 financial year has been a challenging 12 months for M8 Sustainable from both an operational and financial perspective. However, we are now near completion of final works at our Gingin Landfill Facility ("Gingin"), with commercial operations expected to commence in the first quarter of 2023.

M8 Sustainable submitted the required licensing application documents to the Department of Water and Environmental Regulation ('DWER') in March 2022. It is expected that the final application for an operating license will be submitted to DWER by 31 December 2022, following completion of appropriate works. Landfill facility operations are expected to commence in Gingin in quarter 1 of 2023 calendar year - once DWER approval has been received.

We have secured a cornerstone customer agreement with Brakjovich Demolition & Salvage (WA) Pty Ltd, a large demolition and salvage business, to supply 40,000 to 60,000 tonnes of waste per annum - Gingin has an approved capacity of 150,000 tonnes per annum. We envisage that with the opening of Gingin, M8 Sustainable will be able to secure waste disposal agreements with other third parties.

Challenging market conditions continued to adversely affect recycling activities at the Maddington Waste Facility ("Maddington") associated with Construction & Demolition ('C&D') and Commercial & Industrial ('C&I') waste which included lower competitor gate fees.

Access Waste, the Company's skip bin business, was launched in September 2021. A key element of the Access Waste strategy is to generate waste for disposal at Gingin, once it is operational.

There has been a focus at Maddington on clearing and preparing the site in anticipation of increased inflows of waste, to coincide with commencement of commercial operations at Gingin. Once Gingin is in operation, the Company will focus on ramping-up activities at Maddington, taking advantage of disposal synergies between the two facilities. The opening of Gingin enables M8 Sustainable to enter a new phase.

A loss of \$11.4M for the reporting year was significantly impacted by an impairment charge of \$5.1M with respect to Maddington. Difficult market conditions in C&D and C&I waste recycling activities at Maddington in FY22 resulted in an impairment assessment, with Maddington waste facility assets being impaired in their entirety. Metals recycling operations ceased for the second half in order to preserve funds to complete Gingin.

A key priority for the Board throughout the reporting period was managing the Company's capital requirements and cash position. These were precursors in determining fund raising initiatives undertaken during FY22 to support the aim of completing construction at Gingin. M8 Sustainable completed a strategic placement to raise \$0.5million and secured convertible note loan facilities totalling \$9.5million, after the FY22 reporting period.

In conclusion, I would like to acknowledge and thank my fellow board members, management, and staff for their contribution throughout 2022.

To all our shareholders, customers, and business partners, on behalf of the board, I thank you for your patience and support of M8 Sustainable. I believe your Company is on the cusp of turning the corner from its initial formative years and with the imminent commencement of operations at Gingin, will be in a good position to benefit from growth across its business activities.

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

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