



**M8 SUSTAINABLE LIMITED**  
**ACN 620 758 358**

**APPENDIX 4E**  
**PRELIMINARY FINAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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## APPENDIX 4E

### PRELIMINARY FINAL REPORT

Lodged with ASX under Listing Rule 4.3A

#### Company Details

Name of reporting entity:	M8 Sustainable Limited
ACN:	620 758 358
Current reporting period:	1 July 2022 to 30 June 2023 (FY23)
Prior corresponding period (PCP):	1 July 2021 to 30 June 2022 (FY22)

#### Results for announcement to the market

	FY 23 \$'000	FY 22 \$'000	CHANGE %
Revenue from ordinary activities (continuing activities)	2,666	9,443	-72
Revenue from ordinary activities (discontinued activities)	17,328	-	-
Other income	1,198	211	469
Loss from ordinary activities after tax	17,894	11,372	57
Loss for the period attributable to members of M8 Sustainable Limited	17,894	11,372	57

No dividend was paid during FY23 (FY22: Nil).  
No dividend has been proposed or declared since the end of FY23.

#### Net tangible assets

The net tangible asset<sup>1</sup> backing per ordinary share at 30 June 2023 was (\$0.02) (FY22: \$0.01).

#### Review of operations

The principal activities of the Group during the reporting period were receiving and recycling of metals, commercial & industrial (C&I) and construction & demolition (C&D) waste; including the establishment of a skip bin business at its Maddington Waste Facility. The skip bin activities, Access Waste, commenced in September 2021. During the year, the Company also suspended metals recycling activities.

A key focus of the Company was the ongoing construction of the Gingin landfill facility.

The Group recorded a loss after tax of \$17,893,954 for the reporting period which was significantly impacted by recognising a loss due to discontinued operations of \$11,813,187. This compares to a loss after tax of \$11,371,650 for the prior year which included an impairment charge of \$5,077,946 and a depreciation charge of \$1,593,053.

<sup>1</sup> Right-of-use assets and lease liabilities have been included in the NTA calculation.

#### Maddington Waste Facility ("Maddington")

Challenging market conditions continued to adversely affect recycling activities at Maddington associated with C&D and C&I waste. Key factors that impacted these activities included lower competitor gate fees and increasing processing costs. The Company also prioritised its focus on completing construction activities at the Gingin landfill project. Revenue from C&D and C&I activities for FY23 totaled \$723,723 (prior year: \$749,121).

The Company's metals recycling activities generated revenue of \$37,746 (prior year: \$7,001,574). However, these activities were put on hold with resources being redeployed as the focus shifted to the completion of Gingin landfill project.

In December 2022, the Company reduced Access Waste activities to a minimum – a skip bin business which utilises a cloud-based waste management and logistics platform.

On 14 February 2023 the Company was placed into Voluntary Administration by its secured lender Remagen, following the Companies inability to raise sufficient funds to repay the loan facility on the due date.

On 6 June 2023 the company was handed back to its directors after a DOCA was completed successfully by M8 Holding Ltd, all Remagen and all trade creditors were paid 100% of what they were owed.

Gingin Landfill Facility (“Gingin”)

Construction of Gingin, the Company’s fully permitted landfill facility with an approved capacity of 150,000 tonnes per annum is complete as at the balance date.

Major works associated with the leachate ponds have been completed including the completion of works involving Cell 1. Fencing and weighbridge are in the process of being finalised. At the time the group was placed into Voluntary Administration, the company was ready to lodge final approval documentation to the Department of Water and Environmental Protection.

As a result of the Voluntary Administration process, the Company retains 100 shares (0.1%) in Fernview Environmental Pty Ltd (the owner of Gingin), with M8 Holding Ltd owning 99,900 shares. As such Gingin is no longer a project of the Company.

Brockwaste Recycling and Processing Facility (“Brockwaste”)

The Company’s operations and maintenance contract for the Brockwaste facility has been terminated.

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**Preliminary Consolidated Statement of Profit or Loss and other Comprehensive Income  
For the year ended 30 June 2023**

	Notes	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
<b>Continuing Operations</b>			
Revenue from contracts with customers	1	1,410,538	9,181,720
Interest income		57,609	50,863
Other income	1	1,197,927	210,677
<b>Total income</b>		<b>2,666,074</b>	<b>9,443,260</b>
Employee benefits, salaries and wages	2	(1,894,089)	(2,644,020)
Recycling, waste disposal and other site costs	3	(1,132,575)	(7,486,198)
Rental outgoings and licence fees		(320,705)	(447,260)
Insurance costs		(208,695)	(350,998)
Professional fees		(1,351,703)	(502,634)
Other expenses	4	(399,221)	(1,503,606)
Depreciation	5	-	(947,162)
Finance costs	6	(3,342,089)	(1,100,231)
Share in loss of joint venture		(97,764)	(74,672)
Impairment of assets	7	-	(5,077,946)
<b>Loss before income tax</b>		<b>(6,080,768)</b>	<b>(10,691,467)</b>
Income tax benefit	8	-	-
<b>Loss after income tax</b>		<b>(6,080,768)</b>	<b>(10,691,467)</b>
<b>Discontinued Operations</b>			
(Loss) after tax for the year from discontinued operations	9	(11,813,187)	(680,183)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive loss for the year</b>		<b>(17,893,954)</b>	<b>(11,371,650)</b>
<b>Continuing and Discontinued Operations</b>			
<b>Loss per share attributable to ordinary equity holders (cents)</b>			
Basic and diluted loss per share	10	(3.4)	(2.5)
<b>Continuing Operations</b>			
<b>Loss per share attributable to ordinary equity holders (cents)</b>			
Basic and diluted loss per share	10	(1.1)	(2.5)

The above statement should be read in conjunction with the accompanying notes

**Preliminary Consolidated Statement of Financial Position  
As at 30 June 2023**

	Notes	30 June 2023 \$	30 June 2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11	41,883	11,596
Trade and other receivables	12	1,255,607	487,008
Prepayments		465,031	269,897
<b>Total Current Assets</b>		<b>1,762,521</b>	<b>768,501</b>
<b>NON-CURRENT ASSETS</b>			
Investment in joint venture	13	178,564	276,328
Property, plant and equipment	14	-	30,049,717
Other non-current assets	15	506,500	3,906,500
<b>Total Non-current Assets</b>		<b>685,064</b>	<b>34,232,545</b>
<b>TOTAL ASSETS</b>		<b>2,447,585</b>	<b>35,001,046</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	17	1,399,963	9,391,746
Borrowings	18	574,651	10,780,018
Lease liabilities	19	314,353	683,086
Provisions	20	155,639	173,713
<b>Total Current Liabilities</b>		<b>2,444,606</b>	<b>21,028,563</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	18	6,344,665	2,841,580
Lease liabilities	19	6,595,525	8,011,877
<b>Total Non-current Liabilities</b>		<b>12,940,190</b>	<b>10,853,457</b>
<b>TOTAL LIABILITIES</b>		<b>15,384,796</b>	<b>31,882,020</b>
<b>NET ASSETS</b>		<b>(12,937,211)</b>	<b>3,119,026</b>
<b>EQUITY</b>			
Share capital	21	48,309,214	46,513,006
Shared-based payment reserve	21	1,287,773	1,246,264
Accumulated losses		(62,534,198)	(44,640,244)
<b>TOTAL EQUITY</b>		<b>(12,937,211)</b>	<b>3,119,026</b>

The above statement should be read in conjunction with the accompanying notes

**Preliminary Consolidated Statement of Changes in Equity  
For the year ended 30 June 2023**

	Issued capital \$	Share-based payment reserve \$	Accumulated losses \$	Total equity \$
<b>Balance as at 1 July 2021</b>	<b>41,991,364</b>	<b>1,256,399</b>	<b>(33,268,594)</b>	<b>9,979,169</b>
Loss after tax	-	-	(11,371,650)	(11,371,650)
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(11,371,650)</b>	<b>(11,371,650)</b>
Shares issued – rights issue	4,664,596	-	-	4,664,596
Shares issued to KMPs	99,750	-	-	99,750
Shares issued to underwriters of rights issue	80,000	-	-	80,000
Shares issued to employees	42,000	-	-	42,000
Capital raising costs	(364,704)	-	-	(364,704)
Share-based payments	-	(10,135)	-	(10,135)
	<b>4,521,642</b>	<b>(10,135)</b>	<b>-</b>	<b>4,511,507</b>
<b>Balance as at 30 June 2022</b>	<b>46,513,006</b>	<b>1,246,264</b>	<b>(44,640,244)</b>	<b>3,119,026</b>
<b>Balance as at 1 July 2022</b>	<b>46,513,006</b>	<b>1,246,264</b>	<b>(44,640,244)</b>	<b>3,119,026</b>
Loss after tax	-	-	(17,893,954)	(17,893,954)
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>(17,893,954)</b>	<b>(17,893,954)</b>
Shares issued to underwriters of rights issue	500,000	-	-	500,000
Shares issued due to Convertible note valuation	1,296,208	-	-	1,269,208
Share options	-	41,509	-	41,509
	<b>1,796,208</b>	<b>(10,135)</b>	<b>-</b>	<b>1,837,717</b>
<b>Balance as at 30 June 2023</b>	<b>48,309,214</b>	<b>1,287,773</b>	<b>(62,534,198)</b>	<b>(12,937,211)</b>

The above statement should be read in conjunction with the accompanying notes

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**Preliminary Consolidated Statement of Cash Flows  
For the year ended 30 June 2022**

	Notes	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
<b>Cash flows from operating activities</b>			
Loss after income tax		(17,893,954)	(11,371,650)
<i>Adjustment for:</i>			
Depreciation		-	1,593,053
Impairment of assets		-	5,077,946
Provision for expected credit losses		(512,128)	791,273
Gain on disposal of property, plant and equipment		-	(95,952)
Non-cash interest expense		1,621,807	701,752
Interest expense		400,763	393,966
Share of loss in joint venture		97,764	74,672
Shares issued to KMPs and employees		-	141,750
Share-based payment expense		41,509	(10,135)
Reversal of expired lease liabilities		(1,101,999)	-
Accrued interest and fees on convertible notes		916,218	-
Gain on deconsolidation of subsidiaries		27,597,918	415,374
<i>Changes in assets and liabilities:</i>			
(Increase)/decrease in trade and other receivables		(256,471)	375,375
(Increase) in prepayments		(196,432)	(25,082)
(Increase) in deposits		(100,000)	-
Decrease in inventory		-	388,568
(Decrease)/increase in trade and other payables		(1,520,046)	(4,719,703)
(Decrease)/increase in provisions		(18,073)	66,644
<b>Net cash used in operating activities</b>		<b>9,076,875</b>	<b>(6,202,149)</b>
<b>Cash flows from investing activities</b>			
Capitalised interest paid		(1,585,300)	-
Payments for landfill contractor		(362,640)	-
Proceeds from sale of fixed assets		-	310,613
Payment for investment in joint venture		(156,000)	(175,500)
<b>Net cash used in investing activities</b>		<b>(2,103,940)</b>	<b>135,113</b>

Year ended                      Year ended

	Notes	30 June 2023 \$	30 June 2022 \$
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		500,000	4,379,892
Proceeds from M8 Holding Limited convertible note		4,873,867	
Proceeds from short-term loans		-	364,875
Proceeds from Remagen loan		1,090,003	-
Proceeds from M8 Holding Limited loan		-	2,350,000
Repayment of short-term loans		(48,722)	(349,280)
Repayment of Remagen loan		(11,621,938)	(867,411)
Repayment of principal portion of lease liabilities		(683,086)	(1,034,938)
Repayment of mobile plant loan		(652,009)	(185,635)
Interest paid		(400,763)	(393,966)
<b>Net cash generated from financing activities</b>		<b>(6,942,649)</b>	<b>4,263,537</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>28,241</b>	<b>(1,803,499)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>11,596</b>	<b>1,815,095</b>
<b>Cash and cash equivalents at the end of the financial year</b>	11	<b>41,883</b>	<b>11,596</b>

The above statement should be read in conjunction with the accompanying notes



**Notes to the Preliminary Financial Statements**  
**For the year ended 30 June 2023**

**Note 1 Revenue and other income**

	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue from contracts with customers</b>		
Construction and demolition (C&D) waste revenue	470,204	545,436
Commercial and industrial (C&I) waste revenue	253,519	203,685
Metals recycling revenue	37,746	7,001,574
Skip bin revenue	290,614	420,229
Equipment hire income	183,445	740,796
<b>Total waste management and recycling</b>	<b>1,235,538</b>	<b>8,911,720</b>
Operations and maintenance (O&M) service fee	175,000	270,000
<b>Total revenue from contracts with customers</b>	<b>1,410,538</b>	<b>9,181,720</b>
<b>Other income</b>		
	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Government stimulation packages	-	23,000
Other revenue	1,102,854	91,725
Gain on asset sales	-	95,952
Other Income from provisional reversals	95,073	-
	<b>1,197,927</b>	<b>210,677</b>

**Note 2 Employee benefits, salaries and wages**

	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries expenses	(1,534,272)	(1,937,583)
Labour contracting	(309,581)	(469,199)
Consulting	(8,727)	(105,626)
Share-based payments	(41,509)	(131,612)
<b>Total employee benefits, salaries and wages</b>	<b>(1,894,089)</b>	<b>(2,644,020)</b>

**Note 3 Recycling, waste disposal and other site costs**

	<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Waste disposal costs	(113,044)	(311,190)
Cost of recycled metals	(91,547)	(6,806,147)
Power, fuel and oil	(150,559)	(91,915)
Short term equipment hire	(547,940)	(1,224)
Repairs, maintenance and consumables	(184,060)	(246,725)
Other	(45,425)	(28,997)
	<b>(1,132,575)</b>	<b>(7,486,198)</b>

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	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
<b>Note 4 Other expenses</b>		
Marketing related costs	(32,033)	(53,550)
HR and office-related expenses	(61,948)	(81,646)
IT costs	(114,553)	(107,398)
Secretarial, legal and business expenses	(650,700)	(245,352)
Motor vehicle related expenses	(42,742)	(62,508)
Provision for expected credit losses	512,128	(791,273)
Bad debts written off	-	(30,024)
Capital raising expenses	(9,373)	(149,935)
Other expenses	-	(6,672)
	<u>(399,221)</u>	<u>(1,528,358)</u>

	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
<b>Note 5 Depreciation</b>		
Depreciation on property, plant and equipment	-	(323,205)
Depreciation on right-of-use assets	-	(1,269,848)
	<u>-</u>	<u>(1,593,053)</u>

	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
<b>Note 6 Finance costs</b>		
Interest expense on lease liability	(789,513)	(1,008,249)
Interest expense on loans and borrowings	(1,827,071)	(2,028,431)
Finance charges	(1,946,549)	(466,264)
	<u>(4,563,133)</u>	<u>(3,502,944)</u>
Less: Capitalised interest expense	1,221,044	2,398,907
	<u>(3,342,089)</u>	<u>(1,104,037)</u>

**Note 7 Impairment of assets**

**Impairment testing**

In the 2022 Financial year the company fully impaired the last asset available for impairment, no new assets were purchased in the 2023 financial year.

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Maddington waste facility CGU</b>		
Carrying value of net assets	-	5,077,946
Estimated recoverable amount	-	-
Impairment recognised	<u>-</u>	<u>5,077,946</u>

  

	<b>Property, Plant and Equipment</b>	<b>Right-of-use Asset</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Year ended 30 June 2023</b>			
Impairment recognized	-	-	-
<b>Year ended 30 June 2022</b>			
Impairment recognised	2,257,796	2,820,150	5,077,946

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	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
<b>Note 8</b>		
<b>Income tax</b>		
<b>The components of income tax benefit comprise:</b>		
Current income tax	-	-
Current income tax benefit	-	-
Deferred income tax	-	-
Deferred tax benefit relating to the origination and reversal of temporary differences	-	-
Income tax benefit reported in the consolidated statement of profit or loss and the other comprehensive income	-	-
<b>Relationship between income tax expense/(benefit) and accounting loss:</b>		
Loss before income tax	(17,893,954)	(11,371,650)
At the statutory income tax rate of 25%	(4,473,489)	(2,842,912)
Non-assessable income	-	(1,668)
Non-deductible expenses	(118,207)	71,630
Other adjustments	-	-
Deferred tax assets not recognised	4,591,696	2,772,950
Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income	-	-
	\$	\$
<i>Deferred tax liabilities</i>		
Property, plant and equipment	-	(554,076)
Other deferred tax liabilities	-	(59,715)
Deferred tax liabilities	-	<b>(613,791)</b>
<i>Deferred tax assets – brought to account</i>		
Net deferred tax assets on right-of-use assets and lease liabilities	-	2,173,741
Business related capital expenditure	-	399,122
Accruals and provisions	-	318,054
Others	-	(2,277,126)
Deferred tax assets	-	<b>613,791</b>
Net deferred tax liability recognised	-	-

	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
<b>Note 9 Discontinued Operations</b>		
Professional fees	(98,179)	(5,734)
Other expenses	(4,895)	(24,751)
Depreciation of property, plant and equipment	-	(645,892)
Finance costs	14,933	(3,806)
DOCA Funds received	17,327,798	-
Fernview investment disposed	(29,052,845)	-
	<b>(11,813,187)</b>	<b>(680,183)</b>
<b>Cash flows from (used in) discontinued operation</b>		
(Increase) in prepayments	(1,298)	4,912
(Decrease) in Deposits	(3,500,000)	-
Purchase of property, plant and equipment	-	5,147,595
(Decrease) / Increase in trade payables and other payables	(5,953,097)	(5,558,057)
Gain on disposal of assets	(843,772)	-
Consideration received, in the form of DOCA contribution	(17,327,798)	-
Cash and Cash equivalents disposed of	28,047	-
<b>Net cash flow for the year</b>	<b>(27,597,918)</b>	<b>(680,183)</b>
		<b>2023</b>
<b>Effect of disposal on the financial position of the group</b>		(32,422,068)
Property, plant and equipment		(3,501,299)
Trade and other receivables		1,262,565
Cash and cash equivalents		28,047
Deferred tax liabilities		22,819,567
Trade and other payables		(11,813,187)
<b>Net assets and liabilities</b>		<b>(32,422,068)</b>
Consideration received, in the form of DOCA contribution		17,327,798
Cash and Cash equivalents disposed of		(28,047)
<b>Net cash inflows</b>		<b>17,299,751</b>

On 1 June 2023, the company had executed a pooled Deed of Company Arrangement (DOCA). Execution of the DOCA had the effect of appointing McGrathNicol as Deed Administrators responsible for the administration of the DOCA and the Voluntary Administration of the company came to an end.

The Deed Administrators of the company advised that on 6 June 2023, pursuant to the DOCA, control and management of the company and Fernview Environment Pty Ltd reverted to their respective directors and the Mr R Illingworth ceased as a director of the company.

The financial effect of the appointment of Voluntary Administrators to the company and execution of the DOCA includes:

- The loss of control of Fernview Environment Pty Ltd and resulting deconsolidation of that entity (now wholly owned by M8 Holdings Limited); and
- The settlement of the creditors existing as at 13 February 2023 of the company, other than:
  - continuing employees in respect to their continuing employment as at that date
  - all claims of M8 Holdings Ltd as at that date
  - all claims of RPS Recycling, Sbang Australia, the Maddington property lessors, Iron Capital and any amounts with respect to a performance bond or bank guarantee as at that date.

**Note 10 Earnings per share**

The following table reflects the data used in the calculation of the basic and diluted earnings / (loss) per share:

	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
<b>Continuing and Discontinued Operations</b>		
Net loss attributable to the ordinary holders of the group (\$)	(17,893,954)	(11,371,650)
Weighted average numbers of the ordinary shares (No)	530,634,290	453,563,493
Basic and diluted loss per share (cents)	<b>(3.4)</b>	<b>(2.5)</b>
<b>Continuing and Discontinued Operations</b>		
Net loss attributable to the ordinary holders of the group (\$)	(6,080,767)	(11,371,650)
Weighted average numbers of the ordinary shares (No)	530,634,290	453,563,493
Basic and diluted loss per share (cents)	<b>(1.1)</b>	<b>(2.5)</b>
Weighted average number of ordinary shares used in the calculation of basic earnings / (loss) per share	477,209,670	453,563,493
Weighted average number of ordinary shares used in the calculation of diluted earnings / (loss) per share	477,209,670	453,563,493
	<b>Number</b>	<b>Number</b>
The estimated number of potential ordinary shares on issue but not included in the diluted earnings / (loss) per share as they are anti-dilutive or contingently issuable	10,000,000	30,000,000
	<b>30 June 2023 \$</b>	<b>30 June 2022 \$</b>
<b>Note 11 Cash and cash equivalents</b>		
Cash on hand and at bank	<b>41,883</b>	<b>11,596</b>
	<b>30 June 2023 \$</b>	<b>30 June 2022 \$</b>
<b>Note 12 Trade and other receivables</b>		
Trade receivables	782,503	742,682
Amounts due from Star Shenton Energy Pty Ltd	588,499	396,000
Loan receivables from Star Shenton Energy Pty Ltd	353,024	309,457
Loan receivables from Minesite Recycling Pty Ltd	-	-
	1,724,026	1,448,138
Allowance account for expected credit losses	(468,419)	(961,131)
	<b>1,255,607</b>	<b>487,008</b>
	<b>30 June 2023 \$</b>	<b>30 June 2022 \$</b>
<b>Allowance account for expected credit losses</b>		
As at 1 July	961,131	169,858
Provision for expected credit losses	(492,712)	791,273
As at 30 June	<b>468,419</b>	<b>961,131</b>

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### Note 13 Investment in joint venture

The Group entered into a joint venture agreement with iHUB Technologies Pty Ltd (iHUB) on 18 November 2021 for a 50% interest in iHUB. The Group's interest in iHUB is accounted for using the equity method in the consolidated financial statements. Summarised statement of profit or loss of the joint venture and reconciliation with the carrying amount of the investment are set out below:

	<b>1 July 2022 to 30 June 2023</b>	<b>18 November 2021 to 30 June 2022</b>
	\$	\$
Revenue from contracts with customers	85,767	38,200
Costs and administrative expenses	(281,295)	(187,544)
Loss before tax	(195,528)	(149,344)
Income tax expense	-	-
Loss for the period	(195,528)	(149,344)
Total comprehensive loss for the period	(195,528)	(149,344)
Group's share of loss for the period	<b>(97,764)</b>	<b>(74,672)</b>
	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$	\$
Investment in joint venture	276,328	351,000
Group's share of loss for the period	(97,764)	(74,672)
Group's carrying amount of the investment	<b>178,564</b>	<b>276,328</b>

For personal use only

	30 June 2023	30 June 2022
	\$	\$
<b>Note 14 Property, plant and equipment</b>		
Land		
Gross carrying amount at cost	-	9,200,000
Mobile plant		
Gross carrying amount at cost	1,856,390	1,856,390
Less: Accumulated depreciation and impairment	<u>(1,856,390)</u>	<u>(1,856,390)</u>
	-	-
Fixed plant		
Gross carrying amount at cost	4,498,287	4,498,287
Less: Accumulated depreciation and impairment	<u>(4,498,287)</u>	<u>(4,498,287)</u>
	-	-
Office equipment		
Gross carrying amount at cost	164,107	164,107
Less: Accumulated depreciation and impairment	<u>(164,107)</u>	<u>(164,107)</u>
	-	-
Motor vehicles		
Gross carrying amount at cost	201,225	201,225
Less: Accumulated depreciation and impairment	<u>(201,225)</u>	<u>(201,225)</u>
	-	-
Leasehold improvement at cost	1,508,870	1,508,870
Less: Accumulated depreciation and impairment	<u>(1,508,870)</u>	<u>(1,508,870)</u>
	-	-
Skip bins		
Gross carrying amount at cost	91,124	91,124
Less: Accumulated depreciation and impairment	<u>(91,124)</u>	<u>(91,124)</u>
	-	-
Capital work in progress at cost		<u>20,849,717</u>
<b>Total property, plant and equipment</b>		
Gross carrying amount at cost	8,320,003	38,369,720
Less: Accumulated depreciation and impairment	<u>(8,320,003)</u>	<u>(8,320,003)</u>
<b>Total carrying amount</b>	<u>-</u>	<u>30,049,717</u>
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
<b>Note 15 Other non-current assets</b>		
Deposits at amortised cost	<u>506,500</u>	<u>3,906,500</u>



**Note 16 Right-of-use assets**

	Facility \$	Mobile Plant \$	Total \$
<b>As at 1 July 2021</b>	<b>2,326,533</b>	<b>1,101,491</b>	<b>3,428,024</b>
Additions	-	661,975	661,975
Depreciation expense	(113,441)	(1,156,408)	(1,269,849)
Impairment losses	(2,213,092)	(607,058)	(2,820,150)
<b>As at 30 June 2022</b>	-	-	-
Additions	-	-	-
Depreciation expense	-	-	-
Impairment losses	-	-	-
<b>As at 30 June 2023</b>	-	-	-

	30 June 2023 \$	30 June 2022 \$
<b>Note 17 Trade and other payables</b>		
Trade payables	-	1,146,014
Trade payables to SBANG Australia	942,551	6,993,082
Accrued and other payables	457,412	1,096,650
Payable to iHub Technologies Pty Ltd	-	156,000
	<b>1,399,963</b>	<b>9,391,746</b>

	30 June 2023 \$	30 June 2022 \$
<b>Note 18 Borrowings</b>		
Term borrowings - ScotPac Business Finance	-	700,660
Term borrowings - Bigstone Finance	-	86,158
Premium funding of insurance	-	48,722
Loan from M8 Holding Ltd (Thailand)	574,651	2,388,932
Convertible Note – M8 Holding Ltd (Thailand)	6,344,665	-
Remagen loan	-	10,531,935
	6,919,316	13,621,598
less: Non-current portion	(6,344,665)	(2,841,580)
Current portion	<b>574,651</b>	<b>10,780,018</b>

**Note 19 Lease liabilities**

	2023 \$	2022 \$
<b>As at 1 July</b>	<b>8,694,963</b>	<b>9,067,925</b>
Additions	0	661,976
Accretion of interest	789,513	1,008,249
Repayment of principal portion of lease liabilities	(683,086)	(1,034,938)
Repayment of interest portion of lease liabilities	(789,513)	(1,008,249)
Reversal of expired lease liabilities	(1,101,999)	-
<b>As at 30 June</b>	<b>(6,909,878)</b>	<b>8,694,963</b>
Current	314,353	683,086
Non-current	6,595,525	8,011,877

	30 June 2023 \$	30 June 2022 \$
<b>Note 20 Provisions</b>		
Employee provisions	<u>155,639</u>	<u>173,713</u>
<b>Note 21 Share capital and reserves</b>		
<b>Share Capital</b>		
	30 June 2023 Number	30 June 2022 Number
<b>(a) Issued and paid up capital</b>		
Issued and fully paid ordinary shares	<u>548,638,191</u>	<u>477,209,670</u>
<b>(b) Movement in ordinary shares</b>		
	\$	\$
<b>Balance as at 1 July</b>	<b>46,513,006</b>	<b>41,991,364</b>
Issuance through placement	500,000	-
Issuance due to convertible note valuation	1,296,208	-
Issuance of shares through rights issue	-	4,664,596
Issued to KMPs	-	99,750
Issued to underwriters of rights issue	-	80,000
Issued to employees	-	42,000
Capital raising costs	-	(364,704)
<b>Balance as at 30 June</b>	<b><u>48,309,214</u></b>	<b><u>46,513,006</u></b>
<b>(c) Movement in ordinary shares</b>		
	2023 Number	2022 Number
<b>Balance as at 1 July</b>	<b>477,209,670</b>	<b>233,229,835</b>
Issuance of shares through rights issue	-	233,229,835
Issued to KMPs	-	4,750,000
Issued to underwriters of rights issue	-	4,000,000
Issued to employees	-	2,000,000
Issued to Adroit Capital Group ESG Pty Ltd	71,428,521	-
<b>Balance as at 30 June</b>	<b><u>548,638,191</u></b>	<b><u>477,209,670</u></b>
<b>Share-based Payment Reserve</b>		
	2023 \$	2022 \$
Balance at 1 July	1,246,264	1,256,399
Cost of issuing options to the lead manager	-	18,264
Cost of issuing shares to KMPs	-	84,000
Cost of issuing shares to directors	41,508	57,750
Reversal of bonus shares	-	(28,399)
Shares issued to KMPs and directors	-	(141,750)
<b>Balance at 30 June</b>	<b><u>1,287,773</u></b>	<b><u>1,246,264</u></b>

## Operating segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (chief operation decision makers) in assessing performance and in determining the allocation of resources.

Operating segments outlined below are identified by management based on the nature of the operations. The executive management team consider the business strategically and operationally from a service perspective and have identified three reportable segments as follows:

- waste management and recycling
- operations and maintenance (O&M)
- Equipment Hire Income

Management monitors the performance of the operating results of the segments separately for the purpose of making decisions about resource allocation and performance assessment. The performance is measured in accordance with the Company's accounting policies.

### *Types of services by reportable segments*

#### (i) Waste Management and Recycling

The waste management segment involves resource recovery from C&D waste and C&I waste. C&D waste includes waste from demolition and civil construction activities, including roads and buildings. C&I waste includes waste from industries such as manufacturing and retail as well as wholesale businesses. During the year, the Company also conducted metals recycling activities; these operations involved aggregating, processing and selling of recycled metals to both local and export markets.

All recycling activities ceased upon the appointment of Voluntary Administrator on the 14 February 2023, and had not recommenced when the Company was returned to its Directors on 1 June 2023.

#### (ii) Operations and Maintenance

The O&M segment primarily involves providing technical, business and other ancillary support to companies in the waste industry.

All O&M activities ceased upon the appointment of Voluntary Administrator on the 14 February 2023.

#### (iii) Landfill Operations

The construction of the landfill at Gingin is nearing completion. Landfill operations have not yet commenced and consequently there is no revenue associated with this segment.

As of June 30, 2023, M8S owns 0.1% of Fernview Environmental Pty Ltd, the owner of the Gingin landfill, ceasing to be a Group company and activity.

Corporate items of revenue and expenses have been allocated to the operating segments that receive much of the economic value.

Summarised financial information concerning the reportable segments as at 30 June 2023 and 30 June 2022 are shown in the following table:

	<b>Waste Management and Recycling</b>	<b>Operations and Maintenance</b>	<b>Landfill Operations</b>	<b>Total operating segments</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Year ended 30 June 2023</b>				
Revenue from contracts with customers	1,052,083	175,000	-	1,410,538
Other income	1,197,927	-	-	1,197,927
Operating expenses	(4,865,392)	(215,136)	-	(5,404,752)
<b>EBITDA</b>	<b>(2,615,382)</b>	<b>(40,136)</b>	<b>-</b>	<b>(2,796,286)</b>
Depreciation and amortisation	-	-	-	-
Net finance costs	(3,284,481)	-	-	(3,284,481)
Impairment losses	-	-	-	-
Loss before income tax	(5,899,863)	(40,136)	-	(6,080,767)
Income tax benefit	-	-	-	-
<b>Loss after income tax</b>	<b>(5,899,863)</b>	<b>(40,136)</b>	<b>-</b>	<b>(6,080,767)</b>
<b>Capital expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Operating segments (continued)

	Waste Management and Recycling \$	Operations and Maintenance \$	Landfill Operations \$	Total operating segments \$
<b>Year ended 30 June 2022</b>				
Revenue from contracts with customers	8,911,720	270,000	-	9,181,720
Other income	210,677	-	-	210,677
Operating expenses	(12,502,918)	(313,236)	(223,721)	(13,039,875)
<b>EBITDA</b>	<b>(3,380,521)</b>	<b>(43,236)</b>	<b>(223,721)</b>	<b>(3,647,478)</b>
Depreciation and amortisation	(944,128)	(1,517)	(647,408)	(1,593,053)
Net finance costs	(978,636)	(33,109)	(41,428)	(1,053,173)
Impairment losses	(5,077,946)	-	-	(5,077,946)
Loss before income tax	(10,381,231)	(77,862)	(912,557)	(11,371,650)
Income tax benefit	-	-	-	-
<b>Loss after income tax</b>	<b>(10,381,231)</b>	<b>(77,862)</b>	<b>(912,557)</b>	<b>(11,371,650)</b>
<b>Capital expenditure</b>	<b>369,556</b>	<b>110,589</b>	<b>11,535,715</b>	<b>12,015,860</b>

The company reported income of \$17,327,798 related to the Deed of Company Arrangement, this amount does not relate to any of the operating segments.

Revenue from one customer amounted to \$843,271 (2022: \$4,793,816) arising from metals recycling within the waste management and recycling CGU.

Revenue from a second customer amounted to \$127,362 (2022: \$1,508,321) arising from metals recycling within the waste management and recycling CGU.

No segments have been aggregated to form the above reportable segments.

The Company's executive management does not review segment assets and liabilities.

All non-current assets are based in Australia.

## Compliance Statement

The financial information provided in Appendix 4E is based on the financial report which is being prepared in accordance with the Australian Accounting Standards.

The report and the accounts upon which the report is based use the same accounting policies.

This report is based on accounts which are in the process of being audited.



Tomasz Rudas  
Managing Director

Date: 30 August 2024