M8 Sustainable Ltd
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ASX Announcement |16 October 2020

OPERATIONS UPDATE

HIGHLIGHTS

- Significant increase in activity at the Maddington Waste Facility ("**Maddington**") across incoming waste received and processed and product sales
    - Incoming waste processed over the September quarter increased 85% from the June quarter
    - Product sales increased by 243% over the same period
    - Strong incoming waste volume growth has continued into October
    - Steady and continuous increase in new and repeat customers utilising Maddington
- Development of the Gingin Landfill Facility remains on track with receipt of the HDPE Liners
- Liner installation is anticipated to commence in early 2021

M8 Sustainable Limited ("**M8S**" or "the **Company**") is pleased to provide an operations update on the Company's Maddington Waste Management Facility and construction of the Gingin Landfill Facility ("Gingin").

The Company has experienced a strong period at Maddington, underpinned by the doubling of Construction and Demolition (C&D) waste received over the past three months. Maddington received 24,490m^3 of C&D waste, up from 12,149m^3 in the June quarter.

Commercial & Industrial (C&I) waste levels improved in the month of September, following the June quarter which was impacted by a temporary downturn due to COVID-19.

A new agreement with a major waste management company and a sub-contract to process Local Government waste have played a key role in the growth of C&I and C&D waste processed at Maddington.

Importantly, strong levels of incoming waste across both waste streams have continued into October.

At Gingin, primary activities have focused on securing the specialised lining materials and products to complete Cell 1 and the settlement pond construction, with these key works anticipated to commence in early 2021.

Commenting on the performance of the Company's waste management portfolio, M8S Managing Director and Chief Executive Officer Tom Rudas said: *"The past few months have been a very pleasing period for our operations.*

"We are focused on establishing Maddington as a leading waste management facility, servicing the metropolitan corridor. A key deliverable in executing this goal is increasing the waste levels received and processed. The numbers reported over the past few months place the Company in a strong position to continue to build towards this goal. Importantly, our targeted marketing initiatives for Maddington remain a key focus and this will be an ongoing deliverable for the team."

	C&D In (m^3)	C&I In (m^3)	Total Incoming	% Change	Daily Average	Product Sales	% Change
December 19 Quarter	4,033	6,168	10,201		162	3,560	
March 20 Quarter	5,185	13,227	18,412	80.5%	292	4,337	22%
June 20 Quarter (COVID)	12,149	2,726	14,875	-19.2%	240	4,901	13%
September 20 Quarter	24,490	3,100	27,590	85.5%	431	16,799	243%
October (up until the 15th)	6,326	969	7,295	NA	663	2,350	NA

Table 1: Maddington Waste Statistics

	Total Customers	Recurring Customers	Account Customers
December 19 Quarter	96	62	24
March 20 Quarter	115	72	32
June 20 Quarter	125	89	37
September 20 Quarter	143	100	49

Table 2 Maddington Customer Utilisation

Figure 1: Maddington Operations

Figure 2: Maddington Recycling Facility

Figure 3: HDPE Liners to be installed at Gingin

ENDS-

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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 landfill 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.