



ASX Announcement | 26 April 2024

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 31 MARCH 2023

KEY POINTS

- On the 13th of February 2023, McGrathNicol was appointed as Voluntary Administrator of M8 Sustainable Ltd in its capacity of Guarantor by Remagen Invest M8S Pty Ltd (Lender), the main secured lender to Fernview Environmental Pty Ltd, a fully owned subsidiary of M8 Sustainable Ltd
- On the 14th of February 2023, McGrathNicol was appointed as Voluntary Administrator of Fernview Environmental Pty Ltd as the principal borrower, by Remagen Invest M8S Pty Ltd (Lender), for failure to repay the outstanding loan balance.

M8 Sustainable Limited (“**M8S**” or “**the Company**”) provides the following update on Company activities for the quarter ended 31 March 2023.

M8 Sustainable Ltd and its fully owned subsidiary was placed in Voluntary Administration by Remagen Invest M8S Pty Ltd which had extended a loan to Fernview Environmental Pty Ltd, with M8 Sustainable Ltd acting as guarantor.

The repayment date for the loan was the 11th of February 2023, with M8 making several attempts to secure the funding required to make full repayment of the loan but was unsuccessful.

M8 sought to renegotiate with Remagen by offering a partial payment, with the balance to be paid 3 weeks from the due date.

Remagen appointed McGrathNicol as Voluntary Administrator to both companies on the 13th and 14th of February respectively.

The administrator secured funding to maintain key management and administrative staff to ensure business continuity and commenced a process to sell the business or its assets via a national advertising campaign. An Information Memorandum was prepared for interested parties.

M8 Sustainable Ltd Directors remained, Fernview Environmental Pty Ltd Directors, Tom Rudas and Saithsiri Saksitthisereekul were removed by the Administrator.

Cash Flow

A summary of cash flow during the reporting period is as follows:

Operating Activities: \$1,236k used in total.

Receipts - \$60k

- \$60k - receipts from customers

Payments - \$1,231k

- \$505k - manufacturing and operating costs
- \$272k - employment costs including all on-costs
- \$423k - insurance, legal, IT, professional, variable outgoings on leased property and audit fees etc.(net)

- \$31k - interest and other finance costs

Investing Activities: \$524k used in total.

Payments - \$524k

- \$524k - purchase of plant and equipment including Gingin landfill capital work in progress and capitalised interest

Financing Activities: \$1,666k in total

Receipts - \$1,666k

- \$1,008k - proceeds from issue of convertible notes
- \$658k - proceeds from short-term borrowings (Net) from Remagen to voluntary administrator

Pursuant to ASX Listing Rule 4.7C.2, the table below shows a comparison of actual expenditure incurred during the reporting quarter for each item shown in the “use of funds” statement as contained in the Company’s prospectus which was lodged with the ASX on 9 December 2019.

	Full Subscription (as per prospectus) \$ '000	Percentage of funds	Actual spent Quarter ended 31.03.2023 \$ '000	Actual spent since ASX listing (11.12.2019 to 31.03.2023 \$ '000
Repayment of principal amount borrowed from SBANG	4400	22.6%		4,400
Payment of interest on loan from SBANG	1223	6.3%		1255
Development of the Gingin Facility	9500	48.7%	524	15,300
Working Capital	2526	13.0%	1,163	10,212
Expenses of Offers	1851	9.4%		1,898
Other capex		0.0%		596
	19500	100.0%	1,687	33,661

As of 31 March 2021, the Company has utilised all of the funds from the capital raising of \$19.5m. Any additional expenditure to the end of the reporting period has been funded from the \$11.0m Remagen loan facility, the funds raised through the June 2021 rights issue (\$4.66m), the \$5.5m and \$2.5m M8H convertible note facility, the Adroit placement (\$0.5m) and the Reforme \$4m convertible note facility.

Material variances above are explained as follows:

Development of the Gingin facility – the initial \$9.6m fixed price contract for the construction of the Gingin landfill facility, has changed to \$15.3m due to contract variations and time delays. The variances giving rise to the total cost incurred to date, represent the capitalised portion of interest for the loan facility utilised to complete the project, as well as additional upgrade works and capitalisation of other associated costs.

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

ENDS-

For further information please contact:

Tom Rudas, Managing Director, 0411876673

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

M8 Sustainable Limited

ABN

12 620 758 358

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months 31.03.23) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	60	1,000
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	(505)	(1,403)
(c) advertising and marketing	0	0
(d) leased assets	0	0
(e) staff costs	(272)	(810)
(f) administration and corporate costs	(423)	(1,339)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	8	43
1.5 Interest and other costs of finance paid	(31)	(126)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (reclassification of interest)	0	0
1.9 Net cash from / (used in) operating activities	(1,163)	(2,635)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	(524)	(3,472)
(d) investments	0	0
(e) intellectual property	0	0

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months 31.03.23) \$A'000
(f) other non-current assets (Bank guarantee)	0	0
2.2 Proceeds from disposal of:		
(a) entities	0	0
(b) businesses	0	0
(c) property, plant and equipment	0	0
(d) investments	0	0
(e) intellectual property	0	0
(f) other non-current assets	0	0
2.3 Cash flows from loans to other entities	0	0
2.4 Dividends received (see note 3)	0	0
2.5 Other (provide details if material)	0	0
2.6 Net cash from / (used in) investing activities	(524)	(3,472)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	0	500
3.2 Proceeds from issue of convertible debt securities	1,008	7,544
3.3 Proceeds from exercise of options	0	0
3.4 Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5 Proceeds from borrowings*	658	1039
3.6 Repayment of borrowings*	0	(2,897)
3.7 Transaction costs related to loans and borrowings	0	0
3.8 Dividends paid	0	0
3.9 Proceeds / (payments) from other loans	0	0
3.10 Net cash from / (used in) financing activities	1,666	6,186

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	112	12
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,163)	(2,635)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months 31.03.23) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(524)	(3,472)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,666	6,186
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	91	91

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	91	114
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	91	114

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

For the quarter ended 31 March 2023, the Company paid an amount of \$501k to project contractors on behalf of SBANG Australia Pty Ltd., a wholly owned subsidiary of Sbang Corporation Limited. Sbang Corporation Limited is a wholly owned subsidiary of Clover Power Public Company Limited, a company listed on the Thailand stock exchange. Mr Saksitthisereekul, who is a director of the Company, is also a director of Clover Power Public Company Limited.

Quarterly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	0	19,440
7.2 Credit standby arrangements	0	0
7.3 Other (please specify)	0	0
7.4 Total financing facilities	0	19,440

7.5 **Unused financing facilities available at quarter end** 0

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Due to the Company being placed into Voluntary Administration no further drawdowns are available under all existing loan facilities (below).

- **M8H loan facility**
- **M8H convertible note facility**
- **Reforme Special Situation Pty Ltd convertible note facility**
- **Remagen loan facility**
- **Gingin construction loan facility**

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,236)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	114
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	114
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0

08.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not Applicable

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not Applicable

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not Applicable

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 April 2024

Authorised by: the board of directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.