

M8 Sustainable Limited
ACN 620 758 358
and its Controlled Entity

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2023

M8 SUSTAINABLE LIMITED

CORPORATE DIRECTORY

Directors

Saithsiri Saksitthisereekul, Chairman
Tomasz Jacek Rudas, Managing Director and Chief Executive Officer Mark
Robert Puzey (resigned 2 December 2022)
Damien Flugge (appointed 14 December 2022)
Rodney Illingworth (appointed 19 October 2022, ceased as a Director on 1 June 2023)

Company Secretary

Winton Willesee (appointed 23 February 2024)
John Colli (retired 23 February 2024)

Registered Office

4C Consulting Pty Ltd
Unit 5, 145 Walcott Street
Mount Lawley WA 6050

Principal Place of Business

Unit 1, 48 Kelvin Road,
Maddington WA 6109

Share Register

Computershare Investor Services Pty Limited
GPO Box 3224
Melbourne
Victoria 3001 Australia

ASX Listing

M8 Sustainable Limited shares are listed on the Australian Securities Exchange (ASX) and trade under the code M8S.

Auditors

RSM Australia Partners
Level 32, Exchange Tower 2
The Esplanade
Perth WA 6000

M8 SUSTAINABLE LIMITED AND ITS CONTROLLED ENTITY

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M8 SUSTAINABLE LIMITED

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report for M8 Sustainable Limited (the Company) and its controlled entity (the Group) for the year ended 30 June 2023.

1. DIRECTORS

Information on Directors

The directors of the Company who were in office for the whole of the financial year and up to the date of this report, unless otherwise indicated, were:

Name, qualifications, independence status and special responsibilities

Experience and other directorships

Saithsiri Saksitthisereekul

MBA

Independent Non-executive Chairman
Chairman of Audit and Risk Committee

Mr Saksitthisereekul was appointed as a director of the Company on 24 October 2018. He holds an Executive Master of Business Administration from the National Institute of Development Administration (NIDA) and with 11 years in the renewable energy sector is the CEO of M8 Holding Limited (M8H), formerly SBANG Sustainable Energies Limited. M8H is an integrated renewable energy company based in Thailand. Its core business is to build, own and or operate waste-to-energy and biomass power plants in Thailand.

Mr Saksitthisereekul held the following other listed company directorships during the past 4 financial years;

Clover Power Public Company Limited (BKK: CV) – 2 September 2021 to current

Tomasz Jacek Rudas

BSc (Hons), MBA

Managing Director

Mr Rudas was appointed as a director of the Company on 15 August 2017. He has over 20 years of professional experience in the waste management industry during which he has gained extensive experience in many facets of waste management operations and business activities. His experience gained from working in the private sector for both small and large waste management organizations, as well as the local government in Perth, has given Mr Rudas a unique perspective of the commercial dynamics and opportunities in the waste management market.

He was also the founder and managing director of a public waste technology company AnaeCo Limited which under his leadership raised over \$100M in equity and infrastructure funding and was successfully listed on the ASX in 2007. He ceased to be a director of AnaeCo Limited in 2011.

Mr Rudas was the Winner of the 2009 Ernst & Young Entrepreneur of the Year – Western Division in the Cleantech Category.

Mr Rudas held no other listed company directorships during the past 4 financial years.

Mark Robert Puzey

BCom, FCA, FAICD

Independent Non-executive Chairman
Chairman of Audit and Risk Committee
(resigned 2 December 2022)

Mr Puzey was appointed as a director of the Company on 9 December 2019. He was appointed Chairman on 28 October 2020. He is a Chartered Accountant with over 30 years of experience with a broad base of financial skills in a variety of industries having spent 33 years with KPMG, including 18 years as a partner. Mr Puzey's role at KPMG included risk advisory, internal and external audit, IT advisory and management consulting experience in Australia, Asia and London.

M8 SUSTAINABLE LIMITED DIRECTORS' REPORT

He is currently Audit & Risk Committee Chair and Non-Executive Director of DUG Technology Ltd, and Non-Executive Director and One-Future Committee Chair of Gold Corporation.

Mr Puzey held the following other listed company directorships during the past 4 financial years:

DUG Technology Limited (ASX: DUG) – 9 June 2020 to current

Damien Flugge

Executive Director
(appointed 14 December 2022)

Mr Flugge was a foundation director of the Company with Mr Rudas. He has been with the Company for the past 5 years in the capacity as General Manager.

Mr. Flugge has an extensive and diverse business and operational background, which spans over 16 years. From early involvement in the family farming operations, to development, management and ownership of various hospitality ventures in Australia. He has also established and led the development and operation of a popular food chain, designed for franchising, successfully operating on the east coast of Australia.

Rodney Illingworth

Non-Executive Director
(appointed 19 October 2022, ceased as a Director on 1 June 2023)

Mr Illingworth is an experienced executive and director who has a wealth of experience and understanding in the development and construction of mining ventures, management of successful mining operations and logistics management across several sectors.

Mr Illingworth specialises in green field resources projects, driving revenue growth and leading innovation.

Directors' Interests in Securities of the Company

As at the date of this report, particulars of the relevant interest of each director in the securities of the Company are as follows:

Director	Number of Ordinary Shares
S Saksitthisereekul (1)	166,430,076
T Rudas (2)	2,000,002
M Puzey (3)	3,253,950
D Flugge (4)	2,000,001

- (1) These shares are held by M8 Holding Limited (formerly named SBANG Sustainable Energies Limited) (M8H). Mr Saksitthisereekul is a director of M8H and holds 30.34% of the issued capital of M8H
- (2) Comprising 1 share each held by Mr Rudas and Jane Rudas, the spouse of Mr Rudas and 2,000,000 shares held by Krystyna Rudas, the mother of Mr Rudas.
- (3) Comprising 450,000 shares held by Mr Puzey and 1,050,000 shares held by Ingrid Puzey, the spouse of Mr Puzey.
- (4) Comprising 1 share each held by Feliciano Flugge, the spouse of Mr Flugge and 2,000,000 shares held by Mr Flugge
- (5) Mr Illingworth is a director and shareholder of Adroit Capital Group ESG Pty Ltd, which is a major shareholder of M8S (holding 71,428,521 shares) following the placement announced on 3 October 2022

During the 2022/23 financial year and as the date of this report no director has declared any interest in a contract

M8 SUSTAINABLE LIMITED

DIRECTORS' REPORT

or proposed contract with the Company, the nature of which would be required to be reported in accordance with subsection 300(11)(d) of the Corporations Act 2001

Directors' Meetings

The following table sets out the number of meetings of the Company's board of directors and sub-committees held during the financial year ended 30 June 2023 and the number of meetings attended by each director:

Director	Board of Directors			Audit & Risk Committee		
	Held	Eligible to Attend	Attended	Held	Eligible to Attend	Attended
S Saksithisereekul	7	7	7	1	1	1
T Rudas	7	7	7	1	1	1
M Puzey	7	7	4	1	1	1
D Flugge	7	3	3	-	-	-
R Illingworth	7	4	4	-	-	-

Note: (1) Directors may pass resolutions in writing without a formal meeting being convened. Such meetings are deemed by the Company's constitution to be meetings. The above table does not include such meetings.
(2) The responsibilities of the Remuneration and Nomination committees is assumed by the full Board.

2. PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year was receiving and recycling of metals, commercial & industrial (C&I) and construction & demolition (C&D) waste at its Maddington Waste Facility. Since January 2021, the Company has shifted its focus at Maddington to higher margin areas, moving away from the recycling of mixed builders and mixed demolition waste component of C&D where margins were insufficient, to processing and recycling higher-value, lower-volume waste streams, with the primary objective of improving profitability. This also included metals processing activities.

3. CONSOLIDATED RESULTS

	Year ended 30 June 2023	Year ended 30 June 2022
Revenue from contracts with customers	1,411,058	9,181,720
Loss before income tax	(19,436,252)	(11,371,650)
Income tax benefit	-	-
Loss for the year from continuing operations	(9,056,984)	(10,691,468)

4. DIVIDEND PAID OR RECOMMENDED

During the financial year, the Group did not declare or pay any dividends (2022: Nil).

M8 SUSTAINABLE LIMITED

DIRECTORS' REPORT

5. REVIEW OF OPERATIONS AND FINANCIAL RESULTS

Operations

For the financial year ended 30 June 2023, the Group incurred a loss after tax of \$19,436,252 (\$11,371,651 loss for the prior year). This result was impacted by a gain of \$16,138,211 related to the Deed of Company Arrangement and loss on deconsolidation of Fernview Environmental Pty Ltd of \$28,493,231.

However, since January 2021, in light of the challenges faced in the C&I and C&D waste sectors arising from a lack of support and compliance enforcement within the regulatory framework, the Company has shifted its focus at Maddington to higher margin areas; moving away from the recycling of mixed builders and mixed demolition waste component of C&D where margins were insufficient, to processing and recycling higher-value, lower-volume waste streams. The primary objective of this shift was to improve profitability.

The Company was working towards finalizing construction of the Gingin landfill facility, with all major site works completed in January 2023 and the lodgment of the approval documentation in order to obtain an operating License imminent.

The expectation was that Maddington would be ramped up to accept Class II waste from 3rd party customers in the waste management sector and internally, the capacity of Access Waste skip bin business would be also increased to drive additional waste volume through Maddington and on to Gingin landfill, leading to improved profitability for the Group.

However, the appointment of the Voluntary Administrator halted most activities, including the approval of the Gingin landfill as well as Access Waste operations, with waste activities at Maddington severely limited during the Voluntary Administration process. Further details relating to the Voluntary Administration and relating Deed of Company Arrangement are set out in Note 2.

Corporate

Board Changes

The following changes to the composition of the board of the Company occurred during the reporting period:

- Damein Flugge was appointed as a Director on 14 December 2022
- Mark Puzey resigned as a Director on 12 December 2022
- Rodney Illingworth was appointed as a Director on 19 October 2022; his position as a Director ceased on 1 June 2023

6. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

As a result of the Voluntary Administration and the DOCA process, the Company no longer owns the Gingin landfill project, however it remains linked to the Company's future operation as it is owned by the Company's major shareholder M8H. It is anticipated that the landfill will be open in late 2024 or early 2025 and so the focus for the Company will be to reduce operating costs and maximise waste volume through the Maddington site, with less emphasis on C&I recycling and a greater focus on disposal of Class II waste at the Gingin landfill facility.

The Company will also turn its focus to metals recycling as well as more specialised recycling sectors, such as tire recycling, rather than C&D, which continues to suffer from a lack of compliance enforcement in the Perth market.

The successful demonstration of the iHUB logistics platform through Access waste in FY23, has provided the iHUB Technologies (50% owned by M8S) with a product that can be marketed and rolled out to skip bin and other waste businesses nationally and internationally. The Company will work with iHUB Technologies to promote the logistics platform it has developed in order to make it an industry standard in the waste management sector.

7. EARNINGS PER SHARE

Basic loss per share for the year ended 30 June 2023 was 3.4 cents. This compares to a basic loss of 2.5 cents per share for the previous year.

8. SIGNIFICANT CHANGES IN THE COMPANY'S AFFAIRS

All significant changes in the state of affairs of the Group during the financial year are discussed as detailed above under review of operations and Financial Results and likely developments and expected results of operations and

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DIRECTORS' REPORT

below under Events Subsequent To Reporting Date sections of the Directors' Report.

9. EVENTS SUBSEQUENT TO REPORTING DATE

With the exception of the transactions noted below, no material transactions have occurred since 30 June 2023 and the date of the approval of the financial statements which the Directors consider require disclosure.

On 1 October 2023 the Company reduced its out-goings by reducing its rent from \$115,000 per month to \$62,000 per month by relinquishing leases over Unit 1 and 2, 48 Kelvin Road Maddington (offices) and Lot 280, 42 Kelvin Rd, Maddington. This left a lease over Lot 281, 42 Kelvin Rd, Maddington to focus on scrap metal recycling and waste transfer station.

10. REMUNERATION REPORT – Audited

The Remuneration Report contains the following sections:

- 10.1 Directors and Executive Key Management Personnel (KMPs) Covered in this Report
- 10.2 Remuneration Governance
- 10.3 Overview of Company Performance
- 10.4 Executive Remuneration Strategy and Framework
- 10.5 FY23 Performance Incentive Outcomes for Executives
- 10.6 FY23 and FY22 Executive Remuneration Paid and Accrued
- 10.7 Service Contracts – Executives
- 10.8 Non-Executive Directors' Remuneration
- 10.9 Other – KMP Disclosures

10.1 Directors and Executive KMPs Covered in this Report

KMPs are the persons who have authority and responsibility for planning, directing and controlling the activities of the Company and the Group. The following were KMPs of the Group at any time during the reporting period and unless otherwise indicated were KMPs for the entire period:

Name	Position
Directors	
Saithsiri Saksitthisereekul	Non-Executive Chairman
Tomasz Rudas	Managing Director (MD)
Mark Puzey	Non-Executive Chairman (resigned 2 December 2022)
Damien Flugge	Executive Director (appointed 14 October 2022)
Rodney Illingworth	Non-Executive Director (appointed 19 October 2023, ceased as a Director on 1 June 2023)
Other executive KMPs	
Vijay Joshi	Chief Financial Officer (CFO)

10.2 Remuneration Governance

In June 2020, the Company established a separate Remuneration Committee with a formal charter. However, following the resignations of Messrs McKinnon and Allen in October 2020 it was determined that the role and responsibilities of the Remuneration Committee be fulfilled by the full Board in light of the relatively small size of the board and the number of independent directors.

The formal charter that was established for the Remuneration Committee still provides the guiding principles for determining remuneration matters.

The Corporate Governance Plan and the Remuneration Committee Charter can be viewed on the Group's website www.m8sustainable.com.au under the tab – Investors, Corporate Governance.

10.3 Overview of Company Performance

The table below sets out information about the Group's earnings and movements in share price since listing on the ASX and includes the current financial year.

	2023	2022	2021	2020
Loss after income tax (\$)	19,436,252	11,371,650	10,464,942	13,794,138
Share price at financial year end (\$)	N/A	0.007	0.02	0.09

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DIRECTORS' REPORT

On the 8th February 2023, M8 Sustainable entered into trading halt due to the imminent appointment of voluntary administrators. As at 30 June 2023, the company has not resumed trading.

10.4 Executive Remuneration Strategy and Framework

The objective of the Company's executive remuneration framework is to ensure that remuneration for performance is competitive and appropriate for the results delivered. The framework aligns executive remuneration with achievement of strategic objectives and the creation of value for shareholders and conforms to market practice for delivery of reward.

The Board ensures that executive remuneration satisfies the following key criteria for good reward governance practices:

- competitive and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Company is still in the process of developing a more comprehensive remuneration framework that will be market competitive and complementary to the reward strategy of the organisation. In doing so, it will reference to the company performance that will encourage long-term growth.

The proposed framework will provide a mix of fixed and variable pay, and a blend of short and long-term incentives. As executives gain seniority within the Group, the balance of this mix will shift to a higher proportion of 'at risk' rewards.

In the prior period, executive remuneration contained a Performance Incentive Remuneration (PIR) element which comprised Performance Rights that were issued by the Company on 4 December 2019. During the reporting period, the balance of Performance Rights were forfeited as the requisite benchmarks were not achieved within the stipulated time frame (refer to section 10.10). Currently the Company does not have any PIR element within executive remuneration.

The Company's remuneration policy is to position FAR at the 50th percentile of the market data and a benchmarking review is planned for FY23 to ensure the KMPs are appropriately remunerated.

10.5 FY23 Performance Incentive Outcomes for Executives

No KMPs held any Performance Rights for the financial year ended 30 June 2023.

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10.6 FY23 and FY22 Executive Remuneration Paid and Accrued

Details of Executive Remuneration for the year ended 30 June 2023 and 2022 are set out below:

		Short-term Benefits			Post-employment benefits	Long-term benefits	Share-based payment	Performance related benefit	
		Salary and fees	Bonus	Non-monetary benefits ¹	Super-annuation ²	Leave ³	Performance Rights ⁴	Total	
		\$	\$	\$	\$	\$	\$	\$	%
Executive Director									
Tomasz Rudas – Managing Director	2023	276,442	-	-	29,038	19,231	-	324,711	-
	2022	259,615	-	4,400	24,765	19,230	79,245	387,255	-
Other Executive KMP									
Vijay Joshi – Chief Financial Officer	2023	221,154	-	-	23,231	15,385	-	259,769	-
	2022	207,692	-	8,755	20,769	15,385	79,245	331,846	-
Total	2023	497,596	-	-	52,269	34,615	-	584,481	
	2022	467,307	-	13,155	45,534	34,615	158,490	719,101	

¹ Other and non-monetary benefits include fringe benefits tax relating to fully maintained Company motor vehicles.

² Superannuation includes the values paid and accrued relating to salary.

³ Represents the value of leave earned during the year.

⁴ In November 2019, upon listing of the Company, 6 classes (A to F) of performance rights (details of which are set out in section 10.10) were issued to the then directors and executives of the Company. Of the 6 classes of performance rights, classes A, C and E were forfeited in 2020/21 financial year as the requisite benchmarks were not achieved within the stipulated timeframe. During the 2021/22 financial year, classes B, D and F, were forfeited as the timeframe for the requisite benchmarks had expired and the benchmarks were not achieved. During the current reporting period, Messrs Rudas and Joshi were each issued with 2,000,000 fully paid ordinary shares as part of remuneration for services rendered to the Company. There were no performance conditions associated with the granting of the shares as they align the interests of Messrs Rudas and Joshi with those of the shareholders and are considered an appropriate method to provide cost effective remuneration. The Company has also accrued \$37,245 each for Messrs Rudas and Joshi for FBT and individual tax.

Note:

- (a) premiums in respect of the Directors and Officers insurance policy are not included above, as the policy does not specify the premium paid in respect of individual Directors and Officers
- (b) a deferment of executive salaries of 25% was put in place from December 2021 to 14 February 2023 (appointment of Voluntary Administrator). This measure was implemented to assist the Company's cash flow position as it focused on completion of the Gingin landfill project. Included in the executive remuneration table above are \$39,663 and \$31,731, which are deferred for Messrs Rudas and Joshi, respectively.

M8 SUSTAINABLE LIMITED DIRECTORS' REPORT

10.7 Service Contracts – Executives

Remuneration and other forms of employment for the MD and CFO are formalised in service contracts. Each of these contracts also provides for performance related incentives and other benefits. Other major provisions of the contracts relating to remuneration are set out below.

All contracts with Executives may be terminated without cause early by either party providing notice, subject to termination payments detailed below:

Name	Contract Term	Employee notice period	Employer notice period	Base salary ²	Termination benefit ³
Tomasz Rudas	5 years ¹	N/A	6 months	\$250,000	\$137,000
Vijay Joshi	5 years ¹	N/A	6 months	\$200,000	\$110,000

¹ These contracts commenced on 1 September 2017 for a term of 5 years and may be extended by the Company for a further 5 years by giving notice at any time during a 2-year period prior to the expiry of the initial 5-year term. In August 2022, the employment contracts for Messrs Tomasz Rudas and Vijay Joshi were extended by 7 months to 31 March 2023 on the same terms and conditions.

They were further extended by the Voluntary Administrator until their resignation on the 6th of June 2023 upon which they were terminated. For the period of Voluntary Administration, the payments amount was based on the contracted Base Salary less 25%. Following Administration Messrs Tomasz Rudas and Vijay Joshi were engaged as contractors by the Company.

² Base salaries (including FAR) are quoted for the year ended 30 June 2022. They are reviewed annually by the Board and exclude superannuation.

³ Termination benefits are payable on early termination by the Group, other than for gross misconduct. Unless otherwise indicated they are equal to base salary (including FAR rights and superannuation) for the notice period.

10.8 Non-Executive Directors' Remuneration

On appointment to the Board, all Non-Executive Directors enter into a service contract with the Group in the form of a letter of appointment. The contract summarises the Board's policies and terms, including compensation relevant to the Director.

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board.

The Company's remuneration policy is to position annual remuneration at the 50th percentile of the market data.

For the year ended 30 June 2023, fees, which include committee fees (if any) and superannuation contributions required under the Australian superannuation guarantee legislation, were as follows:

- \$150,000 per annum for the Non-Executive Chairman; and
- \$75,000 per annum for Non-Executive Directors, except for:
 - Mr Flugge who is not paid for his role as Non-Executive Directors after his Executive role was terminated on February 14 2023 following the appointment of the Voluntary Administrator.

Non-Executive Directors' fees are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$500,000 per annum and was approved by shareholders at a General Meeting held on 26 November 2019.

M8 SUSTAINABLE LIMITED

DIRECTORS' REPORT

10.9 Non-Executive Directors' Remuneration (continued)

Details of Non-Executive Directors' remuneration for the years ended 30 June 2023 and 2022 are set out below:

		Short-term benefits		Post - employment benefits	Share-based payments			Performance related benefit
		Fees	Consultancy Fees	Super-Annua-Tion ¹	Rights	Shares	Total	
		\$	\$	\$	\$		\$	%
Non-Executive Directors								
Saithsiri Saksithisereekul	2023	59,856	-	-	-	-	59,856	-
	2022	77,885	-	-	-	-	77,885	-
Mark Puzey – Chairman	2023	81,294	-	8,536	-	-	89,830	-
	2022	141,656	-	14,166	-	-	155,822	-
Damien Flugge (appointed 14 December 2022)	2023	156,465	-	16,426	-	-	172,891	-
	2022	-	-	-	-	-	-	-
Rodney Illingworth (appointed 19 October 2022, resigned 1 June 2023)	2023	20,923	-	2,197	-	-	23,120	-
	2022	-	-	-	-	-	-	-
Steve Hyams (resigned 23 November 2021) ²	2023	-	-	-	-	-	-	-
	2022	24,565	105,000	2,456	-	29,717	161,738	-
Jonathan Fisher (appointed 4 October 2021; resigned 3 December 2021)	2023	-	-	-	-	-	-	-
	2022	11,855	-	1,185	-	-	13,040	-
Total	2023	318,537	-	27,159	-	-	345,696	
	2022	255,961	105,000	17,807	-	29,717	408,485	

¹ Superannuation contributions are made on behalf of Non-Executive Directors to satisfy the Group's obligations under applicable superannuation guarantee legislation. Directors' fees are inclusive of superannuation contributions.

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DIRECTORS' REPORT

10.10 Other – KMP Disclosures

KMP – Option Holdings

No KMPs held any options for the financial year ended 30 June 2023.

KMP – Shareholdings

The movement during the financial year ended 30 June 2023 in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each KMP, including their related parties, is as follows:

Name	Held at 1 July 2022	Purchases ²	Rights Issue Take Up	Sales/ Trans- ferred	Allotment	Held at Resignation/ Retirement	Held at 30 June 2023
Saithsiri Saksitthisereekul ¹	166,430,076	-	-	-	-	-	166,430,076
Tomasz Rudas	2,000,002	-	-	-	-	-	2,000,002
Mark Puzey	1,500,000	1,735,950	-	-	-	3,235,950	Not applicable
Damien Flugge (appointed 14 December 2022)	Not applicable	-	-	-	-	-	98
Rodney Illingworth (appointed 19 October 2023, ceased as a Director on 1 June 2023) ²	-	-	-	-	71,428,521	71,428,521	Not applicable
Vijay Joshi	2,248,000	-	-	-	-	-	2,248,000

¹ Mr Saksitthisereekul is the managing director and a shareholder of M8 Holdings Limited which holds 166,430,076 ordinary shares in the Company;

² Mr Illingworth is the managing director of Adroit Capital Group ESG Pty Ltd (Adroit). On 30 September 2022 the Company made a placement of 71,428,521 fully paid ordinary shares to Adroit.

Loans to KMPs

No KMP was provided with a loan by the Company for the year ended 30 June 2023.

Other Transactions

Mr Saksitthisereekul is the managing director and a shareholder of M8 Holdings Limited which has executed during the year Convertible Notes with the company with face values totalling \$7,048,433.

End of the Remuneration Report – Audited

M8 SUSTAINABLE LIMITED

DIRECTORS' REPORT

11. ENVIRONMENTAL REGULATIONS AND PERFORMANCE

The Group's operations are subject to environmental regulations under Western Australian law. The Group has procedures in place to ensure regulations are adhered to. As at the date of this report the Group is not aware of any breaches in relation to environmental matters.

12. PROCEEDINGS ON BEHALF OF THE GROUP

No proceedings have been brought on behalf of the Group nor has any application been made in respect of the Group under Section 236 of the Corporations Act 2001.

13. SHARES OPTIONS

As at the date of this report, the Company has no share options on issue.

14. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has indemnified all directors of the Company to the maximum extent of the law for liabilities and costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

15. CORPORATE GOVERNANCE

The Statement of Corporate Governance Practices is disclosed on the Company's website <https://m8sustainable.com.au/> under the tab Investors – Corporate Governance.

16. COMPANY SECRETARY

Mr Willesee is an experienced company director with over 25 years' experience in the capital markets having held chairmanships, directorships and company secretarial positions with a number of listed and other companies over many years. Mr Willesee is currently a Non-Executive Director of One Click Group Limited, Nanollose Limited and Metals One PLC, and Chairman of Citius Resources PLC. Mr Willesee replaced Mr J Collie as Company Secretary.

17. AUDITOR'S INDEMNIFICATION

To the extent permitted by law, the Company has agreed to indemnify its auditors, RSM Australia Partners, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify RSM Australia during or since the financial year.

M8 SUSTAINABLE LIMITED DIRECTORS' REPORT

18. NON-AUDIT SERVICES

Details of the amounts paid or payable to the external auditor of the Group, RSM Australia, for audit and non-audit services provided during the year are disclosed in Note 26 to the Financial Statements.

The Directors are satisfied that the provision of non-audit services by the external auditor during the financial year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved by the Board to ensure that they do not impact the integrity and objectivity of the auditor.
- all non-audit services were subject to the corporate governance processes adopted by the Group and have been reviewed to ensure that they do not affect the integrity or objectivity of the auditor.

19. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence Declaration as required under section 307C of the Corporations Act 2001 is included on page 18 of this financial report.

Signed in accordance with a resolution of the Directors.



Tomasz Rudas
Managing Director

Dated this 27th day of September 2024

Perth
Western Australia

M8 SUSTAINABLE LIMITED DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. In the Directors' opinion, the attached consolidated financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position of the Group as at 30 June 2023 and performance of the Group for the financial year ended 30 June 2023;
2. In the Directors' opinion, subject to the matters detailed in Note 2(a)(ii), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
3. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a)(i).

This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

This declaration is made in accordance with a resolution of the Directors.



Tomasz Rudas
Managing Director

Dated this 27th day of September 2024

Perth
Western Australia

RSM Australia Partners

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2 The Esplanade Perth WA 6000
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
M8 SUSTAINABLE LIMITED****Qualified Opinion**

We have audited the financial report of M8 Sustainable Limited (Company) and its subsidiaries (Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

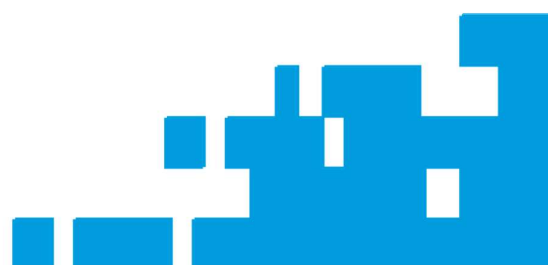
- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Qualified Opinion

On 13 February 2023, McGrathNicol Restructuring was appointed as Voluntary Administrators of the company. On the 14 February 2023, McGrathNicol Restructuring was also appointed as Voluntary Administrators of the company's wholly owned subsidiary, Fernview Environment Pty Ltd. The Voluntary Administrators advised on 1 June 2023 that 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 coming 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 had reverted to its directors.

The Group's accounting and statutory records were not maintained by Directors or management during the period of administration and Directors have been unable to adequately reconstruct the accounting and statutory records in a manner sufficient to permit the application of us being able to perform our necessary audit procedures. As a consequence, and we were unable to obtain all the information and explanations we required in order to obtain sufficient appropriate audit evidence on the accuracy and classifications of revenue and expense items (including Employee benefits, salaries and wages) reported in the consolidated statement of profit or loss and other comprehensive income and in the consolidated statement of cash flows for the year ended 30 June 2023. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

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We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

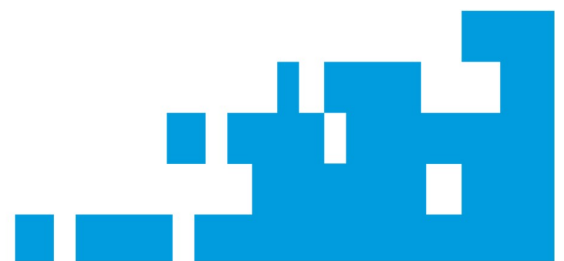
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2, which indicates that as at 30 June 2023, the Group's cash and cash equivalents amounted to \$25,748 and it had net current liabilities of \$3,661,447. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not further modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Accounting for Convertible notes Refer to Note 20 in the financial statements	
<p>During the year the Group entered into Convertible Notes with a related party, M8 Holdings Ltd, with face values totalling \$7,048,433. As at 30 June 2023, the Convertible Notes are recorded on an amortised cost basis including accrued interest payable of \$6,875,568.</p> <p>The Convertible Notes were analysed by management on their inception dates and found to contained embedded equity conversion features which has been recorded directly in the Convertible Note Reserve, totally \$793,672</p> <p>The measurement and classification of convertible notes is considered a key audit matter due to the materiality of the balance and the complexity of the accounting treatment required under Australian Accounting Standards.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the Group's accounting policy for compliance with Australian Accounting Standards; Reading the convertible notes agreements to understand their terms and evaluating the classification of the convertible notes against the criteria the Group's accounting policy; Vouching the proceeds from the issue of M8 Holdings Ltd convertible notes to bank statements and other supporting documentation; Through the use of RSM Corporate Finance Specialists, assessing at inception date the fair values of the embedded equity conversion feature and debt component measured at amortised cost using the effective interest rate method, including challenging the reasonableness of key inputs used by management to determine fair value; Checking the mathematical accuracy of the remeasurement at year-end of the convertible note debt component measured at amortised cost using the effective interest rate method; Re-calculating the accrued interest payable on the Convertible Notes at 30 June 2023; Comparing the face value and accrued interest payable amounts at 30 June 2023 to a confirmation obtained from M8 Holdings Ltd; and Assessing the appropriateness of the disclosures in financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

Our qualified opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Disclaimer of Opinion on the Remuneration Report

We were engaged to audit the Remuneration Report included within the Directors' report for the year ended 30 June 2023.

We do not express an opinion on the Remuneration Report. Because of the significance of the matter described in the Basis for Qualified Opinion section of our report as it relates to the Remuneration Report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the Remuneration Report.

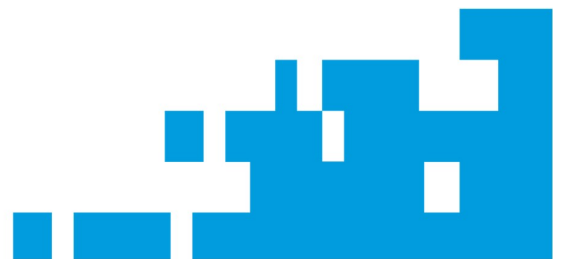
Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.


RSM AUSTRALIA


MATTHEW BEEVERS
Partner

Perth, WA
Dated: 27 September 2024



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of M8 Sustainable Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.



RSM AUSTRALIA



MATTHEW BEEVERS
Partner

Perth, WA
Dated: 27 September 2024

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RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.
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**M8 SUSTAINABLE LIMITED
AND ITS CONTROLLED ENTITY**

**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 \$
Continuing Operations			
Revenue from contracts with customers	3	1,411,058	9,181,720
Interest income		57,609	46,351
Other income	3	17,241,065	210,677
Total income		18,709,732	9,438,748
Employee benefits, salaries and wages	4	(1,782,508)	(2,644,020)
Recycling, waste disposal and other site costs	5	(747,836)	(7,483,925)
Rental outgoings and licence fees		(260,780)	(447,260)
Insurance costs		(553,888)	(350,998)
Professional fees		(1,309,633)	(577,090)
Other expenses	6	(1,334,113)	(1,501,423)
Depreciation	7	-	(947,162)
Finance costs	8	(3,387,662)	(1,095,719)
Share in loss of joint venture		(97,764)	(74,672)
Impairment of assets	9	(178,564)	(5,007,946)
Loss before income tax		9,056,984	(10,691,467)
Income tax benefit	10	-	-
Loss after income tax		9,056,984	(10,691,467)
Discontinued Operations			
(Loss) after tax for the year from discontinued operations	11	(28,493,236)	(680,183)
Other comprehensive income		-	-
Total comprehensive loss for the year		(19,436,252)	(11,371,650)
Continuing and Discontinued Operations			
Loss per share attributable to ordinary equity holders (cents)			
Basic and diluted loss per share	12	(3.7)	(2.5)
Continuing Operations			
Loss per share attributable to ordinary equity holders (cents)			
Basic and diluted loss per share	12	(1.7)	(2.4)

The accompanying notes form part of and should be read in conjunction with these consolidated financial statements.

**M8 SUSTAINABLE LIMITED
AND ITS CONTROLLED ENTITY**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Notes	30 June 2023 \$	30 June 2022 \$
CURRENT ASSETS			
Cash and cash equivalents	13	25,748	11,596
Trade and other receivables	14	314,083	487,008
Prepayments		119,839	269,897
Total Current Assets		459,670	768,501
NON-CURRENT ASSETS			
Investment in joint venture	15	-	276,328
Property, plant and equipment	16	-	30,049,717
Other non-current assets	17	506,500	3,906,500
Total Non-current Assets		506,500	34,232,545
TOTAL ASSETS		966,170	35,001,046
CURRENT LIABILITIES			
Trade and other payables	19	1,414,689	9,391,746
Borrowings	20	2,236,436	10,780,018
Lease liabilities	21	314,353	683,086
Provisions	22	155,640	173,713
Total Current Liabilities		4,121,117	21,028,563
NON-CURRENT LIABILITIES			
Borrowings	20	4,639,132	2,841,580
Lease liabilities	21	6,575,526	8,011,877
Total Non-current Liabilities		11,214,658	10,853,457
TOTAL LIABILITIES		15,355,775	31,882,020
NET ASSETS		(14,389,605)	3,119,026
EQUITY			
Share capital	23	47,013,006	46,513,006
Shared-based payment reserve	23	1,287,773	1,246,264
Convertible note valuation reserve	23	1,386,112	-
Accumulated losses		(64,076,496)	(44,640,244)
TOTAL EQUITY		(14,389,605)	3,119,026

The accompanying notes form part of and should be read in conjunction with these consolidated financial statements.

**M8 SUSTAINABLE LIMITED
AND ITS CONTROLLED ENTITY**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	Issued capital \$	Share-based payment reserve \$	Convertible note valuation reserve \$	Accumulated losses \$	Total equity \$
Balance as at 1 July 2021	41,991,364	1,256,399	-	(33,268,594)	9,979,169
Loss after tax	-	-	-	(11,371,650)	(11,371,650)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(11,371,650)	(11,371,650)
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)
	4,521,642	(10,135)	-	-	4,511,507
Balance as at 30 June 2022	46,513,006	1,246,264	-	(44,640,244)	3,119,026
Balance as at 1 July 2022	46,513,006	1,246,264	-	(44,640,244)	3,119,026
Loss after tax	-	-	-	(19,436,252)	(19,436,252)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(19,436,252)	(19,436,252)
Shares issued	500,000	-	-	-	500,000
Convertible Note – Equity conversion feature	-	-	1,386,112	-	1,386,112
Share options	-	41,509	-	-	41,509
	500,000	41,509	1,386,112	-	1,927,621
Balance as at 30 June 2023	47,013,006	1,287,773	1,386,112	(64,076,496)	(14,389,605)

The accompanying notes form part of and should be read in conjunction with these consolidated financial statements.

**M8 SUSTAINABLE LIMITED
AND ITS CONTROLLED ENTITY**

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Cash flows from operating activities			
Loss after income tax		(19,436,252)	(11,371,650)
<i>Adjustment for:</i>			
Depreciation		-	1,593,053
Impairment of assets		178,564	5,077,946
Provision for expected credit losses		-	791,273
Gain on disposal of property, plant and equipment		-	(95,952)
Non-cash interest expense		-	701,752
Interest expense		3,387,660	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		(1,102,854)	-
Loss on deconsolidation of subsidiary		28,493,236	-
Gain on Voluntary Administration		(16,138,216)	-
<i>Changes in assets and liabilities:</i>			
(Increase)/decrease in trade and other receivables		172,925	375,375
(Increase) in prepayments		150,058	(20,170)
(Increase) in deposits		(100,000)	-
Decrease in inventory		-	388,568
(Decrease)/increase in trade and other payables		9,067,578	857,854
(Decrease)/increase in provisions		(18,073)	66,644
Net cash used in operating activities		4,793,899	(1,035,054)
Cash flows from investing activities			
Purchase of property, plant and equipment		(22,750)	(5,147,595)
Proceeds from sale of fixed assets		-	310,613
Payment for investment in joint venture		-	(195,000)
Net cash used in investing activities		(22,750)	(5,031,982)

**M8 SUSTAINABLE LIMITED
AND ITS CONTROLLED ENTITY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Cash flows from financing activities			
Proceeds from issue of shares		500,000	4,379,892
Proceeds from M8 Holding Limited convertible note		7,048,433	
Proceeds from short-term loans		-	364,875
Proceeds from Reforme Convertible Notes		2,400,000	-
Proceeds from M8 Holding Limited loan		-	2,350,000
Repayment of short-term loans		(48,722)	(349,280)
Repayment of Remagen loan		(12,920,849)	(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)
Net cash used in generated from financing activities		(4,756,996)	4,263,537
Net increase (decrease) in cash and cash equivalents		14,152	(1,803,499)
Cash and cash equivalents at the beginning of the year		11,596	1,815,095
Cash and cash equivalents at the end of the financial year	13	25,748	11,596

The accompanying notes form part of and should be read in conjunction with these consolidated financial statements.

M8 SUSTAINABLE LIMITED AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 1 General Information

This financial report, which covers the consolidated financial statements of M8 Sustainable Limited ("M8S", the "Company") was authorised for issue in accordance with a resolution of the Directors on 27 September 2024.

M8S is a company limited by shares, incorporated and domiciled in Australia. Its registered office is 4C Consulting Pty Ltd, Unit 5, 145 Walcott Street, Mount Lawley WA 6050 and principal place of business is Unit 1, 48 Kelvin Road, Maddington WA 6109.

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 and the establishment of a skip bin business at its Maddington Waste Facility. The skip bin business, Access Waste, commenced in September 2021.

Note 2 Basis of Preparation and Summary of Significant Accounting Policies

a) Basis of preparation

(i) Compliance statement

The consolidated financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standard Board and in compliance with International Financial Standards as issued by the International accounting Standards Board ("IFRS"). The Group is a for-profit entity for financial reporting purposes under the Australian Accounting Standards. Material accounting policies adopted in the preparations of the financial statements are presented below.

The company was consolidated with Fernview Environment Pty Ltd until the 14th February 2023, when Voluntary administrators were appointed to the subsidiary resulting in M8 deconsolidating Fernview.

The consolidated financial statements have been prepared on a historical cost basis.

The accounting policies adopted by the Group are consistent with the prior year except for the impact of adopting new and amended Accounting Standards and Interpretations which were effective from 1 July 2022 (see below).

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Pinnacle Listed Comprehensive Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Pinnacle Listed Comprehensive Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

M8 SUSTAINABLE LIMITED AND ITS CONTROLLED ENTITY

On 14 February 2023, the Company ceased to have control of its previously wholly owned subsidiary, Fernview Environment Pty Ltd (Fernview).

The consolidated profit or loss of the Group includes the results of Fernview up until this time. The consolidated statement of financial position as at 30 June 2023 comprises of only M8 Sustainable Pty Ltd.

(ii) Going concern

As at 30 June 2023, the Group's cash and cash equivalents amounted to \$25,748 (2022: \$11,596), it had net current liabilities of \$3,661,447 (2022: net current liabilities of \$20,260,062).

On 10 February 2023, the securities of the company were suspended from quotation on the ASX and on 13 February 2023, McGrathNicol Restructuring was appointed as Voluntary Administrators of the company. On the 14 February 2023, McGrathNicol Restructuring was also appointed as Voluntary Administrators of the company's wholly owned subsidiary, Fernview Environment Pty Ltd. In connection with the appointment of Voluntary Administrators, McGrathNicol undertook an assessment of the company and its business and assets and explored options for the sale and/or recapitalisation of the company.

The Voluntary Administrators advised on 1 June 2023 that 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.

**M8 SUSTAINABLE LIMITED
AND ITS CONTROLLED ENTITY**
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

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.

Since 10 February 2023 the company has had and continues to have its securities suspended from quotation on the ASX.

Since 6 June 2023, Directors of the company have been in on-going discussions with its majority shareholder, M8 Holdings Limited with regard to funding alternatives and strategic partnering arrangements, including with respect to the near complete Gingin land fill facility now owned indirectly by M8 Holdings Limited through its now wholly owned subsidiary Fernview Environmental Pty Ltd.

Since 6 June 2023, the company has

- reduced its monthly salaries and wages cost with all continuing employees other than the managing director having been made redundant;
- revised its leasing arrangements with the Maddington property lessor so as to reduce the monthly lease cost;
- continued its green waste agreement with Community Green Waste and its weighbridge activities which is contributing cashflow and revenue for the company, albeit at relatively low amounts at this time; and
- disposed of certain fixed assets (with a written down value of Nil) for proceeds of \$524,000.

Since 6 June 2023, M8 Holdings Limited has provided working capital funding, by way of loan, to the company of \$427,000.

The Company continues to work with its major shareholder M8 Holding Limited in relation to its funding needs. M8 Holding Limited has provided the Company with a letter of support to provide a \$500,000 working capital facility, if required, as well providing underwriting for a \$2m placement prior to re-quoting of its securities on the ASX.

Pursuant to the DOCA, the following repayment arrangements exist with regard to creditors not settled through the DOCA:

- M8 Holdings Limited – the amount owing of \$7,530,180.00 to be repaid
- RPS Recycling – the amount owing of \$NIL to be repaid
- Sbang Australia – the amount owing of \$942,550.89 to be repaid
- the Maddington property lessors – the amount owing of \$ NIL to be repaid
- Iron Capital – the amount owing of \$NIL to be repaid

Directors anticipate recapitalising the company through both debt and equity raisings and are endeavouring to have the securities of the company back trading on the ASX by 28 February 2025. If successful, directors anticipate the ability for the company, in the longer term, to be able to meet its debts as and when they fall due and payable. Whilst Directors anticipate having, in the immediate short term, sufficient funding available to enable the company to settle creditors arising from its current day to day activities, the company does not currently hold the funds necessary to settle the liabilities noted above.

Accordingly, the above matters give rise to a material uncertainty with respect to the company's ability to continue as a going concern and therefore its ability to realise its assets and settle its liabilities in the ordinary course of business and at the amounts set out in the financial statements.

**M8 SUSTAINABLE LIMITED
AND ITS CONTROLLED ENTITY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

a) Basis of preparation (continued)

(iii) New and amended accounting standards and interpretations adopted

The Group has adopted all new or amended standards and interpretations effective from 1 July 2023. The adoption of these new and amended accounting standards and interpretations did not result in any significant changes to the Group's accounting policies.

(iv) Comparatives

When required by Australian Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year. Comparative disclosures affecting the profit and loss have been restating reflecting the discontinuing operation which occurred in financial year 2024.

(v) New and amended accounting standards and interpretations not yet effective and not adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective for entities preparing financial statements for the year ended 30 June 2023 have not been adopted by the Group. The Group has considered the impact of the below and does not expect them to have a material impact on the financial statements upon adoption.

<u>New and amended accounting standards</u>	<u>Effective date</u>
AASB 2021-2 <i>Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates</i>	1 January 2023
▶ Amendments to AASB 7, AASB 101, AASB 134 and AASB Practice Statement 2	
▶ Amendments to AASB 108	
AASB 2021-5 <i>Amendments to Australian Accounting Standards – Deferred Tax related to As- sets and Liabilities arising from a Single Transaction</i>	1 January 2023
▶ Amendments to AASB 3, <i>Reference to the Conceptual Framework</i>	

a) Foreign currency translation

Functional and presentation currency

The functional currency of the Company and its controlled entity is Australian dollars (A\$). This is also the Group's presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the reporting date.

All exchange differences are taken to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

b) Revenue from contracts with customers

The Group generates revenue from metals recycling and waste recycling activities which both operate through its facility at Maddington, Western Australia. The Group also has a contract for the provision of operational and maintenance services to a related party.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at the amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements, because it controls the goods and services before transferring them to the customers.

In mid-September 2021, the Company launched Access Waste – a skip bin business which utilises a cloud-based waste management and logistics platform.

The development and launch of Access Waste is a key component of the Company's waste strategy designed to generate waste for disposal at Gingin and support the daily operations at Maddington, whilst minimising the Company's investment in logistics infrastructure by utilising third party logistics providers to service the Company's customers.

Operational and maintenance services

The Group's contract for rendering of operations and maintenance (O&M) services to a related party involves various activities. These activities tend to be substantially the same with the same pattern of transfer to the customer. These services are taken to be one performance obligation satisfied over the contract period.

For service contracts, where the transaction price is considered to be variable consideration, the Group applies the variable consideration allocation exception to allocate variable consideration to distinct services in the services contract. The customer is typically invoiced monthly.

Maddington facility gate fee revenue

The Group collects gate fees from customers when the waste is received at its Maddington facility. The Group recognises revenue at the point in time when the waste is received and accepted.

Inventory sales

Inventory sales of the Group consist of metals and road base. The Group recognises revenue at the point in time control of the inventory is transferred to the customer.

Waste management

Revenue from collection and disposal of waste is recognised when the performance obligation to the customer has been fulfilled, which is generally when the waste has been collected from the customer. Costs to dispose of the waste are generally incurred at, or close to the time of collection.

c) Interest income

Interest revenue is recognised as interest accrues using the effective interest method.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

d) Leases

Group as Lessee

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as Lessor

Short-term equipment hire

The Group undertakes short-term hire of equipment and recognises revenue from this equipment hire on a straight-line basis over the hire term.

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Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

e) Employee benefits

Wages, salaries and other short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, accumulating sick leave and other short-term benefits expected to be settled wholly within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

Superannuation

Contributions made by the Group to employee superannuation funds, which are defined contribution plans, are charged as an expense when incurred.

Long-term benefits

Long-term employee benefits within the Group include long service leave. The liability for long-term employee benefits is recognised and measured using the projected unit credit method. The obligation is calculated using expected future increases in wage and salary rates, experience of employee departures and period of service. Expected future payments are discounted using the market yields at the reporting date on high quality corporate bonds which have maturity dates approximating the terms of the Group's obligations.

f) Income tax

The income tax expense or revenue for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiary operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

Tax consolidation

The Group formed a tax consolidated group on 13 April 2018.

The parent company and its controlled entity continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the Company also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from the subsidiary.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) the wholly-owned tax consolidated entity.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

h) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position includes cash on hand, deposits held at call with banks that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purposes of the Statement of Cash Flows, cash and cash equivalents are as described above.

i) Trade and other receivables

Trade receivables that do not contain a significant financing component are measured at the transaction price determined in accordance with the revenue policy. Other receivables are initially measured at its fair value plus, in the case of receivables not at fair value through profit or loss, transaction costs.

Receivables at amortised cost

The Group measures receivables at amortised cost where the objective is to hold the financial asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Receivables at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the receivable is derecognised, modified or impaired.

M8 SUSTAINABLE LIMITED AND ITS CONTROLLED ENTITY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for trade receivables and other receivable not held at fair value through profit or loss. ECLs are based on the difference between the contracted cash flows due in accordance with the contract and all the cash flows the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating expected credit losses and recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other receivables, ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of default (a lifetime ECL).

The Group considers a receivable to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full or uncollected after issuing a letter of demand. A receivable is written off when there is no reasonable expectation of recovering the contractual cash flows.

j) Investment in joint venture

The Group's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. The financial statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

k) Property, plant and equipment

Property, plant and equipment is stated at cost less any accumulated depreciation and impairment. In the event the carrying amount of an asset is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during financial period in which they are incurred.

Depreciation

The depreciable amount of fixed assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of the lease term, and the useful life of the asset which will depend on the date of capitalisation. The following depreciation rates were applied during the financial year:

- mobile plant	20% pa
- fixed plant	6% pa
- office equipment	25% pa
- motor vehicles	25% pa
- leasehold improvements	20% pa

The residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

l) Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade payables and other payables are carried at amortised cost and due to their short-term nature, they are not discounted.

m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

o) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of the time to prepare for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Capitalisation of borrowing costs is suspended during periods where there is no active development of a qualifying asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

p) Contributed equity

Ordinary shares are classified as equity. Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit. Distributions on ordinary shares are recognised as a liability in the period in which they are declared.

q) Share-based payments

Equity-settled transactions

Where employees are granted share-based payments, the cost of equity-settled transactions is determined at the grant date using an appropriate valuation model. Further details are given in Note 24.

The amount recognised as an expense during the vesting period is based on the number of equity instruments expected to vest. The Group revises that estimate if subsequent information indicates that the number of rights

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AND ITS CONTROLLED ENTITY**

expected to vest differs from the previous estimate. On vesting date, the Group revises the estimate to the number of rights that ultimately vest. After the vesting date, the Group reverses the amount recognised if the rights are subsequently forfeited, or lapse.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

r) Inventories

Inventories of recycled metals and processed road base are valued at the lower of cost and net realisable value. For recycled metals, the cost is based on the weighted average cost principle.

Cost of processed road base is based on cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.

s) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

t) Significant accounting judgements and critical estimates

In the preparation of the financial report, management has made certain judgements and estimates that affect reported amounts of revenues, expenses, assets and liabilities.

Judgements

In applying the Group's accounting policies, the following judgements were made:

Operational and maintenance services

The Group's contract for rendering of operations and maintenance services to a related party involve various activities. The performance obligation is fulfilled over time as services are consumed as provided. The customer is typically invoiced monthly for a fixed management fee plus a service charge calculated as 10% of operational costs.

Lease terms for right-of-use assets and lease liabilities

The Group determines the lease term as the non-cancellable term of the lease. The Group has the option under some of its leases to lease the assets for additional terms of one to 5 years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. The Group has concluded that it will exercise all extension options on its principal lease for the Maddington premises.

Estimates and assumptions

The Group makes the following estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur. For the current reporting period, there was limited impact on the Group due to COVID-19 as the construction industry grew, especially in Western Australia.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 2 Basis of Preparation and Summary of Significant Accounting Policies (continued)

Useful life of depreciable assets

Management reviews its estimates of the useful lives of depreciable assets at each reporting date, based on the expected useful life of the assets. Uncertainties in estimates include assessing the impact of the Group's operating environment and technical and other forms of obsolescence.

Impairment of non-current assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow (DCF) model.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows which are discounted using an appropriate discount rate. Estimation uncertainty relates to assumptions about the expected future cash flows from operating results, the determination of a suitable discount rate used for the DCF model and the growth rate used for extrapolation purposes (refer Note 9).

Provision for expected credit losses on trade and other short-term receivables

For trade and other short-term receivables, the Group uses the simplified approach based on life time expected credit loss. The loss allowance is based on historically observed default rates and incorporates forward looking estimates. It also factors in receipts up to the date of issuing the accounts.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised (refer Note 10). Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future profits.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option and volatility. The expense recognised also includes making estimates and judgements on the likelihood of achieving the vesting conditions. The Group initially measures the fair value of options granted to employees and directors using a Black-Scholes option pricing model to determine the fair value of the liability incurred.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

Note 3 Revenue and other income

	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Revenue from contracts with customers		
Construction and demolition (C&D) waste revenue	470,724	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
Total waste management and recycling	1,052,603	8,170,925
Operations and maintenance (O&M) service fee	175,000	270,000
Total revenue from contracts with customers	1,227,603	8,440,925
Equipment hire income	183,455	740,796
Total Revenue	1,411,058	9,181,720

The Company receives gate fees for C&D materials as well as C&I materials. The Company also receives revenue by selling recycled metals.

O&M service fee revenue relates to waste management services provided to a related party, Star Shenton Energy Pty Ltd (SSE). Due to an ongoing legal dispute at SSE with one of their customers, activities at the site have been placed in a "care and maintenance" mode until the legal dispute has been resolved and settled. The parties have agreed that the recurring management charge payable to the Company be reduced from \$40,000 per month to \$25,000 per month which commenced from 1 October 2021. In addition, the O&M service charge equal to 10% of the month's operating expenses of SSE's waste facility has been waived commencing from 1 October 2020.

The table below provides a disaggregation of segment revenues from contracts with customers (refer Note 25):

	Waste Management and Recycling \$	Operations and Maintenance \$	Total operating segments \$
Year ended 30 June 2023			
Revenue from contracts with customers	1,052,603	175,000	1,227,603
Year ended 30 June 2022	\$	\$	\$
Revenue from contracts with customers	8,170,925	270,000	8,440,925

Disaggregated segment revenue includes eliminations.

	Point in time \$	Over time \$	Total \$
Year ended 30 June 2023			
Revenue from contracts with customers	1,052,603	175,000	1,227,603
Year ended 30 June 2022	\$	\$	\$
Revenue from contracts with customers	8,170,925	270,000	8,440,925

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Note 3 Revenue and other income (continued)		
Government stimulation packages	-	23,000
Other revenue	1,102,854	91,725
Gain on asset sales	-	95,952
Gain on Voluntary administration/deed of company arrangement	16,138,211	-
	17,241,065	210,677
	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Note 4 Employee benefits, salaries and wages		
Wages and salaries expenses	(1,429,389)	(1,937,583)
Labour contracting	(309,581)	(469,199)
Consulting	(8,727)	(105,626)
Director benefits	6,698	-
Share-based payments	(41,509)	(131,612)
Total employee benefits, salaries and wages	(1,782,508)	(2,644,020)
	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Note 5 Recycling, waste disposal and other site costs		
Waste disposal costs	236,329	(311,190)
Cost of recycled metals	(86,837)	(6,806,147)
Power, fuel and oil	(150,559)	(91,916)
Short term equipment hire	(547,940)	(1,224)
Repairs, maintenance and consumables	(184,060)	(246,725)
Other	(14,769)	(26,724)
	(747,836)	(7,483,925)
	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Note 6 Other expenses		
Marketing related costs	(32,033)	(53,550)
HR and office-related expenses	(61,948)	(81,646)
IT costs	(114,553)	(80,463)
Secretarial, legal and business expenses	(650,700)	(245,352)
Motor vehicle related expenses	(36,111)	(62,508)
Provision for expected credit losses	-	(791,273)
Bad debts written off	(429,395)	(30,024)
Capital raising expenses	(9,373)	(149,935)
Other expenses	-	(6,670)
	(1,334,113)	(1,501,423)

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Note 7 Depreciation		
Depreciation on property, plant and equipment	-	(323,205)
Depreciation on right-of-use assets	-	(623,957)
	<u>-</u>	<u>(947,162)</u>
	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Note 8 Finance costs		
Interest expense on lease liability	(789,513)	(1,008,249)
Interest expense on loans and borrowings	(1,864,661)	(2,028,431)
Finance charges	(1,954,532)	(457,945)
	<u>(4,608,706)</u>	<u>(3,494,625)</u>
Less: Capitalised interest expense	1,221,044	2,398,907
	<u>(3,387,662)</u>	<u>(1,095,719)</u>

Note 9 Impairment of assets

Impairment testing

Investment in joint venture

The Group entered into a joint venture agreement with iHUB Solutions Pty Ltd on 18 November 2021 to acquire a 50% interest in iHUB Technologies Pty Ltd (iHUB), which operates at Pearsall Western Australia. Subsequent operation of this Joint venture has resulted in a continued loss over the last 3 years. This loss is expected to continue into the foreseeable future, the Asset was fully impaired

	30 June 2023	30 June 2022	
	\$	\$	
Investment in joint venture			
Carrying value	276,328	351,000	
Share of Loss	(97,764)	(74,672)	
Impairment recognised	(178,564)		
Estimated recoverable amount	-	276,328	
		-	
Maddington waste facility CGU			
Carrying value of net assets	-	5,077,946	
Estimated recoverable amount	-	-	
Impairment recognised	-	5,077,946	
	Property, Plant and Equipment	Right-of-use Asset	Total
Year ended 30 June 2023	\$	\$	\$
Impairment recognised	178,564	-	-
Year ended 30 June 2022			
Impairment recognised	2,257,796	2,820,150	5,077,946

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Note 10 Income tax		
The components of income tax benefit comprise:		
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	-	-
Relationship between income tax expense/(benefit) and accounting loss:		
Loss before income tax	(19,436,252)	(11,371,650)
At the statutory income tax rate of 25%	(4,859,063)	(2,842,912)
Non-assessable income	-	(1,668)
Non-deductible expenses	13,778	71,630
Other adjustments	-	-
Deferred tax assets not recognised	4,845,285	2,772,950
Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income	-	-
	\$	\$
Deferred tax liabilities		
Property, plant and equipment	-	(554,076)
Other deferred tax liabilities	(116,258)	(59,715)
Deferred tax liabilities	(116,258)	(613,791)
Deferred tax assets – brought to account		
Net deferred tax assets on right-of-use assets and lease liabilities	1,727,469	2,173,741
Business related capital expenditure	260,228	399,122
Accruals and provisions	131,944	318,054
Others	(2,003,383)	(2,277,126)
Deferred tax assets	116,258	613,791
Net deferred tax liability recognised	-	-

Estimated tax losses (including capital losses) of \$11,991,097 (tax effected) (30 June 2022: \$6,495,332, tax effected), have not been recognised as a deferred tax asset as there is uncertainty that the amounts will be available to offset future taxable income. In addition, deductible temporary differences of \$2,979,441 (30 June 2022: \$2,954,745) have not been recognised.

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	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
Note 11 Discontinued Operations		
Interest Income	7,000	4,513
Recycling, waste disposal and other site costs	-	(2,273)
Professional fees	(28,452)	(1,278)
Other expenses	(3,962)	(26,935)
Depreciation of property, plant and equipment	-	(645,892)
Finance costs	(6,313)	(8,319)
Loss on disposal of subsidiary	(28,461,509)	-
	(28,493,236)	(680,183)
Cash flows from (used in) discontinued operations		
Cash Flows from (used in) discontinued operation	(5,895,974)	4,732,221
Net cash (used in) operating activities	(22,750)	(5,147,595)
Net cash flow for the year	(5,918,724)	(415,374)
		2023
Effect of disposal on the financial position of the group		
Property, plant and equipment		(31,617,284)
Trade and other receivables		(3,501,639)
Cash and cash equivalents		170
Deferred tax liabilities		1,262,565
Trade and other payables		5,894,679
Loss on M8 Sustainable shareholding		(500,000)
Net assets and liabilities		(28,461,509)
Cash and Cash equivalents disposed of		(170)
Net cash inflows		(170)

On 10 February 2023, the securities of the company were suspended from quotation on the ASX and on 13 February 2023, McGrathNicol Restructuring was appointed as Voluntary Administrators of the company. On the 14 February 2023, McGrathNicol Restructuring was also appointed as Voluntary Administrators of the company's wholly owned subsidiary, Fernview Environment Pty Ltd. In connection with the appointment of Voluntary Administrators, McGrathNicol undertook an assessment of the company and its business and assets and explored options for the sale and/or recapitalisation of the company.

The Voluntary Administrators advised on 1 June 2023 that 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.

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Note 12 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 \$
Continuing and Discontinued Operations		
Net loss attributable to the ordinary holders of the group (\$)	(19,436,252)	(11,371,650)
Weighted average numbers of the ordinary shares (No)	530,634,290	453,563,493
Basic and diluted loss per share (cents)	(3.7)	(2.5)
Continuing Operations		
Net loss attributable to the ordinary holders of the group (\$)	(9,056,984)	(10,691,467)
Weighted average numbers of the ordinary shares (No)	530,634,290	453,563,493
Basic and diluted loss per share (cents)	(1.7)	(2.4)
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
	Number	Number
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
	30 June 2023 \$	30 June 2022 \$

Note 13 Cash and cash equivalents

Cash on hand and at bank	25,748	11,596
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Note 14 Trade and other receivables

	30 June 2023 \$	30 June 2022 \$
Trade receivables	314,083	742,682
Amounts due from Star Shenton Energy Pty Ltd	-	396,000
Loan receivables from Star Shenton Energy Pty Ltd	-	309,457
	314,083	1,448,138
Allowance account for expected credit losses	-	(961,131)
	314,083	487,008

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Trade and other receivables (continued)

	30 June 2023	30 June 2022
	\$	\$
Allowance account for expected credit losses		
As at 1 July	961,131	169,858
Provision for expected credit losses (utilised) / addition	(961,131)	791,273
As at 30 June	<u>-</u>	<u>961,131</u>

(i) Trade receivables are non-interest bearing and are generally on 30 to 90 day terms.

Note 15 Investment in joint venture

The Group entered into a joint venture agreement with iHUB Solutions Pty Ltd on 18 November 2021 to acquire a 50% interest in iHUB Technologies Pty Ltd (iHUB), which operates at Pearsall Western Australia. The launch of Access Waste involved the Company investing \$351,000 over an 18-month period to acquire a 50% interest in iHUB. The Company acquired 351,000 shares in iHUB through the issue of shares to acquire a 50% interest in iHUB, the entity which provides the software platform for Access Waste. iHUB was previously 100% owned by iHUB Solutions Pty Ltd. 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:

	1 July 2022 to 30 June 2023	18 November 2021 to 30 June 2022
	\$	\$
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	<u>(97,764)</u>	<u>(74,672)</u>
	30 June 2023	30 June 2022
	\$	\$
Investment in joint venture	276,328	351,000
Group's share of loss for the period	(97,764)	(74,672)
Impairment of Joint venture asset	(178,564)	-
Group's carrying amount of the investment	<u><u>-</u></u>	<u><u>276,328</u></u>

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	30 June 2023	30 June 2022
	\$	\$
Note 16 Property, plant and equipment		
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	(1,856,390)	(1,856,390)
	-	-
Fixed plant		
Gross carrying amount at cost	4,498,287	4,498,287
Less: Accumulated depreciation and impairment	(4,498,287)	(4,498,287)
	-	-
Office equipment		
Gross carrying amount at cost	164,107	164,107
Less: Accumulated depreciation and impairment	(164,107)	(164,107)
	-	-
Motor vehicles		
Gross carrying amount at cost	201,225	201,225
Less: Accumulated depreciation and impairment	(201,225)	(201,225)
	-	-
Leasehold improvement at cost	1,508,870	1,508,870
Less: Accumulated depreciation and impairment	(1,508,870)	(1,508,870)
	-	-
Skip bins		
Gross carrying amount at cost	91,124	91,124
Less: Accumulated depreciation and impairment	(91,124)	(91,124)
	-	-
Capital work in progress at cost	-	20,849,717
Total property, plant and equipment		
Gross carrying amount at cost	8,320,003	38,369,720
Less: Accumulated depreciation and impairment	(8,320,003)	(8,320,003)
Total carrying amount	-	30,049,717

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Note 16 Property, plant and equipment (continued)

Reconciliation of net book value:

	Land \$	Mobile plant \$	Fixed plant \$	Office equipment \$	Motor vehicles \$	Leasehold improve- ment \$	Skip bins \$	Capital work in progress \$	Total \$
Opening balance as at 1 July 2022	9,200,000	-	-	-	-	-	-	20,849,717	30,049,717
Purchases	-	-	-	-	-	-	-	2,372,351	2,372,351
Disposals	(9,200,000)	-	-	-	-	-	-	(23,222,068)	(32,442,068)
Depreciation charge	-	-	-	-	-	-	-	-	-
Impairment of assets	-	-	-	-	-	-	-	-	-
Net carrying amount as at 30 June 2023	-	-	-	-	-	-	-	-	-
Opening balance as at 1 July 2021	9,200,000	606,975	1,241,343	67,319	15,869	384,010	-	9,314,002	20,829,518
Purchases	-	273,929	-	12,615	102,477	-	91,124	11,535,715	12,015,860
Disposals	-	(208,067)	-	-	(6,593)	-	-	-	(214,660)
Depreciation charge	-	(137,917)	(73,728)	(17,137)	(21,729)	(67,161)	(5,533)	-	(323,205)
Impairment of assets	-	(534,920)	(1,167,615)	(62,797)	(90,024)	(316,849)	(85,591)	-	(2,257,796)
Net carrying amount as at 30 June 2022	9,200,000	-	-	-	-	-	-	20,849,717	30,049,717

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	30 June 2023 \$	30 June 2022 \$
Note 17 Other non-current assets		
Deposits at amortised cost (i)	406,500	3,906,500
Deposit for Indemnity (ii)	100,000	-
	506,500	3,906,500

(i) The deposit held with ANZ Bank is to cover bank guarantees provided to the landlord of the Maddington facility pursuant to the lease agreement (\$406,500). Financial year 2022 also includes a previous deposit provided to The Minister for Environment and the Chief Executive Officer of the Office of the Department of Water and Environmental Regulation (DWER) as required by regulatory authorities for the construction of the landfill facility (\$3,500,000) as disposed with the split with Fernview

(ii) As per the DOCA an (\$100,000) indemnity to Jon Horwath, paid on the 6 June 2023 and released 12 months after settlement

Note 18 Right-of-use assets

The Group has lease contracts for various items of mobile plant and facility used in its operations. Leases of mobile plant generally have lease terms between 1 and 2 years, while the facility has a lease term of 20 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of machinery with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases.

The carrying amounts of lease liabilities and the movements during the year are set out in Note 21.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Facility \$	Mobile Plant \$	Total \$
As at 1 July 2021	2,326,533	1,101,491	3,428,024
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)
As at 30 June 2022	-	-	-
Additions	-	-	-
Depreciation expense	-	-	-
Impairment losses	-	-	-
As at 30 June 2023	-	-	-

The following are the amounts recognised in profit or loss:

	Year ended 30 June 2023	Year ended 30 June 2022
Depreciation expense of right-of-use assets	-	(1,269,849)
Impairment expense on right-of-use assets	-	(2,820,150)
Interest expense on lease liability	(789,513)	(1,008,249)
Expense relating to short-term leases (i)	-	(1,224)
Total amount recognised in profit or loss	(789,513)	(5,099,472)

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	30 June 2023 \$	30 June 2022 \$
Note 19 Trade and other payables		
Trade payables (i)	-	1,146,014
Trade payables to SBANG Australia (Note 28)	942,551	6,993,082
Accrued and other payables (ii)	472,138	1,096,650
Payables to iHub Technologies Pty Ltd	-	156,000
	1,414,689	9,391,746

(i) Trade payables represent the liability for the goods and services received by the Group that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days.

(ii) Accrued and other payables are non-interest bearing and have an average term of three months.

	30 June 2023 \$	30 June 2022 \$
Note 20 Borrowings		
Term borrowings - ScotPac Business Finance (i)	-	565,851
Term borrowings - Bigstone Finance (i)	-	86,158
Premium funding of insurance (i)	-	48,722
Loan from M8 Holding Ltd (Thailand) (ii)	6,875,568	2,388,932
Remagen loan (iii)	-	10,531,935
	6,875,568	13,621,598
less: Non-current portion	(4,639,132)	(2,841,580)
Current portion	2,236,436	10,780,018

(i) Term borrowings from Scottish Pacific Business Finance Pty Ltd, Bigstone Lending Pty Ltd & Premium funding of insurance with Arvea liabilities where settled via the DOCA .

(ii) In September 2019, the Company entered loan facility agreement ("the Facility") with M8 Holding Limited ("M8H") (formerly named Sbang Sustainable Energies Limited), the Company's largest shareholder, pursuant to which M8H has agreed to lend up to \$4 million to the Company. On 29 October 2021, the Company issued a letter to M8H seeking to draw down on the Facility. The funds are to be utilised for current capital projects and to meet working capital requirements. Key terms of the Facility are as follows:

Loan Amount:	\$4,000,000
Interest Rate:	10% per annum
Term:	24 months after the first advance is made or such other date as agreed between the parties
Security:	security interest over all of the present and future property and assets of the Company and its controlled entity, Fernview Environmental Pty Ltd which was approved by the Company's shareholders at the annual general meeting held in June 2020.
	As a consequence of the Company entering into a loan facility with the Remagen, M8H has agreed to take second ranking security for the Facility.

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Note 20 Borrowings (continued)

On 19 August 2022 the Company entered into a \$10 million convertible note facility with M8H. The facility has an interest rate of 10% per annum. This convertible note facility replaced the loan facility outlined above. This \$10 million convertible note facility was with M8H, was subsequently adjusted by reducing the loan facility to \$5.5 million. This facility is fully drawn down.

\$697,731 has been recorded in the convertible note reserve in relation to the equity conversion feature.

On 21 December 2022, the Company entered into an additional \$2.5 million convertible note facility with M8H. The facility has an interest rate of 4.5% per annum. This facility was drawn down by \$1,548,433. The facility was further drawn down by \$1,008,000 as 31 January 2023.

\$95,941 has been recorded in the convertible note reserve in relation to the equity conversion feature.

- (iii) In January 2021, the Company entered into a finance facility from Remagen Capital Management Pty Limited (Remagen) for \$11,000,000. The facility was primarily used to complete construction of the Gingin waste management facility as well as towards working capital and fund the \$3,500,000 bank guarantee required by the regulatory authority for Gingin. Current liability component amounts to \$2,166,223. Key terms of the Remagen loan facility are as follows:

Loan Amount:	\$11,000,000
Interest Rate:	14% per annum
Term:	24 months from January 2021
Security:	(i) first ranking mortgage over the land upon which the Gingin Waste Management Facility is being constructed and over M8S's lease over the Maddington Waste Facility (ii) security interest over all of the present and future property and assets of the Company and its controlled entity, Fernview Environmental Pty Ltd
Fees:	4% of the Loan Amount payable as arrangement and loan fees with an additional 2% if the facility exceeds a term of 12 months

The loan facility also contains indemnities, warranties, undertakings and events of default considered customary for an agreement of this nature.

This loan facility was extinguished as part of the administration process.

- (iv) On 6 October 2022 the Company entered into a \$4 million convertible note facility with Reforme. The facility has an interest rate of 5% per annum. This facility was drawn down by \$2.5 million as at 31 December 2022. This loan facility was extinguished as part of the administration process.

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Year ended 30 June 2023	Short-term loans \$	ScotPac loan \$	Bigstone loan \$	M8 Holding Loan \$	Remagen loan \$
Balance at 1 July 2022	48,722	565,851	86,158	2,388,932	10,531,935
Balance at 30 June 2023	-	-	-	6,875,568	-
Movement	48,722	565,851	86,158	(4,486,637)	10,531,935
Cash					
Proceeds from short-term loans	-	-	-	-	-
Repayment of short-term loans	(48,722)	-	-	-	-
Repayment of mobile plant loan	-	(565,851)	(86,158)	-	-
Proceeds from M8 Holding	-	-	-	-	-
Repayment of M8 Holding	-	-	-	(3,874,959)	-
Other draw downs net of DOCA - Remagen loan	-	-	-	-	2,388,914
Repayment of Remagen loan	-	-	-	-	(12,920,849)
Non-cash					
Non-cash interest	-	-	-	611,678	-
	(48,722)	(565,851)	(86,158)	(4,486,637)	(10,531,935)

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Note 20 Borrowings (continued)

Year ended 30 June 2022	Short-term loans	ScotPac loan	Bigstone loan	M8 Holding loan	Remagen loan
	\$	\$	\$	\$	\$
Balance at 1 July 2021	33,128	700,660	134,358	-	10,736,525
Balance at 30 June 2022	48,722	565,851	86,158	2,388,932	10,531,935
Movement	(15,594)	134,809	48,200	(2,388,932)	204,590
Cash					
Proceeds from short-term loans	364,875	-	-	-	-
Repayment of short-term loans	(349,281)	-	-	-	-
Repayment of mobile plant loan	-	(134,809)	(48,200)	-	-
Proceeds from M8 Holding	-	-	-	2,350,000	-
Repayment of Remagen loan	-	-	-	-	(867,411)
Non-cash					
Non-cash interest	-	-	-	38,932	662,821
	15,594	(134,809)	(48,200)	2,388,932	(204,590)

Note 21 Lease liabilities

	2023	2022
	\$	\$
As at 1 July	8,694,963	9,067,925
Additions	-	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)	-
As at 30 June	(6,909,878)	8,694,963
Current	314,353	683,086
Non-current	6,595,525	8,011,877

Note 22 Provisions

	30 June 2023	30 June 2022
	\$	\$
Employee provisions	155,640	173,713

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Note 23 Share capital and reserves

Share Capital

	30 June 2023	30 June 2022
	Number	Number
(a) Issued and paid up capital		
Issued and fully paid ordinary shares	548,638,191	477,209,670
(b) Movement in ordinary shares		
Balance as at 1 July	\$ 46,513,006	\$ 41,991,364
Issuance through placement	500,000	-
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)
Balance as at 30 June	47,013,006	46,513,006
(c) Movement in ordinary shares		
Balance as at 1 July	2023 Number 477,209,670	2022 Number 233,229,835
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 through placement	71,428,521	-
Balance as at 30 June	548,638,191	477,209,670

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings

Share-based Payment Reserve

	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	-	57,750
Cost of issuing shares to Adroit Capital Group ESG Pty Ltd	41,508	-
Reversal of bonus shares	-	(28,399)
Shares issued to KMPs and directors	-	(141,750)
Balance at 30 June	1,287,773	1,246,264

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel and options issued to the lead manager or its nominees, as part of their remuneration.

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Note 23 Share capital and reserves (continued)

Capital Management

For the purpose of the Group's capital management, capital includes issued capital, and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

Convertible note valuation reserve

	2023 \$	2022 \$
Balance at 1 July	-	-
Equity Conversion Feature	1,386,112	-
Balance at 30 June	<u>1,386,112</u>	<u>-</u>

The Convertible note valuation reserve is used to recognise the value of the equity conversion feature relating to the convertible note on issue.

Note 24 Share-based payments

No executive cash bonuses were paid during the reporting period (2022: None).

Options

The Company issued 10,000,000 options to the underwriter of the renounceable rights issue pursuant to a prospectus dated 25 June 2021. The options were issued as consideration for services provided by the underwriter in relation to the rights issue. The options had a fair value of \$0.00598 per option, determined using a Binomial option pricing model and taking in to account the terms and conditions upon which the options were granted. As the Company determined that it could not reliably measure the fair value of the service provided, it rebutted the presumption that it could determine the fair value of the service provided and options issued were, therefore, fair valued as indicated below.

The fair value of the options was calculated on the date of grant using the following assumptions:

Exercise price	\$0.040
Term	3 years
Dividend yield	0%
Extended volatility	45%
Risk free interest rate	0.20%

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Note 24 Share-based payments (continued)

Movements during the year

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	2023 Number	2023 WAEP	2022 Number	2022 WAEP
Outstanding at 1 July	30,000,000	\$0.18	20,000,000	\$0.25
Granted during the year ¹	-	\$0.04	10,000,000	\$0.04
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	<u>20,000,000</u>	-	<u>-</u>	-
Outstanding at 30 June	<u>10,000,000</u>	\$0.04	<u>30,000,000</u>	\$0.18
Exercisable at 30 June	10,000,000	\$0.04	20,000,000	\$0.25

¹ Issue of options to the underwriter of the August 2021 rights issue being consideration for services provided in relation to the rights issue.

Note 25 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)
- landfill operations

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 (C&D) and C&I waste. (C&I). 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 activities 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 25 Operating segments (continued)

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

	Waste Management and Recycling \$	Operations and Maintenance \$	Total operating segments \$
Year ended 30 June 2023			
Revenue from contracts with customers	1,236,058	175,000	1,410,538
Other income	1,102,854	16,138,211	17,241,065
Total Income	2,338,912	16,138,211	18,652,123
Operating expenses	(5,871,386)	(215,136)	(6,086,522)
EBITDA	(3,532,474)	(40,136)	12,565,601
Depreciation and amortisation	-	-	-
Net finance costs	(3,330,053)	-	(3,330,053)
Impairment losses	(178,564)	-	(178,564)
Loss before income tax	(7,041,091)	16,098,075	9,056,984
Income tax benefit	-	-	-
Loss after income tax	(7,041,091)	16,098,075	9,056,984

	Waste Management and Recycling \$	Operations and Maintenance \$	Landfill Operations \$	Total operating segments \$
Year ended 30 June 2022				
Revenue from contracts with customers	8,911,720	270,000	-	9,181,720
Other income	210,677	-	-	210,677
Total Income	9,122,397	-	-	9,392,397
Operating expenses	(12,472,431)	(313,236)	(223,721)	(13,009,388)
EBITDA	(3,350,034)	(43,236)	(223,721)	(3,616,991)
Depreciation and amortisation	(298,237)	(1,517)	(647,408)	(947,162)
Net finance costs	(978,636)	(33,109)	(41,428)	(1,049,368)
Impairment losses	(5,077,946)	-	-	(5,077,946)
Loss before income tax	(9,701,048)	(77,862)	(912,557)	(10,691,467)
Income tax benefit	-	-	-	-
Loss after income tax	(9,701,048)	(77,862)	(912,557)	(10,691,467)
Capital expenditure	369,556	110,589	11,535,715	12,015,860

- (i) The company reported income of \$16,138,211 related to the Deed of Company Arrangement, this amount is reported under operations and maintenance.
- (ii) 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.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 25 Operating segments (continued)

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.

	Year ended 30 June 2023	Year ended 30 June 2022*
	\$	\$
Note 26 Auditor's remuneration		
RSM Australia Partners was appointed as auditor of the company in January 2023. The predecessor auditor was Ernst & Young.		
<i>Fees to RSM (Australia)</i>		
Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities including the half-year review	160,000	283,154
Fees for other assurance services	-	-
Fees for other services:		
- Tax compliance	-	36,550
- R&D services	-	-
- GST services	-	1,500
	160,000	321,204

* Paid to Ernst & Young as predecessor auditor.

M8 SUSTAINABLE LIMITED AND ITS CONTROLLED ENTITY

Note 27 Key Management Personnel (KMP) disclosures

The following were KMPs of the Group at any time during the reporting period and, unless indicated, were KMPs for the entire period:

1. Saithsiri Saksitthisereekul – Non-Executive Chairman
2. Tomasz Rudas – Managing Director
3. Mark Puzey – Non-Executive Chairman (resigned 2 December 2022)
4. Damien Flugge - Executive Director (appointed 14 October 2022)
5. Rodney Illingworth - Non-Executive Director (appointed 19 October 2023, ceased as a Director on 1 June 2023)
6. Vijay Joshi – Chief Financial Officer (resigned 16 August 2023)

	Year ended 30 June 2023 \$	Year ended 30 June 2022 \$
The aggregate KMPs compensation is set out below:		
Short-term benefits	816,134	841,423
Post-employment benefits	79,428	63,341
Long term benefits	34,615	34,615
Share-based payments	-	188,207
	930,177	1,127,586

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 28 Related party transactions

		Sales to Related parties \$	Purchases from related parties \$	Amounts owed by related parties \$	Amounts owed to related parties \$
Star Shenton Energy Pty Ltd	2023	192,500	-	-	-
	2022	297,000	-	705,457	-
Sbang Australia Pty Ltd	2023	-	-	-	942,551
	2022	-	8,451,383	-	6,993,082
M8 Holding Ltd (Thailand)	2023	-	-	-	6,875,568
	2022	-	-	-	2,388,932

- i) Star Shenton Energy Pty Ltd (SSE) - an amount totaling \$192,500 (inclusive of GST) was invoiced during the period for the provision of operations and maintenance services. Vijay Joshi is a KMP of the Company and also a director of SSE.

The Group has a trade receivable from SSE for an amount of \$Nil (2022: \$396,000) and a loan receivable from SSE of \$Nil (2022: \$309,457). In the 2023 FY the loan and trade receivable were fully impaired.

	2023 \$	2022 \$
Balance as at 1 July	705,457	657,958
O&M fees	192,500	297,000
Receipts	(5,000)	(364,828)
Loans provided	6,186	68,977
Interest	42,381	46,350
Impairment	941,524	-
Balance as at 30 June	-	705,457

Note 29 Commitments and contingent liabilities

Guarantees

The Group has provided the following bank guarantees at 30 June 2023:

- The landlord of the Maddington facility pursuant to the lease agreement for \$406,500 (2022: \$406,500).
- As per the DOCA an (\$100,000) indemnity to Jon Horwath, paid on the 6 June 2023 and released 12 months after settlement

The Group does not have any other contingent liabilities as at balance sheet date and none have arisen since balance sheet date to the date of signing the Directors' Report.

**M8 SUSTAINABLE LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 30 Financial risk management

The Group's principal financial instruments comprise cash, receivables, payables, borrowings and lease liabilities. The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting its future financial security.

The main risks arising from the Group's financial instruments are credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include:

- aging analyses and monitoring of specific credit allowances are undertaken to manage credit risk.
- liquidity risk is monitored through the development of future rolling cash flow forecasts.

Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables.

Credit risk in respect of trade and other receivables arises when a customer fails to meet its contractual liabilities. The Group is exposed to such risk. However, the Group seeks to minimise/reduce this risk by setting credit limits and focussing on having a broader rather than narrow number of customers.

The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

The Group considers the probability of default upon initial recognition of a financial asset and whether there has been a significant increase in credit risk on an ongoing basis throughout the reporting period.

Except for trade receivables, contract assets and other short-term receivables (see below), ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. In making this assessment, the Group considers information that is reasonable and supportable, including historical experience and forward-looking information. In particular, the Group takes into account the counterparties external credit rating (as far as available), actual or expected significant changes in the operating results of the counterparty and macroeconomic when assessing significant movements in credit risk.

Market Risk

Market risk comprises two types of risk: interest rate risk and other price risk. For the Group, market risk comprises of interest rate risk. Financial instruments affected by market risk include loans and borrowings, deposits, and debt.

**M8 SUSTAINABLE LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 30 Financial risk management (continued)

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates is restricted to cash and cash equivalents of \$25,748 (2022: \$11,596). As all borrowings are on fixed rates, there is no significant interest rate risk at the balance sheet date.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. It is the Group's policy to maintain sufficient funds in cash and cash equivalents to meet the financial obligations. Management monitors rolling cash flows and regularly reviews existing funding arrangements to manage this risk.

The table below summarises the maturity profile of the Group's financial liabilities based on undiscounted payments:

30 June 2023	Less than 3 months \$	3 to 12 months \$	1 to 5 years \$	> 5 years \$	Total \$
Trade payables	-	-	-	-	-
Accrued and other payables	472,138	-	-	-	472,138
Convertible notes from M8 Holding Ltd (Thailand)	-	-	6,875,568	-	6,875,568
Lease liabilities	60,558	253,795	2,282,020	4,313,505	6,090,878
	<u>452,697</u>	<u>253,795</u>	<u>2,820,387</u>	<u>4,313,505</u>	<u>14,257,585</u>
30 June 2022					
Trade payables	4,947,747	3,191,348	-	-	8,139,096
Accrued and other payables	1,155,151	97,500	-	-	1,252,651
Term borrowings	114,216	196,482	390,033	-	700,731
Loan from Remagen	1,200,000	9,331,935	-	-	10,531,935
Loan from M8 Holding Ltd (Thailand)	-	-	2,388,932	-	2,388,932
Lease liabilities	576,383	1,729,149	1,416,796	4,972,634	8,694,962
	<u>7,993,497</u>	<u>14,546,414</u>	<u>4,195,761</u>	<u>4,972,634</u>	<u>31,708,306</u>

**M8 SUSTAINABLE LIMITED
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Note 30 Financial risk management (continued)

Fair value

The methods for estimating fair value are outlined in the relevant notes to the financial statements. The carrying amounts of financial assets and liabilities of the Group carried at amortised cost approximate their fair values.

Note 31 Events after the reporting period

With the exception of the transactions noted below, no material transactions have occurred since 30 June 2023 and the date of the approval of the financial statements which the Directors consider require disclosure.

On 1 October 2023 the Company reduced its out-goings by reducing its rent from \$115,000 per month to \$62,000 per month by relinquishing leases over Unit 1 and 2, 48 Kelvin Road Maddington (offices) and Lot 280, 42 Kelvin Rd, Maddington. As part of the surrender of leases the Company sold its recycling equipment to fund working capital and the clean-up of the site of unprocessed material, left over from operations prior to Voluntary Administration.

A new 7-year lease was entered into for Lot 281, 42 Kelvin Rd, Maddington to focus on scrap metal recycling and waste transfer station. The Company is evaluating opportunities in shredding of scrap metals and tire recycling and has sought amendment to its environmental licenses to allow for these activities on the site. The Company is also evaluating potential partners for waste processing through its transfer station, for eventual disposal at the Gingin landfill facility, now owned by M8 Holdings Limited.

- In August 2023, Vijay Joshi resigned as Chief Financial Officer
- In November 2023, a new employment contracts were entered into between the Company and Tomasz Rudas on similar terms and conditions, but on lower remuneration.
- On the 23 February 2024, the Company appointed Winton Willesee and Alessandra Gauvin of Azalea Corporate as Company Secretary

M8 SUSTAINABLE LIMITED AND ITS CONTROLLED ENTITY

Note 32 Parent Entity Disclosure

	30 June 2023	30 June 2022
	\$	\$
Assets		
Current assets	459,670	27,522,901
Non Current Assets	506,500	21,121
Total Assets	966,170	27,574,022
Liabilities		
Current liabilities	4,121,117	15,075,464
Non Current Liabilities	11,234,658	9,590,891
Total Liabilities	15,355,775	24,666,355
Total Net Assets	(14,389,605)	2,907,667
Equity		
Issued Share Capital	47,013,006	46,512,906
Share based payment reserve	1,287,773	1,246,264
Convertible note valuation reserve	1,386,112	-
Accumulated losses	(14,389,605)	(44,851,503)
Total Equity	(14,389,605)	2,907,667
 Statement of Profit or Loss and Other Comprehensive Income		
Total (loss), net of tax	9,056,984	(11,154,291)
Profit (loss) for the year	9,056,984	(11,154,291)

The Parent has not entered into any guarantees with any of its subsidiaries (2022: None)

The Parent has no contingent liabilities as at year end (2022: None)

- End of the Report -

M8 SUSTAINABLE LIMITED

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 11 September 2024.

1. QUOTATION

Listed securities in M8 Sustainable Limited are quoted on the Australian Securities Exchange under ASX code M8S (Fully Paid Ordinary Shares) and are not quoted on any other exchange.

2. VOTING RIGHTS

The voting rights attached to the Fully Paid Ordinary Shares ("Shares") of the Company are:

- (a) at a meeting of members or classes of members each member entitled to vote may vote in person or by proxy or by attorney; and
- (b) every member present in person, or by proxy or attorney:
 - (i) on a show of hands, has one vote; and
 - (ii) on a poll, has one vote for each Share held.

3. DISTRIBUTION OF SHAREHOLDERS

i) Fully Paid Ordinary Shares

Shares Range	Holders	Units	%
1 – 1,000	17	1,556	0.00
1,001 – 5,000	36	131,517	0.02
5,001 – 10,000	39	323,811	0.06
10,001 – 100,000	313	15,838,075	2.89
100,001 and above	308	532,343,232	97.03
Total	713	548,638,191	100.00%

On 11 September 2024, there were 302 holders of unmarketable parcels of less than 55,556 Shares (based on the closing Share price of \$0.009).

4. SUBSTANTIAL SHAREHOLDERS

The names of the substantial shareholders as notified to the Company as at 11 September 2024 are:

Name: SBANG Sustainable Energies Limited and Saithsiri Saksitthisereekul
 Holder of: 83,215,038 Shares, representing 35.68% as at 10 July 2019
 Notice Received: 12 December 2019

Name: SG Hiscock & Company Limited
 Holder of: 15,000,000 Shares, representing 6.43% as at 11 December 2019
 Notice Received: 13 December 2019

Name: Star Universal Network Public Company Limited
 Holder of: 23,900,000 Shares, representing 10.25% as at 20 September 2019
 Notice Received: 13 December 2019

Name: Adroit Capital Group
 Holder of: 71,428,521 Shares, representing 13.02% as at 3 October 2022
 Notice Received: 6 October 2022

5. RESTRICTED SECURITIES

The Company does not have any restricted securities.

6. ON MARKET BUY-BACK

There is currently no on market buy-back in place.

7. APPLICATION OF FUNDS

M8 SUSTAINABLE LIMITED

SHAREHOLDER INFORMATION

The Company has applied its cash and assets readily convertible to cash in a way that is consistent with its business objectives detailed in its IPO prospectus.

8. TWENTY LARGEST SHAREHOLDERS

The twenty largest holders of the Company's quoted Shares as at 11 September 2024 are as follows:

	Holder Name	Holding	%
1	M8 Holding Limited	166,430,076	30.34
2	Adroit Capital Group ESG Pty Ltd <Adroit Capital Group ESG A/C>	71,428,521	13.02
3	Star Universal Network Public Company Limited	23,900,000	4.36
4	Chesapeake Capital Ltd	12,000,000	2.19
5	J P Morgan Nominees Australia Pty Limited	11,221,577	2.05
6	Mr Marx Lin	9,597,603	1.75
7	Athukorala Holdings Pty Ltd	8,728,698	1.59
8	Kingsley Craig Flugge + Margaret Flugge <Flugge Super Fund A/C>	8,351,526	1.52
9	Jasper Hill Resources Pty Ltd <Superannuation Account>	7,700,000	1.40
10	Future Super Pty Ltd <JWS Super Fund A/C>	7,000,000	1.28
11	CG Nominees (Australia) Pty Ltd	6,835,000	1.25
12	Citicorp Nominees Pty Limited	5,042,838	0.92
13	Summerset Global Ltd	5,010,008	0.91
14	Alderhaus Pty Ltd	4,500,000	0.82
14	GE Equity Investments Pty Ltd	4,500,000	0.82
16	Mr Wayne Stephen Akeroyd	4,419,468	0.81
17	BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient>	4,229,897	0.77
18	Mr Kingsley Craig Flugge + Ms Margaret Flugge	4,229,709	0.77
19	Adroit Capital Investments Pty Ltd	3,578,627	0.65
20	Mr Michael Frank Manford <No 2 A/C>	3,326,300	0.61
	Totals	372,029,848	67.81%