

ASX Announcement | 29 October 2024

QUARTERLY ACTIVITIES REPORT
FOR THE PERIOD ENDED 30 September 2023
KEY POINTS

- The Company undertook a review of operations to establish a plan for the business going forward.
- The company identified costs savings plan that included the restructure of the current lease arrangements.

M8 Sustainable Limited (“M8S” or “the Company”) (ASX: M8S) provides the following update on Company activities for the quarter ended 30 September 2023.

The Company undertook a review of its strategic plan and decided that given the lack of a robust regulatory framework in Western Australia governing the Construction and Demolition (C&D) waste management industry, the company would no longer be involved in accepting C&D waste in Maddington for recycling.

It was decided that the company would shift its focus to metals recycling as well as providing a transfer point for waste to be supplied to Gingin, rather than recycling C&D waste. As such there was a reduced requirement for land space at Maddington, with only half of the site required for future operations.

The company entered negotiations with its Lessor to surrender its leases over Lot 280, Lot 281 and offices at 48 Kelvin Rd Maddington, and to entry into a new 7-year lease over Lot 281 in Maddington. Reducing overall rental commitments by 46%. The negotiations as part of the surrender of lease include all “make-good” provisions, which include the removal and disposal of all unprocessed waste material on the site. These negotiations were ongoing during the quarter, with the aim of being finalised by the next quarter.

Cash Flow

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

Operating Activities: \$7,000 (net) received in total.

Receipts - \$393,000

- \$393,000 - receipts from customers

Payments - \$386,000

- \$242,000 - manufacturing and operating costs
- \$115,000 - employment costs including all on-costs.
- \$28,000 - insurance, legal, IT, professional, variable outgoings on leased property and audit fees etc.
- \$1,000 - interest and other finance costs

Investing Activities: \$69,000 received in total.

- \$69,000 - proceeds from sale of plant and equipment

Financing Activities: \$75,000 (net) received in total

Receipts - \$86,000: Received from M8 Holding Ltd as contribution towards operating expenses.

Payments – \$11,000: Transaction costs related to loans and borrowings

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

ENDS-

For further information please contact:

Tom Rudas, Managing Director, 0411 876 673

Appendix 4C

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

Name of entity

M8 Sustainable Limited

ABN

12 620 758 358

Quarter ended ("current quarter")

30 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months 30.09.23) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	393	393
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	(242)	(242)
(c) advertising and marketing	0	0
(d) leased assets	0	0
(e) staff costs	(115)	(115)
(f) administration and corporate costs	(28)	(28)
1.3 Dividends received (see note 3)	0	0
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	0	0
1.7 Government grants and tax incentives	0	0
1.8 Other (reclassification of interest)	0	0
1.9 Net cash from / (used in) operating activities	7	7

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months 30.09.23) \$A'000
	(f) other non-current assets (Bank guarantee)	0	0
2.2	Proceeds from disposal of:		
	(a) entities	0	0
	(b) businesses	0	0
	(c) property, plant and equipment	69	69
	(d) investments	0	0
	(e) intellectual property	0	0
	(f) other non-current assets	0	0
2.3	Cash flows from loans to other entities	0	0
2.4	Dividends received (see note 3)	0	0
2.5	Other (provide details if material)	0	0
2.6	Net cash from / (used in) investing activities	69	69

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	0	0
3.2	Proceeds from issue of convertible debt securities	0	0
3.3	Proceeds from exercise of options	0	0
3.4	Transaction costs related to issues of equity securities or convertible debt securities	0	0
3.5	Proceeds from borrowings*	86	86
3.6	Repayment of borrowings*	0	0
3.7	Transaction costs related to loans and borrowings	(11)	(11)
3.8	Dividends paid	0	0
3.9	Proceeds / (payments) from other loans	0	0
3.10	Net cash from / (used in) financing activities	75	75

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	26	26
4.2	Net cash from / (used in) operating activities (item 1.9 above)	7	7

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months 30.09.23) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	69	69
4.4	Net cash from / (used in) financing activities (item 3.10 above)	75	75
4.5	Effect of movement in exchange rates on cash held	0	0
4.6	Cash and cash equivalents at end of period	177	177

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	177	177
5.2	Call deposits	0	0
5.3	Bank overdrafts	0	0
5.4	Other (provide details)	0	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	177	177

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

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
0
0

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

7. Financing facilities		
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	86	86
7.2 Credit standby arrangements	942	942
7.3 Other (please specify)	0	0
7.4 Total financing facilities	1,028	1,028

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

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

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

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

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

Answer: Not Applicable

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

Answer: Not Applicable

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

Answer: Not Applicable

Compliance statement

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

Date: 29 October 2024

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

Notes

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