

31 August 2020

The Manager
ASX Market Announcements Office
ASX Limited
60 Bridge Street
Sydney NSW 2000

By email

Dear Sir/Madam

Preliminary Final Report (Appendix 4E) – Year Ended 30 June 2020

Please find attached the unaudited Preliminary Final Report (Appendix 4E) pursuant to Listing Rule 4.3A relating to M8 Sustainable Limited's (the Company) results for the year ended 30 June 2020.

The full financial report of the consolidated entity, being the Company and its controlled entity, for the year ended 30 June 2020 together with the auditor's report will be released by 30 September 2020.

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

Yours sincerely



John Colli
Company Secretary

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M8 SUSTAINABLE LIMITED
ACN 620 758 358

APPENDIX 4E

PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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APPENDIX 4E

PRELIMINARY FINAL REPORT

Lodged with ASX under Listing Rule 4.3A

Company Details

Name of reporting entity: M8 Sustainable Limited
ACN: 620 758 358
Current reporting period: 01 July 2019 to 30 June 2020 (FY20)
Prior corresponding period (PCP): 01 July 2018 to 30 June 2019 (FY19)

Results for announcement to the market

	FY 20	FY 19	CHANGE
	\$'000	\$'000	%
Revenue from ordinary activities	2,036	1,081	88
Loss from ordinary activities after tax	13,794	7,230	(91)
Loss for the period attributable to members of M8 Sustainable Limited	13,794	7,230	(91)

No dividend was paid during FY20. (FY19: Nil).
No dividend has been proposed or declared since the end of FY20.

Net tangible assets

The net tangible asset¹ backing per ordinary share at 30 June 2020 was \$0.09 (FY19: \$0.40 net tangible liability).

Associates and joint venture companies

Fernview Environmental Pty Ltd ACN 617 674 469 is a wholly owned subsidiary of the Company.

Review of operations

The principal activities of the Group during the financial year were starting the development of the Gingin landfill facility and receiving and recycling of Commercial & Industrial (C&I) and Construction & Demolition (C&D) waste at its Maddington Waste Facility (Maddington).

The Company also provided operations and maintenance services to the Brockwaste recycling facility at Shenton Park which is owned by Star Shenton Energy Pty Ltd.

For the financial year ended 30 June 2020, the Group incurred a loss after tax from ordinary activities of \$13,794,138 (\$7,230,316 for the prior corresponding period). The result was significantly impacted by one-off expenses associated with the IPO and impairment losses recognised at 30 June 2020.

The IPO listing resulted in one-off net expenses of \$5,938,219, with \$1,961,444 of this amount incurred as cash expenses, slightly lower than the forecasted amount of \$2m outlined in the prospectus.

Review of operations (continued)

The balance of the IPO expenses related to non-cash items associated with issuing promoter shares, a loss on conversion of loans from debt to equity with SBANG Sustainable Energies Ltd (“SBANG”) – the Company’s largest shareholder and the issue of share options to the IPO lead manager.

Following a significant remediation program, the Company’s waste recycling facility in Maddington was re-commissioned on 1 July 2019 and commenced receiving waste in August 2019. Revenue for Maddington totalled \$1,399,130 compared to \$87,181 for the prior corresponding period. A significant factor for the difference in revenue was that Maddington did not process C&D waste in the prior corresponding period.

The Group’s operations at Maddington were negatively impacted during the period by:

- COVID-19, which significantly reduced volumes of waste received particularly in March, April and May 2020.
- Competitive pressures within Commercial and Industrial (C&I) waste, a low volume-high value waste stream.

As a result of these pressures, the Group undertook an impairment assessment at 30 June 2020 and determined that the carrying value of the Maddington site exceeded the recoverable value. As a consequence, the Group has recorded an impairment loss of \$2,245,501 and is set out in the following table:

	Property, Plant and Equipment	Right-of-use Assets	Total
	\$	\$	\$
Maddington	979,699	1,265,802	2,245,501

The Group has carefully monitored the COVID-19 crisis and has established short-term strategies focused on safeguarding the key assets of the business, lowering operational costs and ensuring business continuity.

Notwithstanding the impairment recorded, the Group has noted some encouraging signs of improved activity levels in Construction and Demolition (C&D), a high volume-low value waste stream, at the end of the financial year and into the new year. The Company continues to focus its attention on marketing initiatives to grow the Maddington facility’s revenue.

The Company’s operations and maintenance contract for the Brockwaste facility continues to generate revenue.

Site works at the Group’s fully permitted landfill facility at Gingin WA commenced in early April 2020. The bulk earthworks have been completed and the Shire of Gingin has issued a substantial commencement certification - a major milestone for the project.

Following a successful Initial Public Offering (IPO), the Group’s balance sheet as at the end of the reporting period showed net assets of \$20,706,997 with a cash position of \$4,164,270.

¹ Right-of-use assets and lease liabilities have been included in the NTA calculation. The comparative has not been restated for the adoption of AASB 16 Leases.

**Preliminary Consolidated Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2020**

	Notes	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
Revenue from contracts with customers		1,982,576	683,466
Other income		53,183	397,500
Total income	1	2,035,759	1,080,966
Employee benefits, salaries and wages	2	(2,384,898)	(2,331,961)
Recycling, waste disposal and other site costs	3	(1,496,570)	(197,608)
Rental outgoings and licences fees		(402,915)	(1,377,157)
Insurance costs		(351,950)	(70,335)
Professional fees		(926,334)	(111,812)
IPO related costs	4	(5,938,219)	(1,749,917)
Other expenses	5	(388,974)	(381,389)
Depreciation of property, plant and equipment	6	(1,188,450)	(535,943)
Finance costs	7	(1,178,927)	(1,569,646)
Impairment of assets	8	(2,245,501)	-
Loss before income tax		(14,466,979)	(7,244,802)
Income tax benefit	9	672,841	14,486
Loss after income tax		(13,794,138)	(7,230,316)
Other comprehensive income		-	-
Total comprehensive loss for the financial year attributable to the equity holders of the Group		(13,794,138)	(7,230,316)
Earnings per share:			
• Basic loss per share attributable to ordinary equity holders of the parent (dollars per share)	10	(0.08)	(2.93)
• Diluted loss per share attributable to ordinary equity holders of the parent (dollars per share)	10	(0.08)	(2.93)

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

**Preliminary Consolidated Statement of Financial Position
As at 30 June 2020**

	Notes	30 June 2020 \$	30 June 2019 \$
CURRENT ASSETS			
Cash and cash equivalents	11	4,164,270	41,007
Trade and other receivables	12	1,057,734	1,737,320
Prepayments		277,366	55,883
Advances to contractor	13	250,000	-
Total Current Assets		5,749,370	1,834,210
NON-CURRENT ASSETS			
Property, plant and equipment	14	17,214,592	15,616,375
Other non-current assets		406,500	146,000
Right-of-use assets	15	6,136,773	-
Total Non-current Assets		23,757,865	15,762,375
TOTAL ASSETS		29,507,235	17,596,585
CURRENT LIABILITIES			
Trade and other payables	16	950,547	1,579,636
Borrowings	17	61,237	20,550,167
Lease liabilities	18	983,000	-
Provisions	19	101,921	1,015,935
Total Current Liabilities		2,096,705	23,145,738
NON-CURRENT LIABILITIES			
Borrowings	17	1,348	20,089
Lease liabilities	18	6,702,185	-
Deferred tax liabilities		-	672,841
Total Non-current Liabilities		6,703,533	692,930
TOTAL LIABILITIES		8,800,238	23,838,668
NET ASSETS / (LIABILITIES)		20,706,997	(6,242,083)
EQUITY / SHAREHOLDERS' DEFICIT			
Share capital	20	41,991,364	2,345,438
Shared-based payment reserve		1,519,285	421,993
Accumulated losses		(22,803,652)	(9,009,514)
TOTAL EQUITY / SHAREHOLDERS' DEFICIT		20,706,997	(6,242,083)

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

**Preliminary Consolidated Statement of Changes in Equity
For the year ended 30 June 2020**

	Issued capital \$	Share- based payment reserve \$	Accumulated losses \$	Total equity \$
Balance as at 1 July 2018	125	233,751	(1,779,198)	(1,545,322)
Loss after tax	-	-	(7,230,316)	(7,230,316)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(7,230,316)	(7,230,316)
Share-based payments	-	188,242	-	188,242
Shares issued	2,345,313	-	-	2,345,313
	2,345,313	188,242	-	2,533,555
Balance as at 30 June 2019	2,345,438	421,993	(9,009,514)	(6,242,083)
Balance as at 1 July 2019	2,345,438	421,993	(9,009,514)	(6,242,083)
Loss after tax	-	-	(13,794,138)	(13,794,138)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(13,794,138)	(13,794,138)
Share-based payment	-	1,097,292	-	1,097,292
Shares issued - IPO	19,500,000	-	-	19,500,000
Shares issued to promoters during the year	2,802,687	-	-	2,802,687
Shares issued to settle loans during the year	18,509,532	-	-	18,509,532
Capital raising costs	(1,166,293)	-	-	(1,166,293)
	39,645,926	1,097,292	-	40,743,218
Balance as at 30 June 2020	41,991,364	1,519,285	(22,803,652)	20,706,997

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

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**Preliminary Consolidated Statement of Cash Flows
For the year ended 30 June 2020**

	Notes	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
Cash flows from operating activities			
Loss after income tax		(13,794,138)	(7,230,316)
Adjustment for:			
<i>Non-cash items:</i>			
Depreciation		1,188,450	535,943
Impairment of assets		2,245,501	-
Loss on disposal of property, plant and equipment		53,479	8,625
Interest expense		1,131,991	1,672,971
Non-cash issuance of promoter's shares		2,802,687	-
Loss on conversion of SBANG debt		2,463,590	-
Share options – Lead manager		1,150,000	-
Director indemnity cancelled		(492,311)	-
Director and Executive bonuses rescinded		(1,072,180)	-
Share-based payment expense		-	1,230,717
Trade receivable settled against loan payable		-	(655,913)
Loss on settlement of loan		-	707,442
Capital raising cost attributable to equity		(1,166,293)	-
Capital raising cost		685,544	-
Other		291,285	-
<i>Changes in assets and liabilities:</i>			
Decrease/(increase) in receivables and other receivables		679,587	(4,082)
Decrease/(increase) in prepayments		65,392	(146,035)
(Increase) in advances to contractor		(250,000)	-
(Decrease)/increase in trade payable and other payables		(206,349)	417,887
(Decrease)/increase in provisions		(116,118)	325,641
(Decrease) in deferred tax liabilities		(672,841)	(14,487)
Net cash used in operating activities		(5,012,724)	(3,151,607)
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,240,642)	(1,679,757)
Proceeds from sale of fixed assets		107,454	75,000
Payment for deposit of bank guarantee		(260,500)	-
Net cash used in investing activities		(3,393,688)	(1,604,757)
Cash flows from financing activities			
Proceeds from issue of shares		19,500,000	-
Proceeds from short-term loans		278,583	113,636
Proceeds from related party		1,410,457	561,137
Proceeds from SBANG Sustainable Energies Ltd loan		-	8,940,000
Proceeds from SBANG Sustainable Energies Ltd – Debt		401,000	-
Proceeds from SBANG Sustainable Energies Ltd – Con Note		1,749,000	-
Repayment of short-term loans		(547,364)	(1,012,130)
Repayment of amount due to related party		(1,410,457)	(1,156,325)
Repayment of SBANG Sustainable Energies Ltd loan		(6,590,778)	(2,474,000)
Repayment of shareholder loan		(50,000)	(100,000)
Repayment of principal portion of lease liabilities		(211,066)	-

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	Notes	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
Cash flows from financing activities (continued)			
Payment of capital raising cost		(685,544)	-
Interest paid		(1,314,156)	(147,518)
Net cash generated from financing activities		12,529,675	4,724,800
Net increase/(decrease) in cash and cash equivalents		4,123,263	(31,564)
Cash and cash equivalents at the beginning of the year		41,007	72,571
Cash and cash equivalents at the end of the financial year	11	4,164,270	41,007

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

**Notes to the Preliminary Financial Statements
For the year ended 30 June 2020**

	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
Note 1 Revenue and other income		
Revenue from contracts with customers	1,982,576	683,466
Government grant	50,000	-
Other income	3,183	397,500
	2,035,759	1,080,966
	\$	\$
Note 2 Employee benefits, salaries and wages		
Wages and salaries expenses	(1,756,351)	(1,955,503)
Labour contracting	(535,791)	(108,539)
Consulting	(92,756)	(267,919)
	(2,384,898)	(2,331,961)
	\$	\$
Note 3 Recycling, waste disposal and other site costs		
Waste disposal costs	(517,799)	(333,473)
Commodity purchases	(70,355)	-
Power, fuel and oil	(106,106)	(25,161)
Short term equipment hire	(504,555)	57,380
Repairs, maintenance and consumables	(237,306)	129,752
Other	(60,449)	(26,106)
	(1,496,570)	(197,608)
	\$	\$
Note 4 IPO related costs		
Cash items		
Transaction costs	(1,211,057)	-
Lead managers and legal fees	(750,387)	-
	(1,961,444)	-
Non-cash items		
Cost of issuing promoter shares	(3,093,972)	(1,042,475)
Loss on conversion of SBANG debt	(2,463,590)	-
Loss on settlement of Flugge superannuation loan	-	(707,442)
Share option expenses – Lead manager	(1,150,000)	-
Director and Executive indemnity cancelled	492,314	-
Director and Executive bonus rescinded	1,072,180	-
	(5,143,068)	(1,749,917)
Capital raising costs and share options directly attributable to equity	1,166,293	-
Total Initial public offering and share option expenses recognised in profit or loss	(5,938,219)	(1,749,917)
Capital raising costs	685,544	-
Share option expense	480,749	-
Total initial public offering and share option expense directly attributable to equity	1,166,293	-

	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
Note 5 Other expenses		
Marketing related costs	(35,709)	(25,294)
Office expenses	(62,752)	(17,870)
IT cost	(50,164)	(19,864)
Secretarial, legal and business expenses	(149,497)	(276,844)
Motor vehicle related expenses	(37,373)	(32,892)
Loss on asset sales	(53,479)	(8,625)
	(388,974)	(381,389)
	\$	\$
Note 6 Depreciation		
Depreciation on property, plant and equipment	(694,774)	(535,943)
Depreciation on right-of-use asset	(493,676)	-
	(1,188,450)	(535,943)
	\$	\$
Note 7 Finance costs		
Interest expense on lease liability	(578,951)	-
Interest expense	(577,984)	(1,569,646)
Finance charges	(21,992)	-
	(1,178,927)	(1,569,646)

Note 8 Impairment of assets

Impairment testing was carried out for the group's cash generating units (CGUs)

- Gingin (Landfill operations)
- Maddington (Waste management, operations and maintenance)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. An impairment loss, if any, is recognised for the amount by which the carrying amount exceeds its recoverable amount.

The recoverable amount of each CGU is determined based on value-in-use calculations. These calculations use real (excluding inflation) cash flow projections based on actual operating results, and the 2021 budget approved by the Board. Cashflows are discounted using a post-tax real discount rate of 10% per annum.

Results of impairment testing

Based on the impairment assessment undertaken, no impairment was identified for the Gingin CGU.

Based on impairment testing performed, due to the impact of COVID-19 and the challenges faced by the Company as outlined in the review of operations above, the carrying value of the Maddington CGU exceeded the recoverable value as at 30 June 2020, and the Group recorded an impairment loss of \$2,245,501 and is set out in the following table:

CGU	Property, Plant and Equipment \$	Right-of-use Asset \$	Total \$
Maddington waste facility	979,699	1,265,802	2,245,501

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	Year ended 30 June 2020 \$	Year ended 30 June 2019 \$
Note 9 Income tax		
The components of income tax benefit comprise:		
<i>Current income tax</i>	-	-
<i>Current income tax benefit</i>	672,841	-
<i>Deferred income tax</i>	-	-
Deferred tax benefit relating to the origination and reversal of temporary differences	-	14,486
Income tax benefit reported in the consolidated statement of profit or loss and the other comprehensive income	<u>672,841</u>	<u>14,486</u>
Relationship between income tax expense/(benefit) and accounting loss:		
Loss before income tax	(14,466,979)	(7,244,802)
At the statutory income tax rate of 27.5%	(3,978,419)	(1,992,321)
Non-assessable income	(443,986)	-
Non-deductible expenses	1,691,675	481,228
Other adjustments	4,148	124,164
Adjustments to prior period tax returns	(186,001)	-
Deferred tax assets not recognised	2,239,742	1,372,443
Income tax (benefit) reported in the consolidated statement of profit or loss and other comprehensive income	<u>(672,841)</u>	<u>(14,486)</u>
Note 10 Earnings per share		
The following table reflects the data used in the calculation of the basic and diluted earnings / (loss) per share:		
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic earnings / (loss) per share	165,006,380	2,468,550
Weighted average number of ordinary shares used in the calculation of diluted earnings / (loss) per share	165,006,380	2,468,550
	\$	\$
Loss attributable to ordinary the equity holders of the Group	(13,794,138)	(7,230,316)
Basic and diluted loss per share	(0.08)	(2.93)
	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	39,233,709	37,004,000
	30 June 2020	30 June 2019
	\$	\$
Note 11 Cash and cash equivalents		
Cash on hand and at bank	<u>4,164,270</u>	<u>41,007</u>

	30 June 2020	30 June 2019
	\$	\$
Note 12 Trade and other receivables		
Trade receivables	173,706	4,082
Receivable from SBANG Australia Pty Ltd	228,862	-
Advances to Star Shenton Energy Pty Ltd	631,166	1,733,238
Job Keeper subsidy due	24,000	-
	<u>1,057,734</u>	<u>1,737,320</u>
	\$	\$
Note 13 Advances to contractor		
Advances paid to Landfill contractor	<u>250,000</u>	-
	\$	\$
Note 14 Property, plant and equipment		
Land		
Gross carrying amount at cost	<u>9,200,000</u>	<u>9,200,000</u>
Mobile plant		
Gross carrying amount at cost	690,140	842,500
Less: Accumulated depreciation	(293,746)	(209,428)
Less: Impairment losses	(67,781)	-
	<u>328,613</u>	<u>633,072</u>
Fixed plant		
Gross carrying amount at cost	4,498,287	4,498,287
Less: Accumulated depreciation	(612,279)	(331,680)
Less: Impairment losses	(664,487)	-
	<u>3,221,521</u>	<u>4,166,607</u>
Office equipment		
Gross carrying amount at cost	100,711	25,500
Less: Accumulated depreciation	(17,834)	(7,757)
Less: Impairment losses	(14,172)	-
	<u>68,705</u>	<u>17,743</u>
Motor vehicles		
Gross carrying amount at cost	200,353	190,469
Less: Accumulated depreciation	(73,058)	(41,903)
Less: Impairment losses	(21,767)	-
	<u>105,528</u>	<u>148,566</u>
Leasehold improvement at cost	1,496,708	1,117,798
Less: Accumulated depreciation	(259,874)	(47,814)
Less: Impairment losses	(211,492)	-
	<u>1,025,342</u>	<u>1,069,984</u>
Capital work in progress at cost	<u>3,264,883</u>	<u>380,403</u>
Total property, plant and equipment		
Gross carrying amount at cost	19,451,082	16,254,957
Less: Accumulated depreciation	(1,256,791)	(638,582)
Less: Impairment losses	(979,699)	-
Total carrying amount	<u>17,214,592</u>	<u>15,616,375</u>

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Note 15 Right-of-use assets

	Lease assets
	\$
As at 1 July 2018	-
Additions	-
Depreciation expense	-
As at 30 June 2019	-
Impact of adoption of AASB 16 <i>Leases</i>	7,896,251
Depreciation expense	(493,676)
Impairment losses	(1,265,802)
As at 30 June 2020	<u>6,136,773</u>

Right-of-use assets relate to lease of the Maddington property.

	30 June 2020	30 June 2019
	\$	\$
Note 16 Trade and other payables		
Trade payables	551,675	631,504
Accrued and other payables	398,872	816,027
Cash-settled share-based payment – at fair value	-	132,105
	<u>950,547</u>	<u>1,579,636</u>

	\$	\$
Note 17 Borrowings		
Term borrowings	62,585	44,491
Amount due to a related party	-	435,124
Loan from SBANG	-	20,040,641
Loan from shareholder	-	50,000
	<u>62,585</u>	<u>20,570,256</u>
Less: Non-current portion	(1,348)	(20,089)
Current portion	<u>61,237</u>	<u>20,550,167</u>

Note 18 Lease liabilities

	Lease liabilities
	\$
As at 1 July 2018	-
Additions	-
Accretion of interest	-
As at 30 June 2019	-
Impact of adoption of AASB 16 <i>Leases</i>	7,896,251
Accretion of interest	(211,066)
As at 30 June 2020	<u>7,685,185</u>

	\$	\$
Note 19 Provisions		
Employee provisions	<u>101,921</u>	<u>1,015,935</u>

Note 20 Share capital	2020	2019
	Number	Number
(a) Issued and paid up capital		
Issued and fully paid ordinary shares	233,229,835	15,534,181
(b) Movement in ordinary shares		
Balance as at 01 July	\$ 2,345,438	\$ 125
Issuance of shares through IPO	19,500,000	-
Issued to promoters during the year	2,802,687	1,042,475
Issued to settle debt during the year	18,509,532	1,302,838
Capital raising costs	(1,166,293)	-
Balance as at 30 June	41,991,364	2,345,438
(c) Movement in ordinary shares		
Balance as at 01 July	15,534,181	125
Issuance of shares through IPO	97,500,000	-
Issued to promoters during the year	17,965,945	6,682,530
Issued to settle loans during the year	102,229,709	8,351,526
Issued to settle share-based payments	-	500,000
Balance as at 30 June	233,229,835	15,534,181

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:

- Waste Management
- 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 based on segment earnings before interest, tax, depreciation and amortisation (EBITDA) and is measured in accordance with the Company's accounting policies

Types of services by reportable segments

(i) Waste Management

The Waste Management segment involves resource recovery from construction and demolitions (C&D) waste and commercial and industrial (C&I) waste. C&D waste includes waste from demolition and civil construction activities, including roads and buildings. C&I waste includes waste from industries including manufacturing and retail as well as wholesale businesses.

(ii) Operations and Maintenance

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

(iii) Landfill Operations

Landfill operations have not yet commenced, however the construction of the landfill in Gingin is underway. Currently there is no revenue associated with this segment.

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

Operating segments (continued)

Summarised financial information concerning our reportable segments as of 30 June 2020 and 30 June 2019 are shown in the following table:

	Waste Management \$'000	Operations and Maintenance \$'000	Landfill Operations \$'000	Total operating segments \$'000
Year ended 30 June 2020				
Revenue from contracts with customers	1,399	584	-	1,983
Operating expenses	(10,557)	(539)	(795)	(11,891)
Segment result (EBITDA)	(9,158)	45	(795)	(9,908)
Capital expenditure	507	35	2,891	3,433
Year ended 30 June 2019	\$'000	\$'000	\$'000	\$'000
Revenue from contracts with customers	87	596	-	683
Operating expenses	(5,547)	(218)	(455)	(6,220)
Segment result (EBITDA)	(5,460)	378	(455)	(5,537)
Capital expenditure	1,198	102	380	1,680

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

Capital expenditure consists of additions of property, plant and equipment, which includes \$2.9 million for the construction of landfill in Gingin.

Inter-segment revenues are eliminated on consolidation.

	Year ended 30 June 2020 \$'000	Year ended 30 June 2019 \$'000
Reconciliation of profit		
Segment result (EBITDA)	(9,908)	(5,537)
Government grant received	50	-
Other income	3	398
Depreciation and amortisation	(1,188)	(536)
Finance costs	(1,179)	(1,570)
Impairment of assets	(2,245)	-
Loss before income tax	(14,467)	(7,245)
Income tax benefit	673	15
Loss after income tax	(13,794)	(7,230)

Compliance Statement

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

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

In the Directors' opinion, this report does give a true and fair view of the matters disclosed.

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

The financial report is not likely to be subject to dispute or qualification.



Tomasz Rudas
Managing Director

Dated: 31 August 2020