



31 August 2022

The Manager
ASX Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

By email

Dear Sir/Madam

Preliminary Final Report (Appendix 4E) – Year Ended 30 June 2022

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 2022.

The full financial report of the consolidated entity, being the Company and its controlled entity, for the year ended 30 June 2022 together with the auditor's report will be released by 30 September 2022.

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

Yours sincerely

A handwritten signature in blue ink, appearing to read 'John Colli', written over a thin horizontal line.

John Colli
Company Secretary

For personal use only



M8 SUSTAINABLE LIMITED
ACN 620 758 358

APPENDIX 4E

PRELIMINARY FINAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

Contents

Results for announcement to the market
Net tangible assets
Associates and joint venture companies
Review of operations
Preliminary financial statements

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: 1 July 2021 to 30 June 2022 (FY22)
Prior corresponding period (PCP): 1 July 2020 to 30 June 2021 (FY21)

Results for announcement to the market

	FY 22 \$'000	FY 21 \$'000	CHANGE %
Revenue from ordinary activities	9,182	8,041	14
Other income	211	928	(77)
Loss from ordinary activities after tax	11,372	10,465	9
Loss for the period attributable to members of M8 Sustainable Limited	11,372	10,465	9

No dividend was paid during FY22 (FY21: Nil).
No dividend has been proposed or declared since the end of FY22.

Net tangible assets

The net tangible asset¹ backing per ordinary share at 30 June 2022 was \$0.01 (FY21: \$0.04).

Associates and joint venture companies

The Group entered into a joint venture agreement with iHUB Technologies Pty Ltd (iHUB) on 18 November 2021 for a 50% interest in iHUB.

Review of operations

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; including the establishment of a skip bin business at its Maddington Waste Facility. The skip bin activities, Access Waste, commenced in September 2021. During the year, the Company also conducted metals recycling activities; these operations involved aggregating, processing and selling of recycled metals to both local and export markets.

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.

A key focus of the Company was the ongoing construction of the Gingin landfill facility.

The Group recorded a loss after tax of \$11,371,650 for the reporting period which was significantly impacted by recognising an impairment charge of \$5,077,946 and a depreciation charge of \$1,593,053. This compares to a loss after tax of \$10,464,942 for the prior year which included an impairment charge of \$6,981,753 and a depreciation charge of \$1,341,816.

¹ Right-of-use assets and lease liabilities have been included in the NTA calculation.

Maddington Waste Facility ("Maddington")

Challenging market conditions continued to adversely affect recycling activities at Maddington associated with C&D and C&I waste. Key factors that impacted these activities included lower competitor gate fees and increasing processing costs. The Company also prioritised its focus on completing construction activities at the Gingin landfill project. Revenue from C&D and C&I activities for FY22 totaled \$749,121 (prior year: \$3,181,735). As a consequence, the Group undertook an impairment assessment of the Maddington site as at 30 June 2022 and determined that the carrying value of the site exceeded its recoverable value. A resultant impairment charge of \$5,077,946 (prior year: \$6,981,753) was recorded.

The Company's metals recycling activities generated revenue of \$7,001,574 (prior year: \$4,578,455). However, these activities were put on hold in the second half of the reporting period with resources being redeployed as the focus shifted to the completion of Gingin landfill project.

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.

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 new 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 Company also invested in skip bins and leased two trucks in its own right as required equipment for this new business. However, activities have been somewhat constrained due to limited access to additional and larger bins. For the reporting period, Access Waste activities generated revenue of \$420,229.

The launch of Access Waste has been well received in the Perth metropolitan areas by the private and commercial sectors. The Access Waste ramp-up of volume generation is planned to coincide with the anticipated opening date of the Company's Gingin landfill facility anticipated to be in the last quarter of calendar 2022.

In April 2022, the initial development and testing of the software platform was completed. This enabled the software to be commercialised as a tool to be used for streamlining orders, logistics and end-to-end supply chain processes in waste management and transport related activities. In Western Australia the platform is marketed through Access Waste as WasteVantage.

Gingin Landfill Facility ("Gingin")

Construction of Gingin, the Company's fully permitted landfill facility with an approved capacity of 150,000 tonnes per annum is almost complete as at the balance date.

Major works associated with the leachate ponds have been completed. Works involving Cell 1 as well as fencing and weighbridge are in the process of being finalised.

In March 2022, a license application for Gingin was lodged with the Department of Water and Environmental Regulation (DWER). Final documentation from consultants to the project will be lodged with DWER upon completion of the required works which will enable DWER to issue a license to commence operations. It is anticipated that Gingin will be operational in the last quarter of calendar year 2022.

Brockwaste Recycling and Processing Facility ("Brockwaste")

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

Preliminary Consolidated Statement of Profit or Loss and other Comprehensive Income
For the year ended 30 June 2022

	Notes	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
Revenue from contracts with customers	1	9,181,720	8,041,048
Interest income		50,863	28,996
Other income	1	210,677	927,618
Total income		9,443,260	8,997,662
Employee benefits, salaries and wages	2	(2,644,020)	(2,364,227)
Recycling, waste disposal and other site costs	3	(7,486,198)	(6,233,881)
Rental outgoings and licence fees		(447,260)	(390,579)
Insurance costs		(350,998)	(343,533)
Professional fees		(508,368)	(444,484)
Other expenses	4	(1,528,358)	(816,503)
Depreciation	5	(1,593,053)	(1,341,816)
Finance costs	6	(1,104,037)	(545,828)
Share in loss of joint venture		(74,672)	-
Impairment of assets	7	(5,077,946)	(6,981,753)
Loss before income tax		(11,371,650)	(10,464,942)
Income tax benefit	8	-	-
Loss after income tax		(11,371,650)	(10,464,942)
Other comprehensive income		-	-
Total comprehensive loss for the year		(11,371,650)	(10,464,942)
Earnings per share:			
Basic and diluted loss per share attributable to ordinary equity holders of the parent (cents per share)	9	(2.5)	(4.2)

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

**Preliminary Consolidated Statement of Financial Position
As at 30 June 2022**

	Notes	30 June 2022 \$	30 June 2021 \$
CURRENT ASSETS			
Cash and cash equivalents	10	11,596	1,815,095
Trade and other receivables	11	487,008	1,653,655
Prepayments		269,897	249,727
Inventory	12	-	388,568
Total Current Assets		768,501	4,107,045
NON-CURRENT ASSETS			
Investment in joint venture	13	276,328	-
Property, plant and equipment	14	30,049,717	20,829,518
Other non-current assets	15	3,906,500	3,906,500
Right-of-use assets	16	-	3,428,024
Total Non-current Assets		34,232,545	28,164,042
TOTAL ASSETS		35,001,046	32,271,087
CURRENT LIABILITIES			
Trade and other payables	17	9,391,746	1,512,254
Borrowings	18	10,780,018	1,086,174
Lease liabilities	19	683,086	871,674
Provisions	20	173,713	107,068
Total Current Liabilities		21,028,563	3,577,170
NON-CURRENT LIABILITIES			
Borrowings	18	2,841,580	10,518,497
Lease liabilities	19	8,011,877	8,196,251
Total Non-current Liabilities		10,853,457	18,714,748
TOTAL LIABILITIES		31,882,020	22,291,918
NET ASSETS		3,119,026	9,979,169
EQUITY			
Share capital	21	46,513,006	41,991,364
Shared-based payment reserve	21	1,246,264	1,256,399
Accumulated losses		(44,640,244)	(33,268,594)
TOTAL EQUITY		3,119,026	9,979,169

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 2022**

	Issued capital \$	Share-based payment reserve \$	Accumulated losses \$	Total equity \$
Balance as at 1 July 2020	41,991,364	1,519,285	(22,803,652)	20,706,997
Loss after tax	-	-	(10,464,942)	(10,464,942)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(10,464,942)	(10,464,942)
Share-based payments	-	(262,886)	-	(262,886)
	-	(262,886)	-	(262,886)
Balance as at 30 June 2021	41,991,364	1,256,399	(33,268,594)	9,979,169
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

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

Preliminary Consolidated Statement of Cash Flows
For the year ended 30 June 2022

Notes	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
Cash flows from operating activities		
Loss after income tax	(11,371,650)	(10,464,942)
<i>Adjustment for:</i>		
Depreciation	1,593,053	1,341,816
Impairment of assets	5,077,946	6,981,753
Provision for expected credit losses	791,273	169,858
Gain on disposal of property, plant and equipment	(95,952)	(4,934)
Non-cash interest expense	701,752	48,802
Interest expense	393,966	378,279
Share of loss in joint venture	74,672	-
Shares issued to KMPs and employees	141,750	-
Share-based payment expense	(10,135)	(262,886)
<i>Changes in assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	375,375	(515,778)
(Increase)/decrease in prepayments	(20,170)	27,640
Decrease in advances to contractors	-	250,000
Decrease/(increase) in inventory	388,568	(388,568)
Increase in trade and other payables	838,354	432,765
Increase in provisions	66,644	5,146
Net cash used in operating activities	(1,054,554)	(2,001,049)
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,147,595)	(7,020,742)
Loan to related party	-	(408,628)
Repayment of related party loan	-	408,628
Proceeds from sale of fixed assets	310,613	25,000
Payment for investment in joint venture	(175,500)	-
Short-term loans provided	-	(250,000)
Deposit for bank guarantee	-	(3,500,000)
Net cash used in investing activities	(5,012,482)	(10,745,742)
Cash flows from financing activities		
Proceeds from issue of shares	4,379,892	-
Proceeds from long-term loans net of transaction costs	-	10,485,094
Proceeds from short-term loans	364,875	355,581
Proceeds from mobile plant loan	-	1,057,708

	Notes	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
Cash flows from financing activities (continued)			
Proceeds from M8 Holding Limited loan		2,350,000	-
Repayment of short-term loans		(349,280)	(385,038)
Repayment of Remagen loan		(867,411)	-
Repayment of principal portion of lease liabilities		(1,034,938)	(514,760)
Repayment of mobile plant loan		(185,635)	(222,690)
Interest paid		(393,966)	(378,279)
Net cash generated from financing activities		4,263,537	10,397,616
Net decrease in cash and cash equivalents		(1,803,499)	(2,349,175)
Cash and cash equivalents at the beginning of the year		1,815,095	4,164,270
Cash and cash equivalents at the end of the financial year	10	11,596	1,815,095

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

Notes to the Preliminary Financial Statements
For the year ended 30 June 2022

Note 1 Revenue and other income

	Year ended 30 June 2022	Year ended 30 June 2021
	\$	\$
Revenue from contracts with customers		
Construction and demolition (C&D) waste revenue	545,436	2,554,289
Commercial and industrial (C&I) waste revenue	203,685	627,446
Metals recycling revenue	7,001,574	4,578,455
Skip bin revenue	420,229	-
Equipment hire income	740,796	-
Total waste management and recycling	8,911,720	7,760,190
Operations and maintenance (O&M) service fee	270,000	280,858
Total revenue from contracts with customers	9,181,720	8,041,048
Other income		
	Year ended 30 June 2022	Year ended 30 June 2021
	\$	\$
Government stimulation packages	23,000	67,500
Other revenue	91,725	9,754
Gain on asset sales	95,952	4,934
Research and development claim received	-	845,430
	210,677	927,618

Note 2 Employee benefits, salaries and wages

	Year ended 30 June 2022	Year ended 30 June 2021
	\$	\$
Wages and salaries expenses	(1,937,583)	(1,690,872)
Labour contracting	(469,199)	(787,897)
Consulting	(105,626)	(148,344)
Share-based payments	(131,612)	262,886
Total employee benefits, salaries and wages	(2,644,020)	(2,364,227)

Note 3 Recycling, waste disposal and other site costs

	Year ended 30 June 2022	Year ended 30 June 2021
	\$	\$
Waste disposal costs	(311,190)	(878,680)
Cost of recycled metals	(6,806,147)	(4,392,280)
Power, fuel and oil	(91,915)	(142,290)
Short term equipment hire	(1,224)	(396,010)
Repairs, maintenance and consumables	(246,725)	(404,310)
Other	(28,997)	(20,311)
	(7,486,198)	(6,233,881)

For personal use only

For personal use only

	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
Note 4 Other expenses		
Marketing related costs	(53,550)	(10,656)
HR and office-related expenses	(81,646)	(85,481)
IT costs	(107,398)	(54,780)
Secretarial, legal and business expenses	(245,352)	(253,329)
Motor vehicle related expenses	(62,508)	(46,348)
Provision for expected credit losses	(791,273)	(169,858)
Bad debts written off	(30,024)	-
Capital raising expenses	(149,935)	-
Other expenses	(6,672)	(196,051)
	(1,528,358)	(816,503)

	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
Note 5 Depreciation		
Depreciation on property, plant and equipment	(323,205)	(535,418)
Depreciation on right-of-use assets	(1,269,848)	(806,398)
	(1,593,053)	(1,341,816)

	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
Note 6 Finance costs		
Interest expense on lease liability	(1,008,249)	(948,339)
Interest expense on loans and borrowings	(2,028,431)	(1,136,609)
Finance charges	(466,264)	(118,746)
	(3,502,944)	(2,203,694)
Less: Capitalised interest expense	2,398,907	1,657,866
	(1,104,037)	(545,828)

Note 7 Impairment of assets

Impairment testing

Gingin (Landfill operations)

This asset is currently under construction. The carrying value of the landfill is based on a valuation carried out by an independent valuer. In the light of the above, no impairment was identified.

Maddington CGU

As at 30 June 2022, impairment testing identified that the carrying value of the Maddington CGU exceeded its estimated recoverable value. Accordingly, the Group recorded an impairment loss of \$5,077,946 which is set out in the following table:

	30 June 2022	30 June 2021	
	\$	\$	
Maddington waste facility CGU			
Carrying value of net assets	5,077,946	12,725,293	
Estimated recoverable amount	-	(5,743,540)	
Impairment recognised	<u>5,077,946</u>	<u>6,981,753</u>	
	Property, Plant and Equipment	Right-of-use Asset	Total
	\$	\$	\$
Year ended 30 June 2022			
Impairment recognised	2,257,796	2,820,150	5,077,946
Year ended 30 June 2021			
Impairment recognised	3,181,901	3,799,852	6,981,753

For personal use only

Note 8 Income tax

	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$
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	(11,371,650)	(10,464,942)
At the statutory income tax rate of 25% (2021 : 26%)	(2,842,912)	(2,720,885)
Non-assessable income	(1,668)	(308,546)
Non-deductible expenses	71,630	36,409
Other adjustments	-	(29,711)
Deferred tax assets not recognised	2,772,950	3,022,733
Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income	-	-
	\$	\$
<i>Deferred tax liabilities</i>		
Property, plant and equipment	(554,076)	(457,157)
Other deferred tax liabilities	(59,715)	(129,929)
Deferred tax liabilities	(613,791)	(587,086)
<i>Deferred tax assets – brought to account</i>		
Net deferred tax assets on right-of-use assets and lease liabilities	2,173,741	587,086
Business related capital expenditure	399,122	-
Accruals and provisions	318,054	-
Others	(2,277,126)	-
Deferred tax assets	613,791	587,086
Net deferred tax liability recognised	-	-

Note 9 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 2022 \$	Year ended 30 June 2021 \$
Weighted average number of ordinary shares used in the calculation of basic earnings / (loss) per share	453,563,493	249,501,676
Weighted average number of ordinary shares used in the calculation of diluted earnings / (loss) per share	453,563,493	249,501,676
Loss attributable to ordinary equity holders of the Group	\$ (11,371,650)	\$ (10,464,942)
Basic and diluted loss per share (cents)	2.5	4.2
	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	30,000,000	32,500,000
	30 June 2022 \$	30 June 2021 \$

Note 10 Cash and cash equivalents

Cash on hand and at bank	<u>11,596</u>	<u>1,815,095</u>
--------------------------	---------------	------------------

	30 June 2022 \$	30 June 2021 \$
--	--------------------	--------------------

Note 11 Trade and other receivables

Trade receivables	742,682	915,555
Amounts due from Star Shenton Energy Pty Ltd	396,000	308,944
Loan receivables from Star Shenton Energy Pty Ltd	309,457	349,014
Loan receivables from Minesite Recycling Pty Ltd	-	250,000
	<u>1,448,139</u>	<u>1,823,513</u>
Allowance account for expected credit losses	(961,131)	(169,858)
	<u>487,008</u>	<u>1,653,655</u>

Allowance account for expected credit losses

	30 June 2022 \$	30 June 2021 \$
--	--------------------	--------------------

As at 1 July	169,858	-
Provision for expected credit losses	791,273	169,858
As at 30 June	<u>961,131</u>	<u>169,858</u>

	30 June 2022 \$	30 June 2021 \$
--	--------------------	--------------------

Note 12 Inventory

Finished goods	-	388,568
	<u>-</u>	<u>388,568</u>

Note 13 Investment in joint venture

The Group entered into a joint venture agreement with iHUB Technologies Pty Ltd (iHUB) on 18 November 2021 for a 50% interest in iHUB. 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:

	18 November 2021 to 30 June 2022 \$
Revenue from contracts with customers	38,200
Costs and administrative expenses	<u>(187,544)</u>
Loss before tax	(149,344)
Income tax expense	<u>-</u>
Loss for the period	(149,344)
Total comprehensive loss for the period	(149,344)
Group's share of loss for the period	(74,672)
	30 June 2022 \$
Investment in joint venture	351,000
Group's share of loss for the period	<u>(74,672)</u>
Group's carrying amount of the investment	<u>276,328</u>

	30 June 2022	30 June 2021
	\$	\$
Note 14 Property, plant and equipment		
Land		
Gross carrying amount at cost	9,200,000	9,200,000
Mobile plant		
Gross carrying amount at cost	1,856,390	1,805,390
Less: Accumulated depreciation and impairment	(1,856,390)	(1,198,415)
	-	606,975
Fixed plant		
Gross carrying amount at cost	4,498,287	4,498,287
Less: Accumulated depreciation and impairment	(4,498,287)	(3,256,944)
	-	1,241,343
Office equipment		
Gross carrying amount at cost	164,107	151,492
Less: Accumulated depreciation and impairment	(164,107)	(84,173)
	-	67,319
Motor vehicles		
Gross carrying amount at cost	201,225	200,353
Less: Accumulated depreciation and impairment	(201,225)	(184,484)
	-	15,869
Leasehold improvement at cost	1,508,870	1,508,870
Less: Accumulated depreciation and impairment	(1,508,870)	(1,124,860)
	-	384,010
Skip bins		
Gross carrying amount at cost	91,124	-
Less: Accumulated depreciation and impairment	(91,124)	-
	-	-
Capital work in progress at cost	20,849,717	9,314,002
Total property, plant and equipment		
Gross carrying amount at cost	38,369,720	26,678,394
Less: Accumulated depreciation and impairment	(8,320,003)	(5,848,876)
Total carrying amount	30,049,717	20,829,518
	30 June 2022	30 June 2021
	\$	\$
Note 15 Other non-current assets		
Deposits at amortised cost	3,906,500	3,906,500

For personal use only

Note 16 Right-of-use assets

	Facility \$	Mobile Plant \$	Total \$
As at 1 July 2020	6,136,773	-	6,136,773
Additions	-	1,897,501	1,897,501
Depreciation expense	(367,966)	(438,432)	(806,398)
Impairment losses	(3,442,274)	(357,578)	(3,799,852)
As at 30 June 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	-	-	-

	30 June 2022 \$	30 June 2021 \$
Note 17 Trade and other payables		
Trade payables	1,146,014	901,401
Trade payables to SBANG Australia	6,993,082	187,594
Accrued and other payables	1,096,650	423,259
Payable to iHub Technologies Pty Ltd	156,000	-
	9,391,746	1,512,254

	30 June 2022 \$	30 June 2021 \$
Note 18 Borrowings		
Term borrowings - Pepper Asset Financing	-	1,241
Term borrowings - ScotPac Business Finance	565,851	700,660
Term borrowings - Bigstone Finance	86,158	134,358
Premium funding of insurance	48,722	31,887
Loan from M8 Holding Ltd (Thailand)	2,388,932	-
Remagen loan	10,531,935	10,736,525
	13,621,598	11,604,671
less: Non-current portion	(2,841,580)	(10,518,497)
Current portion	10,780,018	1,086,174

	2022 \$	2021 \$
Note 19 Lease liabilities		
As at 1 July	9,067,925	7,685,185
Additions	661,976	1,897,501
Accretion of interest	1,008,249	948,340
Repayment of principal portion of lease liabilities	(1,034,938)	(514,760)
Repayment of interest portion of lease liabilities	(1,008,249)	(948,341)
As at 30 June	8,694,963	9,067,925
Current	683,086	871,674
Non-current	8,011,877	8,196,251

	30 June 2022	30 June 2021
	\$	\$
Note 20 Provisions		
Employee provisions	173,713	107,068

Note 21 Share capital and reserves

Share Capital

	30 June 2022	30 June 2020
	Number	Number
(a) Issued and paid up capital		
Issued and fully paid ordinary shares	477,209,670	233,229,835

(b) Movement in ordinary shares

	\$	\$
Balance as at 1 July	41,991,364	41,991,364
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	46,513,006	41,991,364

(c) Movement in ordinary shares

	2022	2021
	Number	Number
Balance as at 1 July	233,229,835	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	-
Balance as at 30 June	477,209,670	233,229,835

Share-based Payment Reserve

	2022	2021
	\$	\$
Balance at 1 July	1,256,399	1,519,285
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	-
Reversal of bonus shares	(28,399)	-
Shares issued to KMPs and directors	(141,750)	-
Reversal of performance rights expenses	-	(291,285)
Cost of share-based payment to director	-	28,399
Balance at 30 June	1,246,264	1,256,399

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 and 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 such as manufacturing and retail as well as wholesale businesses. During the year, the Company also conducted metals recycling activities; these operations involved aggregating, processing and selling of recycled metals to both local and export markets.

(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

The construction of the landfill at Gingin is nearing completion. Landfill operations have not yet commenced and consequently 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.

Summarised financial information concerning the reportable segments as at 30 June 2022 and 30 June 2021 are shown in the following table:

	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
Operating expenses	(12,502,918)	(313,236)	(223,721)	(13,039,875)
EBITDA	(3,380,521)	(43,236)	(223,721)	(3,647,478)
Depreciation and amortisation	(944,128)	(1,517)	(647,408)	(1,593,053)
Net finance costs	(978,636)	(33,109)	(41,428)	(1,053,173)
Impairment losses	(5,077,946)	-	-	(5,077,946)
Loss before income tax	(10,381,231)	(77,862)	(912,557)	(11,371,650)
Income tax benefit	-	-	-	-
Loss after income tax	(10,381,231)	(77,862)	(912,557)	(11,371,650)
Capital expenditure	369,556	110,589	11,535,715	12,015,860

Operating segments (continued)

	Waste Management and Recycling \$	Operations and Maintenance \$	Landfill Operations \$	Total operating segments \$
Year ended 30 June 2021				
Revenue from contracts with customers	7,760,190	280,858	-	8,041,048
Other income	927,618	-	-	927,618
Operating expenses	(10,002,708)	(235,052)	(355,447)	(10,593,207)
EBITDA	(1,314,900)	45,806	(355,447)	(1,624,541)
Depreciation and amortisation	(1,123,471)	(1,271)	(217,074)	(1,341,816)
Net finance costs	(471,169)	(22,575)	(23,088)	(516,832)
Impairment losses	(6,981,753)	-	-	(6,981,753)
Loss before income tax	(9,891,293)	21,960	(595,609)	(10,464,92)
Income tax benefit	-	-	-	-
Loss after income tax	(9,891,293)	21,960	(595,609)	(10,464,942)
Capital expenditure	1,218,579	43,586	6,090,147	7,352,312

Revenue from one customer amounted to \$4,793,816 (2021: \$3,222,174) arising from metals recycling within the waste management and recycling CGU.

Revenue from a second customer amounted to \$1,508,321 (2021: \$1,120,158) arising from metals recycling within the waste management and recycling CGU.

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

Capital expenditure consists of additions of property, plant and equipment, which includes \$11,535,715 for the construction of the landfill at Gingin.

The Group's executive management does not review segment assets and liabilities.

All non-current assets are based in Australia.

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.

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

The financial report will contain an independent audit report which is not likely to be subject to dispute or qualification, but is likely to be subject to an emphasis of matter in relation to the Group's ability to continue as a going concern.



Tomasz Rudas
Managing Director

Date: 31 August 2022