



ASX ANNOUNCEMENT
20 June 2023

ENTYR SIGNS 5 YEAR COMMERCIAL AGREEMENT WITH THE NATIONAL TRANSPORT RESEARCH ORGANISATION TO DEVELOP AND MARKET ENTYR'S SUSTAINABLE MATERIALS THROUGH ACCREDITATION

Key Highlights:

- 5-year commercial Agreement with the National Transport Research Organisation (NTRO), Australia and New Zealand's central hub of transport research, policy and project work.
- The Agreement enables the co-development of commercial applications to Entyr's sustainable tyre derived fuel oil (TDFO) and recovered carbon black (rCB), leveraging NTRO's expertise and to provide access to new markets.
- Previous NTRO studies have shown that Entyr's recovered carbon black (rCB) significantly improves the safety, durability, and lifespan of asphalt.
- The Agreement is significant step forward for Entyr to negotiate and secure future offtake agreements for TDFO and rCB.

Environmental technology company **Entyr Limited** (ASX: ETR) ("**Entyr**" or the "**Company**") is pleased to announce it has signed a 5-year commercial agreement with the national transport research organisation, National Transport Research Organisation (**NTRO**) and provides the following update to Shareholders.

Agreement executed between Parties

NTRO is owned by Australia's transport agencies and undertakes scientific research and develops standards, specifications and best practice guides for Australia and New Zealand's roads, rails, ports, and airports. The industry body has been operating for 60 years and has 250 employees. NTRO pulls together multi-modal transport solutions and helps the sector embrace new technologies and materials, to tackle next generation issues across the sector, including sustainability.

Following successful evidence-based performance of Entyr's TDFO and rCB in road pavements over the last two years, NTRO has identified several new commercial opportunities that can be pursued upon completion of evidence-based science.

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Previous testing completed by NTRO and Austek Asphalt Services Pty Ltd showed that by using Entyr's TDFO and rCB in the manufacturing of asphalt, there were a multitude of gains in asphalt, including:

1. a 5-8 year increase in the life of the road
2. increased skid resistance equating to a safer road due to shorter braking distances
3. an estimated reduction of 24% in the decarbonisation of roads laid
4. tighter compaction of the road when rolled allowing for a stronger road surface
5. high colour retention in the surface (road stays blacker for longer increasing safety)

Mr. Petar Davcev, Material Performance & Testing Portfolio Leader for NTRO, said that *"rCB has shown to be an excellent candidate to substitute fine ground limestone filler performance and properties without the carbon impact of mining a natural material. When the rCB and the TDFO are used, the environmental and performance outcomes of using Entyr's products are leading the way in paving a sustainable transport future."*

Mr. David Wheeley, CEO of Entyr, highlighted the importance of the Agreement for Entyr and what it means for gaining wider industry acceptance and application of sustainable materials:

"The Agreement provides Entyr with an accelerated access to end-markets for rCB and TDFO which will assist in determining the strategy for future sites. NTRO has been a significant supporter for the need of greater sustainable materials used within the industry and have identified Entyr as partner to achieving this.

We are both committed to ensure that the industry moves forward with appropriate certification processes and continue to develop standards for incorporation into practice. This is a natural partnership that will leverage NTRO's expertise to fast-track further trial opportunities and connect key stakeholders to Entyr."

Agreement Rationale

Whilst providing a myriad of opportunity over the longer period, the immediate purpose of executing the Agreement with NTRO is to fast-track road authorities acceptance and approvals process for Entyr's products to be used across multiple applications.

The Company has identified the following benefits from the Agreement with NTRO:

1. **Improving product positioning** with a fully developed, scientifically proven, industry accepted catalogue of commercial products;
2. **Gaining product certification** both nationally and internationally leading to increased demand;
3. **Increase in product pricing** expected to be gained from product improvement and accreditations;
4. **Intellectual property expansion** and greater protections through collaborated product innovation;
5. **International credibility** of Entyr's processes and products within industrial guidelines;
6. **Access to world class R&D facilities** for the analysis and measurement of materials testing and performance;
7. **Ongoing infrastructure assessment** to measure performance of materials in roads; and
8. **Promotion of Entyr's sustainable solutions** at conferences and industry meetings.

This will be achieved by NTRO testing, creating, developing, and verifying data that will support commercial acceptance on an international scale.



NTRO's testing laboratory – Melbourne Victoria. Source: Australian Road Research Board 2023

Commercial Collaboration

The Agreement provides a financial motivation for both parties to develop commercial markets, form industrial guidelines, create applications, and create environmental assessments for transport and energy applications. Significant time and energy from NTRO's human resources, and testing facilities will be required to achieve commercial outcomes.

Under the terms of the Agreement, Entyr will pay NTRO a royalty calculated on \$4 per tonne of rCB sold and \$0.005 per litre of TDFO sold into markets established by NTRO for a period of 20 years from the date the Agreement commences.

The royalty payment will have a ceiling of \$12,000 per month for the first 12 months. After the first 12 months, should Entyr not be profitable in a given financial year the cap will continue to apply for that financial year.

Based on current maximum production volumes from the Company's Stapylton facility, it is estimated that the royalty amount paid in cash to NTRO would be less than A\$100,000 per annum. It is anticipated that total annual sales revenue at full capacity from the Stapylton facility will be approximately A\$17 - \$19 million.

The Agreement is not subject to any conditions precedent to commencement and is for a term of 5 years. The Agreement may be terminated by either party at any time and without cause upon three months written notice; or, by Entyr for cause, in the event NTRO fails to perform any technical work, marketing or product development for a period of three months.

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“Having worked with this material for 2 years now, it is feasible that multiple applications exist outside of asphalt markets.” Mr. Davcev said. “Our role is to maximise the rCB’s value through research and innovation for the benefit of Australian and New Zealand Transport Agencies and for commercial use.”

Site Expansion Focus

The Agreement with NTRO underpins Entyr’s low risk expansion strategy of having nationally and internationally accredited products, to be used in large volume industrial applications. This allows the Company to plan next sites, already knowing and ideally already having secured offtake agreements within that geographical region, further supporting the business case.

Authorised for release by:
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