



ASX ANNOUNCEMENT
26 April 2023

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

HIGHLIGHTS

- **Revenue:** 127% year-on-year increase in total revenues for the 9 months ended 31 March 2023 driven by higher in-bound tyre volumes and pricing. Q3 FY23 total revenue of \$1.4m was 16% higher than Q2 FY23 due to higher sales of Tyre Derived Fuel Oil (**TDFO**) during the quarter.
- **Key infrastructure installed:** The in-line shredding system has been installed and is in the final stages of commissioning. This infrastructure is anticipated to enable increased processing capacity whilst delivering a 75% \$/tonne saving in bulk shredding costs.
- **Operational ramp-up:** Significant ramp-up in processing volumes from January 2023 has the Company well positioned to achieve commercialisation volumes.
- **Lease Extension and Site Upgrade:** Lease for Stapylton site extended for 10 years to 2033 with landlord investing in significant upgrades to the site.
- **Appointment of New Directors:** Ms. Leeanne Bond and Ms. Teresa Dyson were appointed to the Board in February 2023.

Environmental technology company **Entyr Limited** (ASX: ETR) ("**Entyr**" or the "**Company**") is pleased to provide the following update to shareholders for the quarter ended 31 March 2023 (Q3).

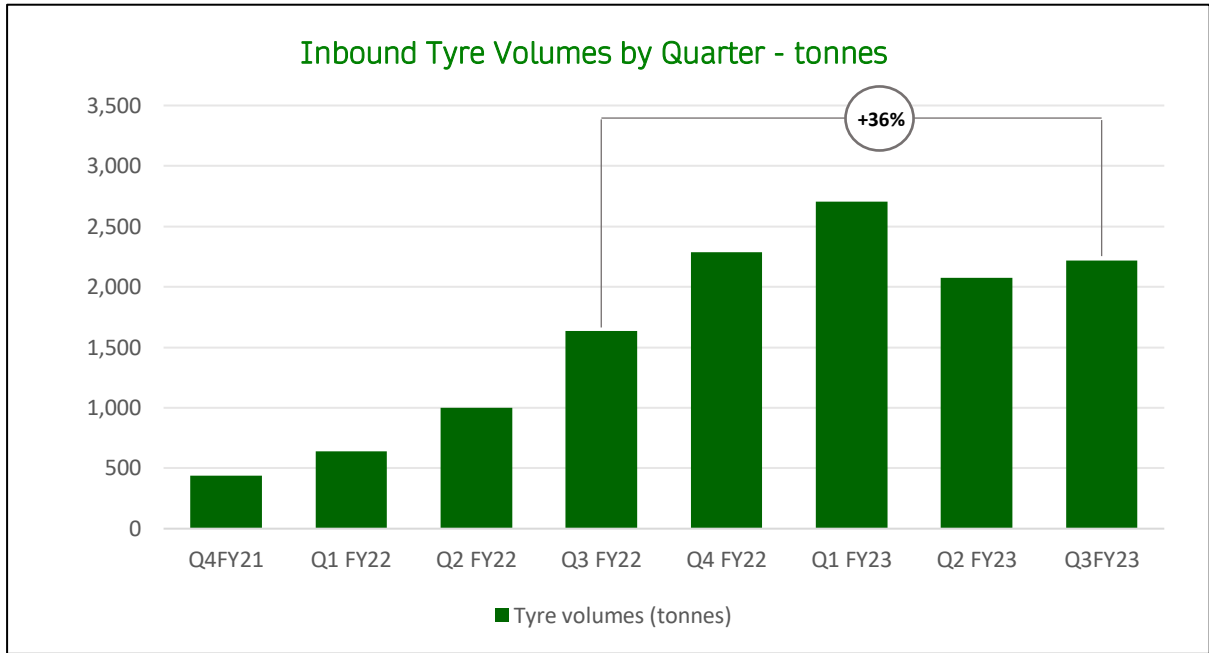
Sales and commercial update

Tyre collection

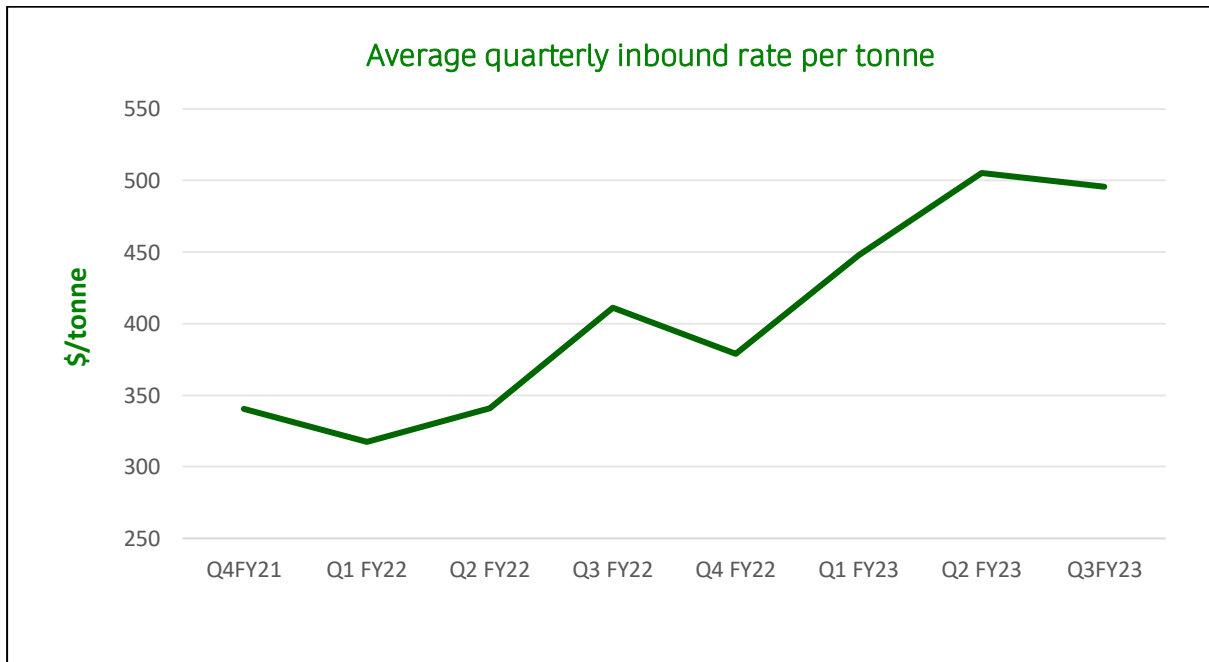
Total collections for the first nine month of FY23 were 7,000 tonnes (~700,000 tyres), a 114% increase on the same period in FY22, reflecting the increased customer base and collection capacity as the Company moves towards commercial volumes.

During Q3 in-bound volumes of 2,220 tonnes (~220,000 tyres) were collected and processed, which was 7% higher than the previous quarter. Q3 collections were 36% higher than Q3 FY22.

The uplift of in-bound tyre volumes, along with two separate price increases in July and September 2022, have resulted in year-to-date FY23 gate fee revenues at 31 March 2023 of \$3.4 million. These price and volume increases have resulted in a 177% increase in gate fee revenue when compared to the same 9-month period in FY22. This growth was further supported by average pricing per tonne increasing by 28% in FY23 when compared to FY22's annual average.



Collection volume by quarter

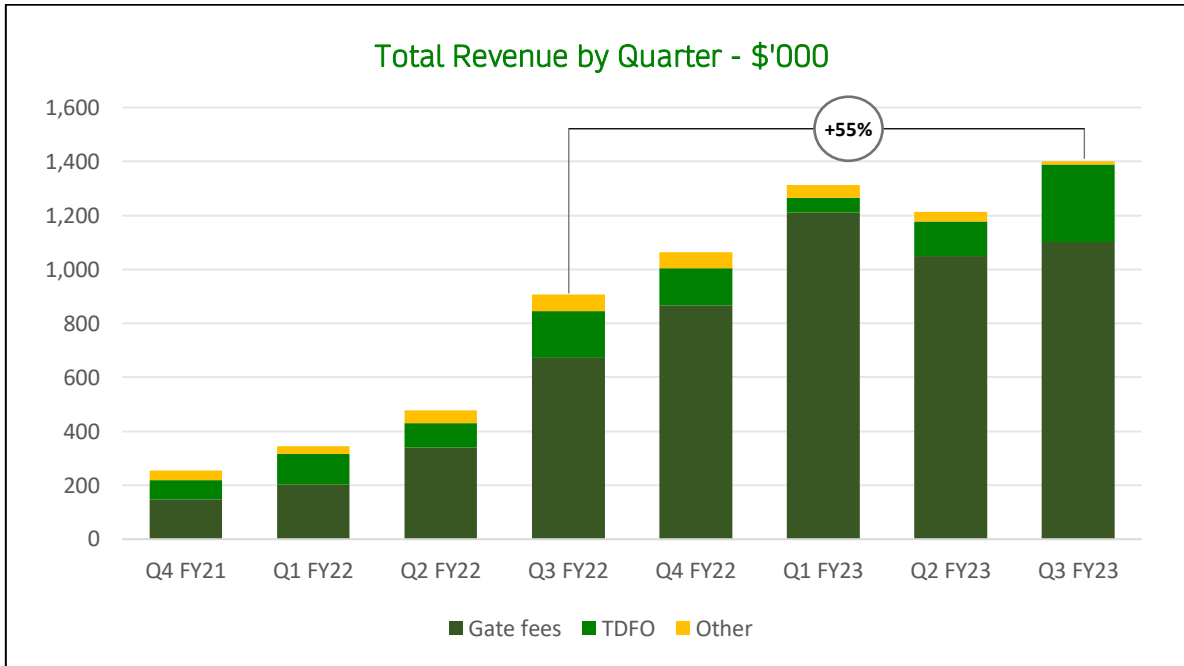


Average pricing per quarter

Tyre Derived Fuel Oil (TDFO) and Recovered Carbon Black (rCB)

Total revenue for the quarter was the highest in the Company’s history, driven by an increase in TDFO revenues as a result of increased processing volumes during the quarter. TDFO sales for the quarter of \$289k were more than double than those in Q2 FY23, with routine deliveries being made to our Asphalt customers.

Total revenues for the nine months ended 2023 were 127% higher than the same period in FY22, with Q3 FY23 total revenues 55% higher than Q3 FY22.

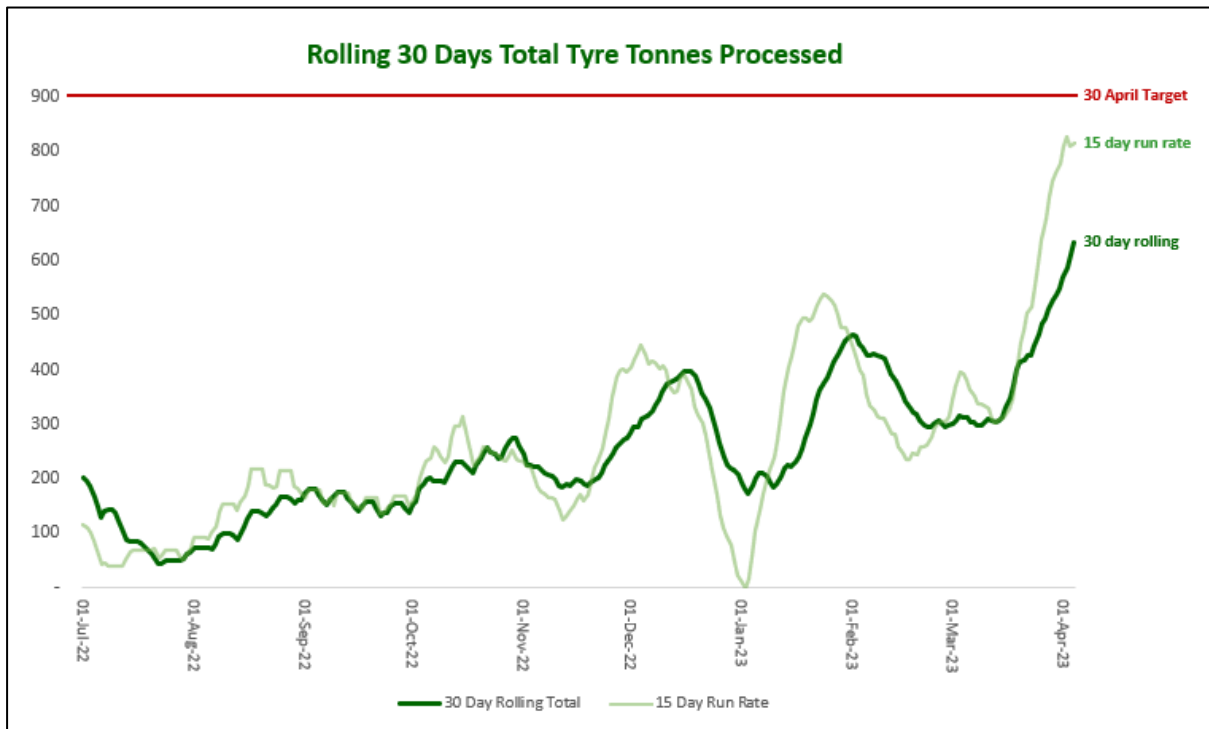


Total revenue by quarter

Operations

As planned, the Company has ramped up its throughput during the quarter as it begins to transition to sustainable commercial scale operations, targeted at 900 total tonnes per month with approximately 1,300 total tyre tonnes processed during the quarter.

This increase in volumes is attributable to key enabling infrastructure, Rasper and Tank Farm, that was commissioned in late 2022, in conjunction with the execution of the Company's resource plan.



Rolling 30 days of total tyre tonnes processed

The full operation of our in-line twin shaft shredding system is a couple of months behind schedule due to contractor delays. However, the shredder is now installed and is in the final stages of commissioning.

The new shredding system will enable increased throughput and reduce operating costs by eliminating 80% of current manual handling and bring shredding operations in-house, an expensive process which is currently being outsourced.

The new shredding system is anticipated to deliver 75% savings on its pre-processing costs, reducing from approximately \$200 to \$50 per tonne, or up to an estimated \$1.5 million saving for every 10,000 tonnes processed. Furthermore, this will allow the Company to significantly ramp up its inbound revenues by an anticipated \$350k per month.

Please see the separate operational update released to the ASX on 5 April 2023 which provided additional detail ([link](#)).

Site upgrades

The Company has executed a 10-year lease extension for its Stapylton facility through to 2033, with a further 10-year extension option. This ensures the full commercial life of the investments Entyr is making in critical site infrastructure will be realised.

The extension of the lease term includes a meaningful investment by the property owner to upgrade the tyre processing yard. These site improvements are nearing completion and will facilitate the 'just-in time' processing of tyres.

Appointment of new directors

During the quarter the Company appointed Ms. Leeanne Bond and Ms. Teresa Dyson as Non-Executive Directors to the Board of Entyr Limited (**Board**). As highly regarded and experienced Queensland based company directors they will bring further business strategy, operational, management and technical expertise and governance capability to the Board as the Company moves towards commercial operations.

Please see the full announcement on the board restructure released to the ASX on the 15 February 2023 ([link](#)).

Quarterly cash flow analysis

During the March 2023 quarter, Entyr had \$4.1 million of net operating outflows, \$0.3 million net cash used in investing activities and net cash inflows from financing activities of \$5.7 million.

Cash on hand at the end of the quarter was approximately \$2.2 million.

Operating cash flows included cash receipts from sales of \$1.5 million. Operating expenditure, including research and development, in relation to the collection, shredding and processing of tyres at the Company's Stapylton site was \$3.4 million. This includes a number of operating costs that are anticipated to be reduced once the Company completes the commercial infrastructure plan at the site.

Entyr spent \$0.8 million on capital infrastructure during the quarter, predominantly on the installation and commissioning of the in-line shredding system. The Company divested a mobile shredder for \$0.5 million.

Entyr received the tranche two funding from the placement announced 24 November 2022 after shareholders' approval at a General Meeting in early January 2023. Entyr also obtained funding of \$1.5 million against its FY23 R&D incentive during the quarter.

The description of payments to related parties of the entity and their associates set out in section 6.1 of Appendix 4C of \$51,204 is for non-executive directors' fees.

Authorised for release by:
Mike Barry
Chairman

For further information, please contact:
Investors – David Wheeley – CEO - David.Wheeley@entyr.com.au
Website – www.entyr.com.au

About Entyr Limited

Entyr Limited (Entyr) (ASX: ETR) is a revolutionary tyre processing company that applies unique, next-generation thermal desorption technology to cleanly convert tyres into valuable sustainable products including waste to energy opportunities. Entyr holds Australia's first environmental approvals for thermal treatment of rubber and is in commercial production at its facility in Stapylton, Queensland.

Entyr's technology is a significant advancement on other methods of processing waste tyres due to low emissions, no hazardous by-products and requires no chemical intervention. It is the only process that meets the standard emissions criteria set by the Australian regulators for this type of technology.

Appendix 4C

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

Name of entity

ENTYR LIMITED

ABN

90 118 710 508

Quarter ended ("current quarter")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,534	4,190
1.2 Payments for		
(a) research and development	(3,668)	(10,545)
(b) product manufacturing and operating costs	(551)	(1,210)
(c) advertising and marketing	-	-
(d) leased assets	(283)	(827)
(e) staff costs	(682)	(1,771)
(f) administration and corporate costs	(469)	(1,125)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	10
1.5 Interest and other costs of finance paid	(27)	(209)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	8,943
1.8 Other (provide details if material)	-	(1,092)
1.9 Net cash from / (used in) operating activities	(4,143)	(3,636)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(754)	(3,162)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	468	468
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	28
2.6	Net cash from / (used in) investing activities	(286)	(2,666)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,451	6,820
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(269)	(412)
3.5	Proceeds from borrowings	1,500	6,250
3.6	Repayment of borrowings	(15)	(5,795)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	5,667	6,863
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	943	1,620
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,143)	(3,636)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(286)	(2,666)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,667	6,863
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,181	2,181

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	2,181	943
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,181	943

6.	Payments to related parties of the entity and their associates	Current quarter \$A
6.1	Aggregate amount of payments to related parties and their associates included in item 1	\$51,204
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1	Loan facilities	2,600
7.2	Credit standby arrangements	-
7.3	Other (please specify)	-
7.4	Total financing facilities	2,600
7.5	Unused financing facilities available at quarter end	1,100
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.	
	The facility is with RH Capital Group Pty Ltd and relates to short term funding against our FY23 R&D claim. Interest on the borrowing is 15% per annum. This debt, along with any interest accrued, will be automatically settled upon receipt of the claim. The borrowing is secured under a general security deed.	

8. Estimated cash available for future operating activities	\$A'000	
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,143)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,181
8.3	Unused finance facilities available at quarter end (item 7.5)	1,100
8.4	Total available funding (item 8.2 + item 8.3)	3,281
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.79
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	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: No, the Company does not expect to have the current level of net operating cash flows. The board of directors (Board) anticipates the Company to continue to increase its revenue and reach a more sustainable cost structure as it moves towards commercial volumes. The commercialisation infrastructure plan will deliver both processing capacity and cost reduction benefits. As such, it anticipates that the current level of net operating cash flows will increase.	
8.6.2	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: The Board, regularly evaluates market appetite for equity and debt investment and manages capital and its operations accordingly. The Board anticipates it will be able to continue to access funding as required, including from rebates in relation to its R&D activity, and will update the market of any step it decides to take.	

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

Answer: Yes. The Company expects to be able to continue its operations and to meet its business objectives. This with increases in tyre collection revenues, increased processing volumes and capacity as well as increased revenues for our tyre derived fuel and recovered carbon black will enable the company to continue its operations and meet its business objectives. If necessary, the Company will look to obtain further bridging finance against its FY23 R&D incentive.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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: 26 April 2023

Authorised by: Michael Barry, Chairman

(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.