



ASX ANNOUNCEMENT

29 DECEMBER 2023

FURTHER DETAIL ON ENTYR TRANSACTION WITH TRAFIGURA

Environmental technology company **Entyr Limited** (ASX: ETR) ("**Entyr**" or the "**Company**") is pleased to provide the following further update to shareholders.

As previously announced to the ASX on 20 December 2023, Entyr and Trafigura have signed two commercial agreements being an Offtake Agreement and Collaboration Agreement (together "**the Agreements**"). This announcement is to provide further clarity of the potential financial impact on the Company of the Offtake Agreement.

Offtake Agreement - Key terms

Volume: Subject to an initial six month ramp up period, an existing supply agreement made by Entyr, and any other agreement entered into by Entyr with Trafigura's consent, Trafigura will offtake 100% of Entyr's products that are produced in facilities that are at least 50% owned by Entyr or otherwise operated by Entyr, being recovered carbon black and oil (**Products**).

Under the Offtake Agreement, Trafigura must acquire such Products subject to satisfaction of a number of specifications detailed in the Offtake Agreement.

Pricing: Trafigura will seek to achieve the highest commercially available price for Entyr's Products from its global network, which will be passed through to Entyr (after adjusting back to a comparable ex works basis). If the ex works price achieved by Trafigura exceeds an agreed floor price (see 'Product Floor Prices' as defined below), Entyr and Trafigura will share in such profits. The initial floor price has been set broadly in line with prices currently achieved for the Products and is subject to increases based on market reviews and CPI.

If the floor price is not achieved, Trafigura will receive a nominal marketing fee.

The price paid to the Company by Trafigura for the Products is not fixed as it will depend on the on-sale price achieved by Trafigura which will vary based on, amongst other factors global market demand, logistic costs, product quality, product availability and supply.

Term: The Offtake term is 20 years, subject to an early termination right that applies if Trafigura does not at least offer to subscribe for a minimum of \$2,500,000 in shares in Entyr on terms to be mutually agreed within an initial 2-year period.

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Any subscription for shares will be subject to Entyr’s agreement and the parties entering a formal subscription agreement on mutually acceptable terms and any necessary shareholder approvals at that time.

Commercial impact of the Offtake Agreement

Based on early market feedback, the Company anticipated acceptable market prices for its Products (on an ex-works basis from the Stapylton facility) to be approximately \$200/t for recovered carbon black and \$750/t for oil (respectively, the '**Product Floor Prices**'). While it is expected that these prices may increase over the medium term with demand for waste and circular feedstocks and the Company’s anticipated improvements to the Products’ quality, it is acknowledged that this would also be linked to a range of variable factors influencing market conditions such as the market value of substitute commodities, and the cost of marketing and delivering the Products to a global market.

Entering into the Agreements leverages the core capabilities of Trafigura as outlined in the announcement to the ASX dated 20 December 2023.

As previously outlined, Trafigura will offtake 100% of the Products and seek to achieve the highest commercially available price for Entyr’s Products from its global network. To the extent that the on-sale price achieved by Trafigura, adjusted back to a comparable ex works basis, exceeds the Product Floor Prices (the '**Excess Profit**'), the Company and Trafigura will share the Excess Profit 50/50. As previously outlined, the Product Floor Prices will be subject to increases based on market reviews and CPI.

The Company has outlined below, an example of annual estimated revenue based on the Company processing 20,000t of tyres per annum at the Stapylton facility. Prices for the Products have been shown at the Product Floor Prices, i.e. on an ex works price basis, with the Company receiving \$200/t for recovered carbon black and \$750/t for oil. Anticipated revenue from tyre collection gate rate and scrap steel have also been included for reference, however, these will not be subject of the Offtake Agreement. As prices for the Products are in line with the Product Floor Prices, no Excess Profit is shared with Trafigura.

| | <u>Revenue Example</u> | | |
|--------------|--|---|---|
| | Estimated volume per annum (tonnes) | Anticipated market price (\$/tonne) | Calculated revenue per annum (\$ millions) |
| Tyres | 20,000 | 535 | 10.7 |
| Steel | 4,000 | 125 | 0.5 |
| rCB * | 5,600 | 200 | 1.1 |
| Oil * | 8,000 | 750 | 6.0 |
| Total | | | <u><u>18.3</u></u> |

* *Linked to Agreements*

The above example is illustrative only and has been provided to outline the potential financial impact of the Offtake Agreement. In the event the Company were to receive higher or lower pricing for the Products than detailed above, or if the Company was to process higher or lower volumes of tyres, the above detailed annual revenue estimate would change accordingly.

As at the date of this announcement, Entyr is in the process of upgrading its Stapylton facility, and as such is not producing any Product or receiving any revenue from the Products. Entyr refers to its June 2023 and September 2023 quarter activity reports where this is disclosed.

Collaboration Agreement - Key terms

Entyr and Trafigura will work collectively to identify actions and focus areas in relation to Entyr's technology and plant infrastructure through feedback on product development, operations, financing, target markets and future expansion opportunities in Australia and internationally.

The Collaboration Agreement has a 10-year term and grants Trafigura an option to invest up to 25% of the equity in any subsidiary special purpose vehicle incorporated by Entyr to hold any new plant(s) during this period.

The Collaboration Agreement will automatically terminate if the Offtake Agreement is terminated.

Conclusion

The Agreements with Trafigura marks a key strategic milestone for Entyr Limited in our commitment to innovation, growth, and delivering exceptional value to our customers and stakeholders. We look forward to a prosperous and mutually beneficial relationship with Trafigura. The Company expects the Agreements to provide access to a global market for rCB and oil sales which will underpin the financials of the Stapylton facility when fully operational and future Company owned facilities domestically and internationally.

Authorised for release by the Board of Entyr Limited.

For further information, please contact:

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About Entyr Limited

Entyr Limited (Entyr) (ASX: ETR) is an Australian company with unique technology that has the potential to play a significant role in solving the global waste tyre problem. The patented thermal desorption technology cleanly converts end-of-life tyres into valuable products, (oil, carbon, steel) using heat in an oxygen free environment. Entyr is a complete environmental and circular solution for one of the world's largest waste and environmental problems.

Disclaimer

This document contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this document are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks and uncertainties and other factors that are beyond the control of Entyr, its directors and management. This includes statements about pricing, market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Actual results, performance or achievements may differ materially from those expressed or implied in such statements and any projections and assumptions on which these statements are based. These statements may assume the success of Entyr's business strategies. The success of any of those strategies will be realised in the period for which the forward-looking statement may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements and except as required by law or regulation, none of Entyr, its representatives or advisers assumes any obligation to update these forward-looking statements. No representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in this document. The forward-looking statements are based on information available to Entyr as at the date of this document. Except as required by law or regulation (including the ASX Listing Rules), none of Entyr, its representatives or advisers undertakes any obligation to provide any additional or updated information whether as a result of a change in expectations or assumptions, new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.