



ASX ANNOUNCEMENT  
30 October 2023

## QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

### HIGHLIGHTS

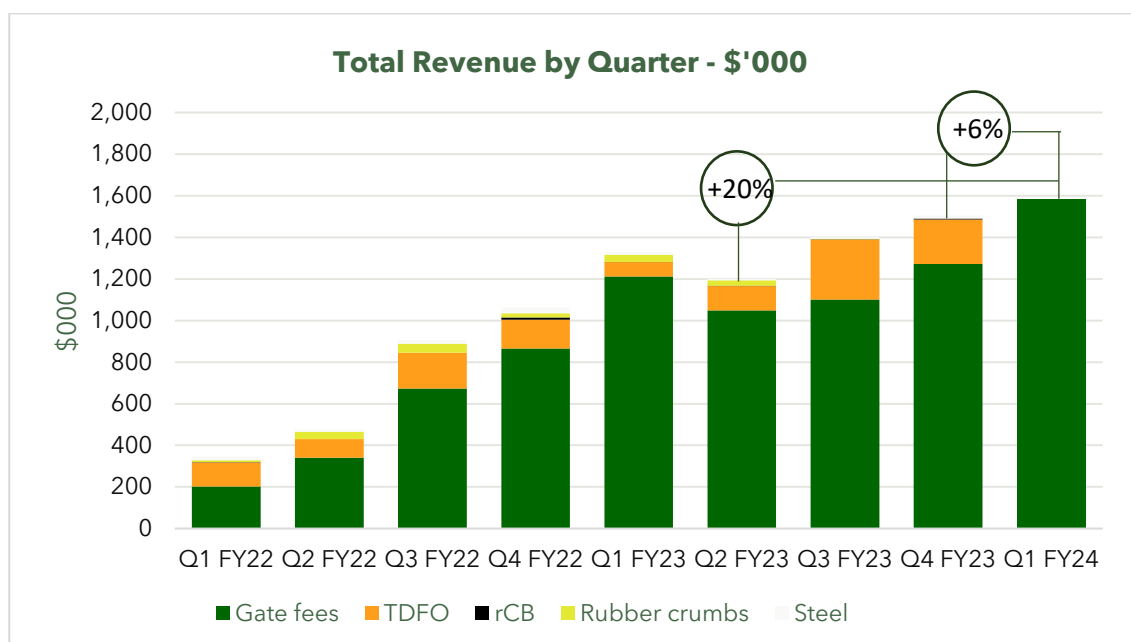
- **Record revenue:** Third consecutive quarter of record revenue in Q1 FY24 of \$1.6 million, a 20% increase on Q1 FY23 of \$1.3 million, driven by higher in-bound tyre volumes and pricing.
- **Tyre volume growth:** 20% increase in Q1 FY24 collections vs Q4 FY23, supported by a continued increase in new tyre customers.
- **Successful product trials:** High specification product samples produced for potential international customers.
- **Successful new infrastructure commissioning:** DCS & TDU4 gas management system

Environmental technology company **Entyr Limited** (ASX: ETR) ("**Entyr**" or the "**Company**") is pleased to provide the following update to shareholders for the quarter ended 30 September 2023 (Q1).

### Sales and commercial update

#### Revenue

In Q1 FY24, Entyr reported its highest quarterly revenue in the Company's history at \$1.6 million, which represents growth of 6% vs Q4 FY23 and 20% vs Q1 FY23. The revenue result was due to continued growth in both tyre collection volumes and collection rate.



*Total Revenue by Quarter*

Entyr Limited | ABN 90 118 710 508

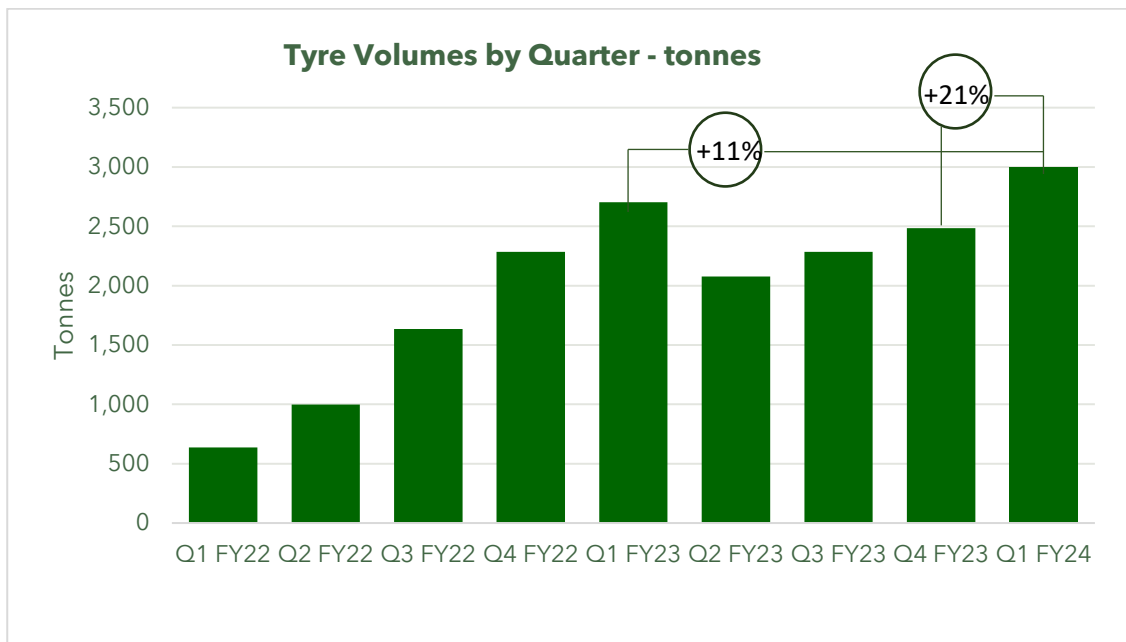
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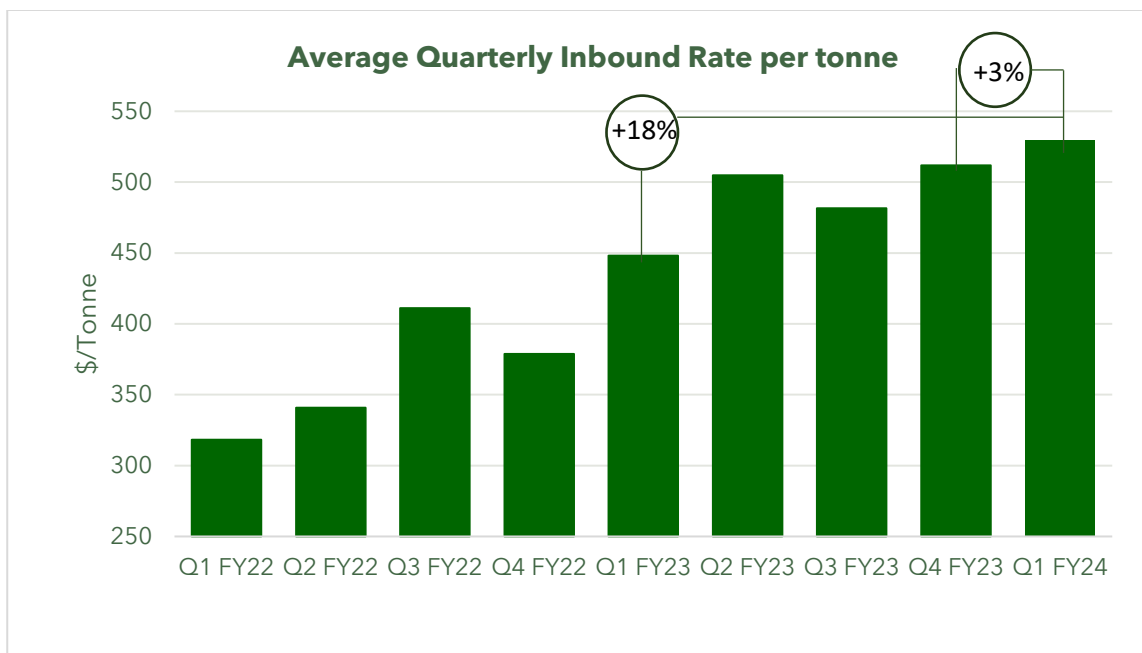
## Tyre collection

Tyre collection volumes increased 21% in Q1 FY24 to 2,995 tonnes, compared to 2,484 tonnes in Q4 FY23. The increase in collections has been supported by targeted customer growth (21 new customers Q1 FY24) and increased customer density in South-East Queensland. Volume has grown 11% from 2,702 tonnes achieved in Q1 FY23.

The Company is continuing to see a positive trend in the collection price which increased 3% between Q4 FY23 and Q1 FY24 to average \$529 per tonne and increased 18% from Q1 FY23.



Total tyre collections by quarter



Average inbound tyre collection rate by quarter

## Operations

### Infrastructure upgrade commissioning

The Distribution Control System (DCS) upgrade and installation programming is now completed with connection to 2 of the 4 thermal desorption units now completed.

The Thermal Desorption Unit (TDU) gas management system installation was completed on TDU4 to enable effective commissioning of the DCS.

Successful commissioning trials of the DCS and Gas management system were conducted on TDU4 during October. The trial on TDU4 was run by the DCS at commercial pace (approx. 10t of per day) 24hr per day for 4 consecutive days with no issues and minimal human intervention. The new gas management system performed to expectations, significantly reducing operational maintenance requirements over the period resulting in above 80% operational availability, 10% better than plan. The combined outcome of the DCS tight control over operating parameters and improved gas management produced Entyr's highest quality carbon with low ash and VOC (volatile organic compounds) content at less than 17% and 3% respectively and very high levels of fuel production yield at approximately 50% of the feed volume after the removal of steel.



*Stapylton control room – upgraded DCS running TDU4*

### Customer product trials

The commissioning trial also allowed the Company to successfully produce recovered carbon black (rCB) and tyre derived fuel oil (TDFO) samples utilising specific and controlled feed stock requirements at the request of potential international offtake clients to meet their individual specification.

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### Inhouse laboratory testing facility

During the quarter the inhouse laboratory testing facility was established and used during the commissioning trials allowing quick and efficient testing of tyre derived products. The inhouse testing facility allows for high levels of quality control to enable the Company to meet future client product specifications.



*Stapylton inhouse laboratory testing facility*

### Infrastructure project delivery

The Company is progressing the upgrade projects to deliver TDU safety, compliance and efficiency to electrical, hydraulic & compressed air systems with completion expected on time. However, the milling and bagging unit project has suffered some delays related to component manufacture both locally and overseas.

The Company expects the installation and commissioning of new infrastructure excluding the milling and bagging unit to be completed in December 2023 with the completion of the milling and bagging unit now expected in February 2024 delaying the sites return to 24/7 operations to March 2024.

The following table sets out the infrastructure project progress and expected completion times.

Project	% Complete	Target completion date
Milling & Bagging unit design and installation	56%	20/02/2024
TDU Electrical Upgrade	59%	30/12/2023
TDU gas extraction upgrade / tank farm vent system + recirculating sprays	45%	30/12/2023
Safety upgrades to guarding and platforms	20%	30/12/2023
Gas extraction point automatic punch	50%	30/12/2023
Tank Farm Expansion	50%	30/12/2023
Fume extraction upgrade	50%	30/12/2023
DCS development & installation	80%	15/12/2023
TDU hydraulic upgrades	90%	15/12/2023
Rasper dust extraction + Nylon handling from rasper + Nylon compaction	90%	30/11/2023
Centralised air compressor system	95%	10/11/2023
TDU 1 & 2 relocation to align with 3&4	100%	Completed
Electrical sub board upgrade and relocation	100%	Completed
General site detailed mechanical specifications development	100%	Completed
General site detailed electrical and instrumentation specifications development	100%	Completed

*Infrastructure project delivery status and completion date*

### Innovation award

The Company received national recognition at the Waste Innovation and Recycling Awards at the gala dinner held in Melbourne on 25 October by receiving the Innovation Award for its world-leading thermal conversion process for end-of-life tyres.



*Andrew Drennan, Waste Innovation and Recycling Awards, 25 October 2023*

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### Quarterly cash flow analysis

During the quarter, Entyr had \$3.0 million of net operating outflows, \$0.7 million net cash used in investing activities and net cash inflows from financing activities of \$3.6 million. Cash on hand at the end of the quarter was approximately \$1.2 million.

Operating cash flows included cash receipts from tyre collection sales of \$1.6 million. The implementation of cost-savings initiatives from Q4 FY23 are now delivering the expected savings. Operating expenditure before the allocation to research and development (R&D) included manufacturing and operational expenditure of \$3 million; staff expenses of \$1.4 million and other operating costs of \$0.2 million. The allocation of expenditure to R&D is subject to change as part of the detailed R&D calculations for FY24.

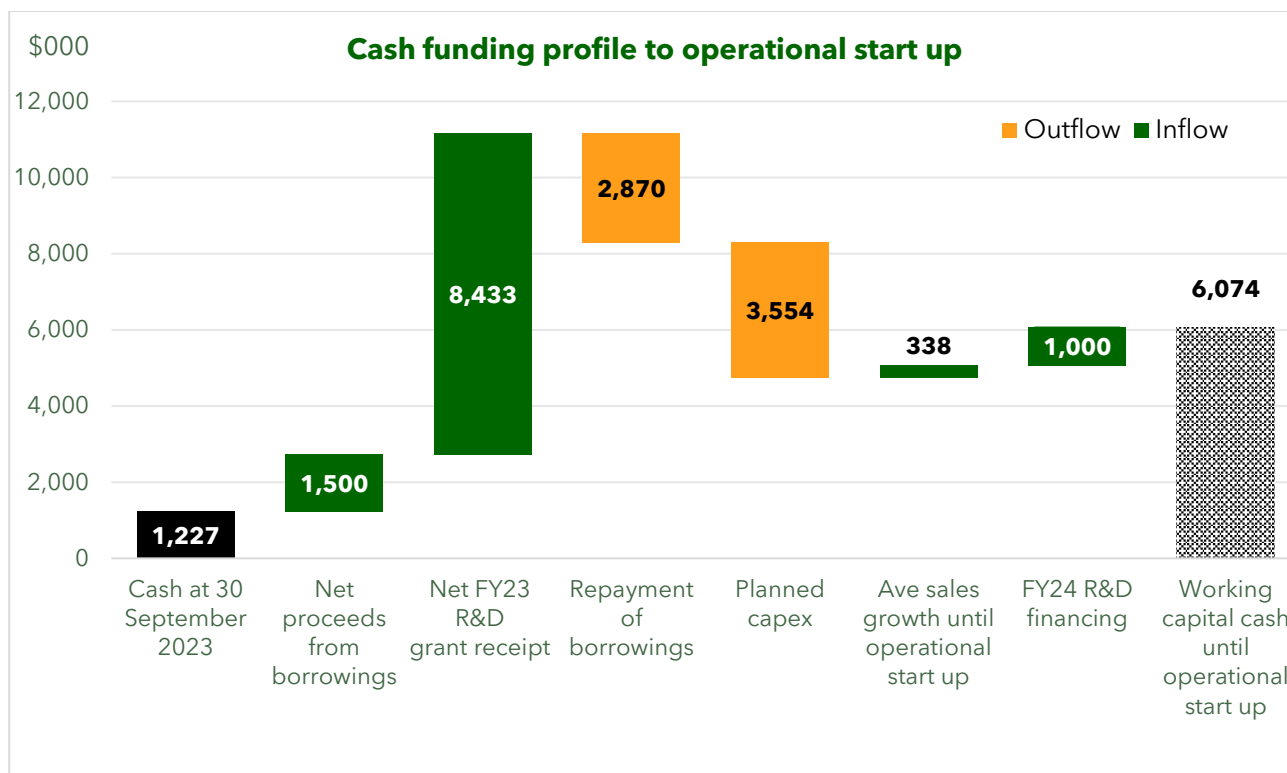
The Company incurred \$0.8 million on capital expenditure during the quarter consisting of progress payments for the infrastructure program. \$0.1m of other receipts included return of bonds; maturity of term deposits and an insurance claim receipt.

The payments to related parties of the entity and their associates set out in section 6.1 of Appendix 4C total \$81,282 for the payment of fees to non-executive directors.

### Cash Funding

Following the quarter end, the Company is finalising bridging finance of net \$1.5m (\$2m less \$0.5m to partially repay current facility) to cover ATO processing time of the FY23 income tax return & R&D incentive. Following receipt of the expected R&D incentive of net \$8.4m, the remaining R&D financing will be repaid as will \$0.5m of the new bridging finance facility. The remaining \$1m of the new facility can be settled at any time within the next 12 months.

Following receipt of the FY23 R&D incentive, the Company will prepare the interim FY24 R&D calculation for mid-year financing consistent with prior years.



Funding pathway through to full plant operations in H2FY2024

Authorised for release by:

**Mike Barry**  
**Chairman**

**For further information, please contact:**

**Investors** – David Wheeley – CEO [David.Wheeley@entyr.com.au](mailto:David.Wheeley@entyr.com.au)

**Website** – <https://www.entyr.com.au>

### **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, (fuel, 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.*

## Appendix 4C

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

<b>Name of entity</b>	
ENTYR LIMITED	
<b>ABN</b>	<b>Quarter ended ("current quarter")</b>
90 118 710 508	30 September 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,644	1,644
1.2 Payments for		
research and development	(3,351)	(3,351)
product manufacturing and operating costs	(175)	(175)
advertising and marketing	-	-
leased assets	(159)	(159)
staff costs	(432)	(432)
administration and corporate costs	(487)	(487)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	11
1.5 Interest and other costs of finance paid	(95)	(95)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	7	7
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,037)</b>	<b>(3,037)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
businesses	-	-
property, plant and equipment	(846)	(846)
investments	-	-
intellectual property	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
	other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	businesses	-	-
	property, plant and equipment	-	-
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (bond refunds; term deposits; insurance claim receipt)	100	100
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(746)</b>	<b>(746)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,810	3,810
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	(126)	(126)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(18)	(18)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,666</b>	<b>3,666</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,344	1,344
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,037)	(3,037)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(746)	(746)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,666	3,666
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,227</b>	<b>1,227</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,227	1,227
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,227</b>	<b>1,227</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1 – Director payments	\$81,282
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.*

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1 Loan facilities	2,600	2,600
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>2,600</b>	<b>2,600</b>
<b>7.5 Unused financing facilities available at quarter end</b>		-
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.		
<p>Answer: The financing facility is with RH Capital Group Pty Ltd and relates to short term funding against the FY23 R&amp;D incentive claim. Interest on the borrowings is 15% per annum. This debt, along with any interest accrued, will be automatically settled upon receipt of the R&amp;D claim. The borrowing is secured under a general security deed.</p> <p>Following the quarter end, the Company is finalising bridging finance of \$2m. \$0.5m will partially repay the above RH Capital Group Pty Ltd facility. Of the remaining \$1.5m, \$0.5m will be settled upon receipt of the FY23 R&amp;D incentive claim and \$1m is repayable at any time within the next 12 months.</p>		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(3,037)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,227
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,227
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>0.40</b>
<p><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></p>	
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?	
<p>Answer: No. During Q4 FY23, the Company implemented a number of cost saving initiatives while it continues to complete its infrastructure program. These savings were realised part way through Q1 FY24. The Board anticipates that the Company will continue to increase its revenue and reach a more sustainable cost structure as it moves towards commercial volumes.</p> <p>The infrastructure plan will deliver both processing capacity and cost reduction benefits. As such, it anticipates that the net operating cash flows will significantly improve moving forward.</p>	

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: Following the quarter end, the Company is finalising bridging finance of \$2m. \$0.5m will partially repay the RH Capital Group Pty Ltd facility in item 7. Of the remaining \$1.5m, \$0.5m will be settled upon receipt of the FY23 R&D incentive claim and \$1m is repayable at any time within the next 12 months.

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 R&D claims, 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. The increase in tyre collection revenues along with the infrastructure plan delivering increased capacity and processing volumes of tyre derived fuel and recovered carbon black will enable the company to continue its operations and meet its business objectives.

*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: 30 October 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 – e.g. 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.