



ASX ANNOUNCEMENT
31 July 2024

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

HIGHLIGHTS

- **Plant maintenance and commissioning** – Significant maintenance and refurbishment of shredding plant and equipment has been completed alongside commissioning in the June quarter.
- **Tyre receivals** – Volumes of end-of-life tyres have been received from June and July orders and will continue to ramp up in line with management's plan.
- **Shredding and export** – Shredding activities have recommenced to satisfy export orders alongside rasping stockpiles from selective OTR tyres for management forecast thermal desorption unit (TDU) operations.
- **Product trials** – Recovered Carbon Black samples have been distributed for further testing and analysis alongside internal product development.
- **Resourcing** – Key roles have been advertised for the scheduled onboarding of key personnel required for full production ramp up.

Environmental technology company **Entyr Limited (Subject to Deed of Company Arrangement)** (ASX: ETR) ("**Entyr**" or the "**Company**") is pleased to provide the following update to shareholders for the quarter ended 30 June 2024 ("**Q4**" or "**Quarter**").

Operations Update

Plant maintenance and commissioning

During the June Quarter, activities focused on maintaining operational readiness and refurbishing key tyre processing plant and equipment. The Entyr Primary Shredder and Secondary Rasping plant underwent restorative and preventative maintenance tasks to prepare for tyre processing, aligning with the expected waste tyre receivals in late June.

Waste Tyre Receivals

The Company has recommenced its tyre receivals business in anticipation of fully resuming operations upon completing its proposal to restructure, recapitalise and reinstatement to trading on the ASX.

Waste tyre volumes of end-of-life tyres have been received from June and July orders and will continue to ramp up in line with management's production plan over the September Quarter.

Entyr has re-established relationships with existing tyre collection contractors to receive waste tyres at its Stapylton facility, instead of operating its own collection fleet. This is a key component of Entyr's renewed operating model, aimed at reducing operational costs and maximising waste tyre gate fee revenues.

Shredding and export

Shredding activities have recommenced to manage incoming waste tyre feedstock and to satisfy export orders alongside rasping stockpiles from selective OTR tyres for forecast TDU operations.

Entyr has also renewed relationships with existing contract shredding operators to process a targeted increase in larger earthmover/OTR feedstock to increase overall gate fee revenues. Entyr's shredding activities will focus on TDU feedstocks, whilst the contract shredding will target the export markets.

Resourcing

Key roles, inclusive of a Senior Project Engineer, have been advertised for the scheduled onboarding of key personnel required for full production ramp up.

Stapylton 3-Year Strategic Plan

The Company management conducted a review of the business's current management systems around the four key pillars: Health, Safety, and Environmental (HSE), Plant and Equipment, Process Technology, and People Management.

The review was completed to develop a 3-Year Strategic Plan, including the capital plan, to ensure Entyr's management systems are developed and maintained in alignment with Entyr's streamlined operating model.

Capital/Infrastructure project delivery

At the end of March 2024, ETR entered voluntary administration, which halted all projects and placed them on hold pending the administration process. This process led to project delays, requiring close consultation with service providers and vendors to reinitiate activities, followed by the recommencement of activities in late June 2024.

All projects have been reviewed in line with Entyr's streamlined operating model to ensure efficient and effective use of funds in line with operational targets.



Milling & bagging unit at the Stapylton facility



Milling & bagging unit at the Stapylton facility

Corporate Update

During the Quarter the creditors resolved that Entyr and its subsidiaries execute Deeds of Company Arrangement (**DOCAs**) pursuant to Part 5.3A of the *Corporations Act 2001 (Cth)* (**Act**). The DOCAs were executed on 16 May 2024.

Having signed the DOCAs, the ancillary transaction documents and satisfied the initial DOCA conditions precedent, control of Entyr and its subsidiaries (**Group**) returned to the Board of Entyr.

Entyr invoiced 50 tonnes of waste tyres on Friday, 28 June 2024, for the first time since the recommencement of operations. These tyres are to be delivered to the Entyr site located in Stapylton, QLD. This invoice was paid, and the payment was received in the Company bank account on 26 July 2024.

Financial Update

In accordance with ASX Listing Rule 4.7C.1, direct operating activities expenditure for the Quarter equaled \$2,213,000 comprising of:

- product manufacturing and operating costs of \$38,000;
- Leased assets cost of \$198,000;
- staff costs of \$221,000; and
- administration and corporate costs of \$1,793,000.

Net cash used in operating activities amounted to \$1,730,000, after accounting for cash inflows totaling \$483,000 from customer receipts and \$11,000 from interest received.

In accordance with ASX Listing Rule 4.7C.3, the Company advises that no payments were made to related parties of Entyr and their associates during the Quarter.

During the Quarter, Entyr refinanced its loan with Avior Asset Management No. 5 Pty Ltd, to secure a facility of \$5,350,000 (**Facility**). This Facility was secured by a general security agreement over the Group's assets. Contractual documents relating to the Facility were executed prior to the DOCAs being signed. The Facility was drawn down during May and June. The Facility balance as at 30 June 2024 stands at \$6.1 million which incorporates capitalised interest and repayment of its previous loan facility that had a balance of \$2,130,000.

The Facility can be repaid at any time during the term. The interest rate applicable is 19.5% per annum. In addition, the Facility includes a 7.5% establishment fee and 7.5% minimum return fee on the \$5.9 million Facility limit.

Authorised for release by:
Board of Directors

About Entyr Limited (Subject to Deed of Company Arrangement)

Entyr Limited (Subject to Deed of Company Arrangement) (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.

Appendix 4C

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

Name of entity		
ENTYR LIMITED (Subject to Deed of Company Arrangement)		
ABN	Quarter ended ("current quarter")	
90 118 710 508	30 June 2024	
Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	483	5,551
1.2 Payments for		
research and development	-	(7,988)
product manufacturing and operating costs	(38)	(318)
advertising and marketing	-	-
leased assets	(198)	(746)
staff costs	(221)	(2,115)
administration and corporate costs	(1,767)	(3,076)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	145
1.5 Interest and other costs of finance paid	-	(743)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	9,356
1.8 Other (R&D accounting and advisory)	-	(1,023)
1.9 Net cash from / (used in) operating activities	(1,730)	957
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
businesses	-	-
property, plant and equipment	-	(3,997)
investments	-	-
intellectual property	-	-
other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
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)	-	111
2.6	Net cash from / (used in) investing activities	-	(3,886)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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)
3.5	Proceeds from borrowings	5,350	8,005
3.6	Repayment of borrowings	(2,130)	(5,917)
3.7	Transaction costs related to loans and borrowings	(350)	(350)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	2,870	5,422
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	783	1,344
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,730)	(957)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(3,886)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,870	5,422
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,923	1,923

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	1,922	782
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (petty cash)	1	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,923	783

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 – Director payments	-
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. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	5,230	5,230
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	5,230	5,230
7.5 Unused financing facilities available at quarter end		-
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 loan facilities at quarter end are made up of an 18-month loan facility of \$5.4 million (Facility) with Avior Asset Management No. 5 Pty Ltd (Avior) entered into on 16 May 2024, secured by a general security agreement over the Group's assets.</p> <p>The Facility balance as at 30 June 2024 stands at \$6.1 million which includes capitalised interest. The facility can be repaid at any time during the term.</p> <p>The interest rate applicable to the Facility is 19.5% per annum paid monthly in arrears. In addition, the Facility includes a 7.5% establishment fee and 7.5% minimum return fee on the \$5.9 million facility limit (which incorporates capitalisation of fees).</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,730)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,923
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,923
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.11
<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?	
<p>Answer: The Company was in Voluntary Administration and is now subject to a Deed of Company Arrangement. Upon completion of its proposal to restructure, recapitalise and obtain reinstatement to trading on the ASX, the Company expects to continue and ramp up revenue generation. The infrastructure plan (delivering increased capacity and processing volumes of tyre derived oil and recovered carbon black) will deliver both processing capacity and cost reduction benefits through automation. As such, Enty anticipates that net operating cash flows will significantly improve once commercial volumes are achieved.</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: The Company was in Voluntary Administration and is now subject to a Deed of Company Arrangement. However, upon completion of its proposal to restructure, recapitalise and obtain reinstatement to trading on the ASX, the Board anticipates it will be able to access funding as required, including R&D incentives, 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: The Company was in Voluntary Administration and is now subject to a Deed of Company Arrangement. However, upon completion of its proposal to restructure, recapitalise and obtain reinstatement to trading on the ASX, the Company expects to be able to continue its operations and to meet its business objectives. The expected increase in tyre collection revenues along with the infrastructure plan delivering increased capacity and processing volumes of tyre derived oil 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: 31 July 2024

Authorised by: Board of Directors

(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.