



ASX ANNOUNCEMENT  
19 July 2024

## QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

### Operational Updates

- Entyr Limited (Subject to Deed of Company Arrangement) (ASX: ETR) and its subsidiaries entered Voluntary Administration with effect from 26 March 2024.

### Financial Updates

- Receipts from Customer for the quarter ended 31 March 2024 were \$1.5 million.

Environmental technology company Entyr Limited (Subject to Deed of Company Arrangement) (ASX: ETR) (**Entyr** or **the Company**), provides the following update to shareholders for the quarter ended 31 March 2024 (**Q3** or **Quarter**).

### Operational Overview:

Entyr and its subsidiaries entered Voluntary Administration on 26 March 2024.

The Directors at that time appointed Mr. Richard Hughes and Mr. Travis Anderson of Deloitte Financial Advisory Pty Ltd as Joint and Several Administrators ("**Administrators**") on the basis that they believed the appointment was the best mechanism to accelerate the recapitalisation or sale of the business.

The Administrators were appointed with respect to the following entities:

- Entyr Limited (Subject to Deed of Company Arrangement) ACN 118 710 508
- Australian Tyre Processors Pty Ltd (Subject to Deed of Company Arrangement) ACN 623 880 446
- Keshi Technologies Pty Ltd (Subject to Deed of Company Arrangement) ACN 608 957 259
- Pearl Global Management Pty Ltd (Subject to Deed of Company Arrangement) ACN 23 190 894
- Rubber Reclamation Industries Pty Ltd (Subject to Deed of Company Arrangement) ACN 168 248 397

Subsequent to the end of the quarter, on 17th May 2024 the Deed of Company Arrangement was signed, and the control of the Company transitioned to Avior Capital.

### Financial Update

In accordance with ASX Listing Rule 4.7C.1, direct operating activities expenditure for the Quarter totaled \$4,092,000 comprising of:

- research and development expenses of \$2,478,000,
- product manufacturing and operating costs of \$5,000
- staff costs of \$955,000,

- administration and corporate costs of \$182,000, and
- interest and other payments of \$234,000.

Net cash used from operating activities was \$2,507,000 after accounting for cash inflows totaling \$1,559,000 from customer receipts and \$26,000 from interest received.

In accordance with Listing Rule 4.7C.3, the Company advises that payments to related parties of the entity and their associates during the Quarter amounted to \$42,667.

During the Quarter, the Company made a payment of AUD\$598,000 to L&G Foster in order to repay the short-term loan amount owed to them. The Company also made a loan repayment of \$53,000 to Avior Asset Management No. 5 Pty Ltd.

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

90 118 710 508

#### Quarter ended ("current quarter")

31 March 2024

| Consolidated statement of cash flows                      | Current quarter<br>\$A'000 | Year to date<br>(9 months)<br>\$A'000 |
|---|----------------------------|---------------------------------------|
| <b>1. Cash flows from operating activities</b>            |                            |                                       |
| 1.1 Receipts from customers                               | 1,559                      | 5,068                                 |
| 1.2 Payments for  |                            |                                       |
| research and development                                  | (2,478)                    | (7,988)                               |
| product manufacturing and operating costs                 | (5)                        | (280)                                 |
| advertising and marketing                                 | -                          | -                                     |
| leased assets   | (238)                      | (548)                                 |
| staff costs   | (955)                      | (1,894)                               |
| administration and corporate costs                        | (182)                      | (1,309)                               |
| 1.3 Dividends received (see note 3)                       | -                          | -                                     |
| 1.4 Interest received                                     | 26                         | 134                                   |
| 1.5 Interest and other costs of finance paid              | (234)                      | (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)                               |
| <b>1.9 Net cash from / (used in) operating activities</b> | <b>(2,507)</b>             | <b>773</b>                            |
| <b>2. Cash flows from investing activities</b>            |                            |                                       |
| 2.1 Payments to acquire or for:                           |                            |                                       |
| (a) entities  | -                          | -                                     |
| businesses  | -                          | -                                     |
| property, plant and equipment                             | (1,202)                    | (3,997)                               |
| investments   | -                          | -                                     |
| intellectual property                                     | -                          | -                                     |
| other non-current assets                                  | -                          | -                                     |

| <b>Consolidated statement of cash flows</b> |   | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(9 months)<br/>\$A'000</b> |
|---|---|------------------------------------|--|
| 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;<br>insurance claim receipt)                         | 11                                 | 111  |
| <b>2.6</b>                                  | <b>Net cash from / (used in) investing activities</b>                                   | <b>(1,191)</b>                     | <b>(3,886)</b>                                 |
| <b>3.</b>                                   | <b>Cash flows from financing activities</b>   |                                    |  |
| 3.1   | Proceeds from issues of equity securities<br>(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  | -                                  | 2,655  |
| 3.6   | Repayment of borrowings   | (651)                              | (3,787)  |
| 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>(651)</b>                       | <b>2,552</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  | 5,132                              | 1,344  |
| 4.2   | Net cash from / (used in) operating activities (item 1.9 above)                         | (2,507)                            | 773  |
| 4.3   | Net cash from / (used in) investing activities (item 2.6 above)                         | (1,191)                            | (3,886)  |

| <b>Consolidated statement of cash flows</b> |  | <b>Current quarter<br/>\$A'000</b> | <b>Year to date<br/>(9 months)<br/>\$A'000</b> |
|---|--|------------------------------------|--|
| 4.4   | Net cash from / (used in) financing activities (item 3.10 above) | (651)                              | 2,552  |
| 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>783</b>                         | <b>783</b>                                     |

| <b>5.</b>  | <b>Reconciliation of cash and cash equivalents</b><br>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<br/>\$A'000</b> | <b>Previous quarter<br/>\$A'000</b> |
|------------|---|------------------------------------|-------------------------------------|
| 5.1        | Bank balances   | 782                                | 5,131                               |
| 5.2        | Call deposits   | -                                  | -                                   |
| 5.3        | Bank overdrafts   | -                                  | -                                   |
| 5.4        | Other (petty cash)  | 1                                  | 1                                   |
| <b>5.5</b> | <b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>  | <b>783</b>                         | <b>5,132</b>                        |

| <b>6.</b> | <b>Payments to related parties of the entity and their associates</b>                                       | <b>Current quarter<br/>\$A</b> |
|-----------|---|--------------------------------|
| 6.1       | Aggregate amount of payments to related parties and their associates included in item 1 – Director payments | \$42,667                       |
| 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>  | <b>Total facility amount at quarter end \$A'000</b> | <b>Amount drawn at quarter end \$A'000</b> |
|---|---|--|
| <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.<br/>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>   |   |  |
| 7.1 Loan facilities   | 2,200   | 2,155                                      |
| 7.2 Credit standby arrangements   | -   | -  |
| 7.3 Other (please specify)  | -   | -  |
| <b>7.4 Total financing facilities</b>   | <b>2,200</b>  | <b>2,155</b>                               |
| <b>7.5 Unused financing facilities available at quarter end</b>   |   | <b>338,000</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 loan facilities at quarter end are made up of:</p> <p>(a) an unsecured short-term loan facility of \$0.7 million with L&amp;G Foster entered on 17 November 2023. \$0.5 million of the facility was drawn down and the loan was repaid in full on 12 January 2024. The interest rate applicable to this loan was 20% per annum in addition to an establishment fee of 19% on the monies drawn down; and</p> <p>(b) a 12-month loan facility of \$2.2 million with Avior Asset Management No. 5 Pty Ltd (Avior) entered on 20 November 2023, secured by a general security over the Company's assets. The facility was drawn down across November and December, however a \$0.5 million repayment was made in accordance with the loan agreement upon receipt of the FY23 R&amp;D tax incentive in late December. This reduced the facility to \$1.7 million. The facility can be repaid at any time during the term. The interest rate applicable to this loan is 1.95% per calendar month paid monthly in arrears. In addition, the loan includes a 7.5% establishment fee and 7.5% minimum return fee on the \$2.5 million facility limit (which incorporates capitalisation of fees). The loan was in default at 31 March 2024 due to the appointment of voluntary administrators on 26 March 2024 and as a result the default interest rate of 2.75% per month applied.</p> <p>Consistent with the prior year, the Company is in the process of applying for R&amp;D financing based on the December year to date R&amp;D calculation.</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)   | (2,507)        |
| 8.2 Cash and cash equivalents at quarter end (item 4.6)   | 783            |
| 8.3 Unused finance facilities available at quarter end (item 7.5)   | 338            |
| 8.4 Total available funding (item 8.2 + item 8.3)   | 1,122          |
| <b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>   | <b>0.45</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?

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 reinstatement to trading the Company expects to generate revenue.

The infrastructure plan will deliver both processing capacity and cost reduction benefits through automation. As such, it anticipates that net operating cash flows will significantly improve once commercial volumes are achieved.

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 reinstatement to trading, 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 reinstatement to trading, 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: 19 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.