



ASX ANNOUNCEMENT
29 January 2025

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

HIGHLIGHTS

- **Tyre receivals** – Entyr has increased tyre receivals volume to 929 tonnes of end-of-life tyres for the December quarter as it builds off new supply contracts and independent suppliers.
- **Shredding and export** – The total volume of tyres received for the December quarter were processed and exported to maintain a stockpile volume under 20 tonnes during the Christmas shut down period.
- **Plant maintenance** – Entyr’s maintenance program predominantly centres around operational readiness activities to ensure Entyr’s existing plant and equipment, inclusive of tooling and spare parts inventories, are in order for recommencement of operations.
- **Product trials and plant commissioning** – Entyr undertook second stage functionality testing of Thermal Desorption Unit (TDU) upgrades to process a fixed volume (20t) of OTR feedstock as part of its ongoing research into maximising the quality of its recovered carbon black.
- **Supply and Offtake Agreements** – Entyr has entered into new production offtake and tyre supply arrangements

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 31 December 2024 ("**Q2**" or "**Quarter**").

Entyr has continued operations and implemented the following:

- Increased tyre receival volumes and processing;
- Plant maintenance and operational readiness;
- Product trials and plant commissioning; and
- Supply and offtake agreements.

A summary of these activities is outlined below.

End-of-life tyre receivals

On the back of re-establishing tyre supply networks with independent suppliers, Entyr entered a Tyre Supply Agreement to further advance tyre receivals to meet forecast processing volumes.

The total volume of tyres received for the December quarter were processed and exported to maintain a stockpile volume well under licensed limits. Entyr have undertaken to take back ownership of tyre shred export into the new year to reduce operating costs.

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Plant maintenance and commissioning

During the December quarter, maintenance activities continued in line with recapitalisation planning to ensure existing plant and equipment is in sound working order and spare parts inventories, alongside scheduled maintenance planning being documented within the updated Computerised Maintenance Management System (CMMS).

Product trials and Plant Commissioning – Entyr successfully undertook functionality testing of Thermal Desorption Unit (TDU) upgrades to process a fixed volume of OTR feedstock as a part of its ongoing research into maximising the quality of its recovered carbon black.

The functionality testing involved control system modifications to further improve automation programming alongside enhanced condensing practices to increase the yield of tyre derived oil. Carbon quality results from the trial again aligned with or exceeded industry standard with samples currently undergoing field trials in rubber manufacturing and soil remediation.

Offtake Agreements - Entyr entered into several key agreements:

- **Supply Agreement with Austek Production Pty Ltd:** Entyr will supply up to 80 tonnes of rCB per month (1,000 tonnes annually) at \$150 per tonne, plus GST, and up to 2 million litres of tyre pyrolysis oil (TPO) at \$1.10 per litre, plus GST, until 31 December 2025.
- **Deed of Amendment with Trafigura:** Entyr entered into the Trafigura Variation Agreement to, among other things, (a) carve out the Austek Supply; (b) remove from the Trafigura Offtake Agreement for all supply of rCB and carbon char (both low and high quality) to Trafigura and (c) create an obligation on Trafigura, from 25 November 2024 until 31 December 2025, to take any TPO which is not sold pursuant to the Austek Supply limited to 450,000 litres at the initial purchase price of \$0.60 per litre, subject to adjustment on the basis of Trafigura's ultimate sale price.
- **Tyre Supply Agreement:** Entyr secured a 2-year agreement with a tyre supplier to ensure a steady supply of tyres, with minimum delivery requirements until 31 December 2025, contingent on Entyr's reinstatement to ASX trading.

Corporate Update

During the Quarter, the Deed of Company Arrangements for Entyr and its subsidiaries dated 16 May 2024 and released in full to the ASX on 17 June 2024 (**DOCAs**) was initially anticipated to be effectuated on 31 July 2024, which was later extended multiple times to 31 August 2024, 30 September 2024, 31 October 2024, 30 November 2024 and 31 January 2025 with the ability for additional extensions to be agreed upon if necessary.

The Company retired its Receivers and Managers as of the 12 November 2024. Richard Tucker, Anthony Miskiewicz, and David Johnstone of Korda Mentha were appointed as Receivers and Managers on 17 April 2024.

Based on the information provided to the ASX, Entyr received its reinstatement conditions from the ASX on 10th December 2024.

On 16th December 2024, Entyr successfully settled an outstanding legal claim brought by the Company in 2015 against its then directors, none of whom are current directors. Entyr is not involved in any other legal actions.

Financial Update

In accordance with ASX Listing Rule 4.7C.1, direct operating activities expenditure for the Quarter equaled \$913,000 comprising of:

- product manufacturing and operating costs of \$241,000.
- leased assets cost \$281,000.
- staff costs of \$157,000; and
- administration and corporate costs of \$208,000.
- other payments of \$14,000

Net cash used in operating activities amounted to \$590,000 after accounting for cash inflows totaling \$312,000 from customer receipts inclusive of GST.

In accordance with ASX Listing Rule 4.7C.3, the Company advises that no payments to related parties were made during the quarter.

During the Quarter, Entyr secured an unsecured loan with a facility limit of \$550,000 (**Facility**) to facilitate drawdowns totaling \$450,000 and capitalisation of fees and interest from Avior Asset Management No. 5 Pty Ltd.

The Facility was provided for working capital requirements pending the proposed recapitalisation.

The Facility can be repaid at any time during the term, being the earlier of the date the Borrower receives proceeds from debt or equity capital; and 31 March 2025.

The interest rate applicable is 24% per annum and includes a 12.5% establishment fee and 7.5% minimum completion fee on the \$550,000 million Facility limit. Fees and interest calculated on the Facility do not become payable until shareholder approval is received in respect of the Facility, which is proposed to be sought at the 2025 general meeting of the Company.

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 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	312	402
1.2	Payments for		
	research and development	-	-
	product manufacturing and operating costs	(241)	(323)
	advertising and marketing	-	-
	leased assets	(282)	(658)
	staff costs	(157)	(386)
	administration and corporate costs	(209)	(435)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	1
1.5	Interest and other costs of finance paid	-	(345)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Other (GST Paid/ GST Received))	(14)	(5)
1.9	Net cash from / (used in) operating activities	(591)	(1,749)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	businesses	-	-

Entyr Limited (Subject to Deed of Company Arrangement) | ABN 90 118 710 508

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	property, plant and equipment	-	-
	investments	-	-
	intellectual property	-	-
	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)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	625	1,225
3.6	Repayment of borrowings	-	-
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	625	1,225

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	155	713
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(591)	(1,749)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	625	1,225
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	189	189

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	189	154
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (petty cash)	-	1
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	189	155

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	-
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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	7,795	7,570
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	7,795	7,570
7.5	Unused financing facilities available at quarter end		225
7.6	<p>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> <p>Answer: The loan facilities at quarter end are made up of:</p> <p>1. A 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. The Facility balance as at 31 December 2024 stands at \$6.3 million which includes capitalised interest. The facility can be repaid at any time during the term. 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 on the \$5.9 million facility limit (which incorporates capitalisation of fees) and minimum return fee of \$187,500.</p> <p>2. A short term bridging loan facility of \$975,000 with Avior Asset Management No. 5 Pty Ltd (Avior) entered into on 27 August 2024 to term of 28 February 2025, unsecured, to be drawn down in accordance with the Borrower's cash flow requirements. The Facility balance as at 31 December 2024 stands at \$1.0 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 24% per annum, which is capitalised. In addition, the Facility includes a 12.5% establishment fee and 7.5% minimum return fee on the \$975,000 facility limit (which incorporates capitalisation of fees).</p> <p>3. A short term bridging loan facility of \$550,000 with Avior Asset Management No. 5 Pty Ltd (Avior) entered into on 12 December 2024 to term of 31 March 2025, unsecured, to be drawn down in accordance with the Borrower's cash flow requirements. The Facility balance as at 31 December 2024 stands at \$296,000 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 24% per annum, which is capitalised. In addition, the Facility includes a 12.5% establishment fee and 7.5% minimum return fee on the \$555,000 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)	(591)
8.2	Cash and cash equivalents at quarter end (item 4.6)	189
8.3	Unused finance facilities available at quarter end (item 7.5)	225
8.4	Total available funding (item 8.2 + item 8.3)	414
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.70

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.

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 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, Entyr 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 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: 29 January 2025

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.