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Entyr Limited
Appendix 4D Half Year Report

1. Company details

Name of entity	Entyr Limited
ABN	90 118 710 508
Reporting period	31 December 2023
Previous reporting period	30 June 2023
Previous comparable period	31 December 2022

2. Results for announcement to the market

			31 Dec 2023 $'000 AUD	31 Dec 2022 $'000 AUD
Revenue from ordinary activities	Up	25%	3,155	2,515
Loss from ordinary activities before tax attributable to owners of Entyr Limited	Down	48%	(4,540)	(8,705)
Loss from ordinary activities after tax attributable to owners of Entyr Limited	Down	36%	(4,540)	(7,147)
Loss for the period attributable to owners of Entyr Limited	Down	36%	(4,540)	(7,147)

Dividends
There were no dividends paid, recommended, or declared during the reporting period.

3. Net tangible assets

	31 Dec 2023 cents	31 Dec 2023 cents
Net tangible assets per ordinary security	0.55	0.55

4. Control gained over entities
Not applicable.

5. Loss of control over entities
Not applicable.

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6. Dividend reinvestment plans

Not applicable.

7. Details of associates and joint venture entities

Not applicable.

8. Foreign entities

Not applicable.

9. Auditors review opinion

An unmodified opinion has been issued but contains an emphasis of matter for material uncertainty related to going concern.

10. Attachments

The Directors' Report, Condensed Financial Report & Independent Auditors Review Report for the period ended 31 December 2023 is attached.

11. Investor presentation

There will be an investor presentation on Tuesday 5th March at 10.30am AEST. Webinar details will be provided in a separate release.

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ENTYR LIMITED CONSOLIDATED GROUP

ABN 90 118 710 508

Condensed Financial Report
31 December 2023

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Corporate Directory

Directors	Mr Michael Barry – Non-Executive Chairman Mr Lindsay Barber – Non-Executive Director Ms Teresa Dyson – Non-Executive Director Ms Leeanne Bond – Non-Executive Director
Company Secretary	Mr Phillip MacLeod
Registered Office	Unit 9, 88 Forrest Street Cottesloe WA 6011
Principal Place of Business	Unit 19, 63 Burnside Road Stapylton QLD 4207
Postal Address	PO Box 581 Sanctuary Cove QLD 4212
Share Registrar	Computershare Investor Services Pty Ltd Level 11, 172 St Georges Terrace Perth, WA, Australia Telephone: 1300 850 505 / +61 3 9415 4000
Auditors	Pitcher Partners Level 38, 345 Queen Street, Brisbane QLD 4000
Internet Address	www.entyr.com.au
Stock Exchange Listing	Australian Securities Exchange Home exchange: Perth, Western Australia **ASX Code:** Shares – ETR

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Operations Report

Key achievements for the 2024 half year include:

- ✓ **Execution of Trafigura Offtake and Collaboration agreements**
- ✓ **Record HY revenue with growth of 25%** to $3.1m up from $2.5m in H1 FY23
- ✓ **Record HY tyre collection volume with growth of 23%** to 5900t up from 4780t in H1 FY23
- ✓ **Record HY tyre collection price with growth of 11%** ASP $532/t up from $477/t in H1 FY23
- ✓ **Continued investment in key infrastructure projects** $2.8m for the period

International Offtake Products Revenue & Market Development

The Company (Entyr Limited) and its controlled entities (the "Group") entered into a long-term partnership with Trafigura, a global commodities trader, signing both formal Offtake and Collaboration agreements. These agreements are a key strategic milestone for the Group with a market leader in the global commodities industry, sharing a commitment to innovation, growth and delivering exceptional value to customers and shareholders.

The Group expects the agreements to provide access to a global market for rCB (recovered carbon black) and TDO (tyre derived oil) sales which will underpin the financial performance of the Stapylton facility when fully operational and future Group owned facilities domestically and internationally. Key benefits of the agreements include, a Global marketing and logistics platform, a focus on technology and product development, investment opportunities, enhanced flexibility, market feedback and efficient corporate overheads.

Operating Revenue – Record for both Volume and Price

Momentum continued with growth of the Group's customer base to deliver annual feedstock volume of end-of-life tyres of approximately 20,000 tonnes, essential for operations at full capacity. Additionally, the Group continued pricing optimisation strategies and made substantial progress in improving logistical capabilities and efficiency.

Infrastructure Installation

A significant infrastructure program was commenced during the period consisting of 16 projects with a planned spend totalling approx. $5.5m. The projects include a new milling and bagging unit, electrical, pneumatic and hydraulic upgrades to the thermal desorption units, enhancements to the gas management system, a new Distribution Control System (DCS), inhouse laboratory and safety guarding and other safety enhancements. When complete, these projects will increase site capacity to approximately 20,000 tonnes. Completion of the projects is expected around May - June 2024. This investment is in addition to the $6.5m capital spent in the last 2 years on infrastructure including the tank farm, shredder, rasper and yard infrastructure improvements.

Successful product trials with potential International rCB Markets

Successful product trials have enabled the Group 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 market specification.

Innovation Award

The Group received national recognition at the Waste Innovation and Recycling Awards gala dinner held in Melbourne on the 25th of October 2023. The Group received the Innovation Award for its world-leading thermal conversion process for end-of-life tyres.

Operations Report (continued)

Pottinger engagement

Investment banking and strategic advisory firm, Pottinger, has been engaged to work with the Company to assess and execute on strategic initiatives with the objective of optimising shareholder value. Pottinger had earlier in the period completed an extensive global market & technology review for the board. With global operations, an aligned focus on sustainability and access to an array of international stakeholders, Pottinger is the right partner to assist with Entyr's long-term growth trajectory.

Outlook

The Group's near-term focus continues to be on completing the installation of the minimum required infrastructure at Stapylton and then operating the site at commercial volumes to take advantage of the Trafigura agreement and the opportunities that it provides. Engagement with both state and federal government continues with the aim of accessing financial support for further infrastructure at Stapylton and for expansion opportunities.

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Directors' Report

Principal Activities

Entyr Limited and it's controlled entities (ASX:ETR) is an Australian listed Group 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.

Significant Changes to Activities

There were no significant changes in the nature of the Group's principal activities during the half year.

Review of Operations

The consolidated loss after tax of the Group for the half year was $4,540k (2022: loss $7,147k). The review of operations for the half year is discussed in the section headed 'Operations Report.'

Dividends

No dividends have been paid or declared and no dividends have been recommended by the Directors.

Environmental Regulation and Performance

The Group's activities in Australia are subject to State and Federal laws, principally the Environmental Protection Act and associated regulations in each State of operation. There have been no material breaches of these environmental regulations by the Group during the reporting period.

Events after the Reporting Period

No matters or circumstances have arisen since the end of the half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Directors

The directors of the Company in office at any time during or since the end of the half year are:

Name	Position
Michael Barry	Non-Executive Chairman
Lindsay Barber	Non-Executive Director
Teresa Dyson	Non-Executive Director
Leeanne Bond	Non-Executive Director

Note: The directors were in office for the entire period unless otherwise stated.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001*, for the half year ended 31 December 2023 has been received and be found on page 7.

Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in the Directors Report and Financial Report have been rounded to the nearest thousand dollars.

This report is signed in accordance with a resolution of the Directors.

Michael Barry
Chairman
26 February 2024, at Ormeau, Queensland

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PITCHER PARTNERS

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

The Directors
Entyr Limited
Unit 19, 69 Burnside Road
STAPYLTON QLD 4207

Auditor's Independence Declaration

In relation to the independent auditor's review for the half-year ended 31 December 2023, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Entyr Limited and the entities it controlled during the period.

Pitcher Partners

PITCHER PARTNERS

DAN COLWELL
Partner

Brisbane, Queensland

26 February 2024

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Brisbane Sydney Newcastle Melbourne Adelaide Perth

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PETER CAMENZULI | NORMAN THURECHT | COLE WILKINSON | TOM SPLATT | ROBYN COOPER | KIERAN WALLIS | KAREN LEVINE

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Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2023

	Note	31 Dec 2023 $'000 AUD	31 Dec 2022 $'000 AUD
Revenue	3	3,155	2,515
Government R&D grant	3	2,669	51
Other income	3	189	67
Operating expenses		(5,268)	(6,064)
Employee benefit expenses		(1,595)	(1,329)
Share-based payments	16	(80)	(62)
Other expenses		(1,528)	(1,702)
Depreciation		(1,334)	(1,587)
Amortisation of intangibles		(112)	(111)
Impairment expense		-	(300)
Finance costs		(636)	(183)
Loss before income tax		**(4,540)**	**(8,705)**
Income tax benefit / (expense)	5	-	1,558
Loss for the half year attributable to ordinary shareholders		**(4,540)**	**(7,147)**
Other comprehensive income		-	-
Total comprehensive loss for the half year attributable to ordinary shareholders		**(4,540)**	**(7,147)**
Earnings per share			
Basic & diluted loss per share (cents per share)	4	(0.23)	(0.66)

The above statement of condensed consolidated profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Condensed Consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 Dec 2023 $'000 AUD	30 June 2023 $'000 AUD
ASSETS			
Current Assets			
Cash and cash equivalents		5,132	1,344
Other financial assets	6	31	92
Trade and other receivables		735	693
Government R&D receivable	7	2,534	9,345
Inventory		-	14
Other current assets		217	121
Total current assets		8,649	11,609
Non-Current Assets			
Other financial assets	6	275	199
Other non-current assets		49	61
Property, plant & equipment	8	9,643	8,112
Intangible assets		2,916	3,028
Right-of-use assets	9	6,201	6,248
Total non-current assets		19,084	17,648
Total assets		**27,733**	**29,257**
LIABILITIES			
Current Liabilities			
Trade and other payables	10	2,357	2,910
Other current liabilities	11	269	269
Provisions	12	466	629
Borrowings	13	2,582	2,674
Lease liabilities	14	546	601
Total current liabilities		6,220	7,083
Non-Current Liabilities			
Other non-current liabilities	11	1,140	1,274
Provisions	12	259	237
Borrowings	13	293	333
Lease liabilities	14	6,045	5,918
Total non-current liabilities		7,737	7,762
Total liabilities		**13,957**	**14,845**
Net assets		**13,776**	**14,412**
EQUITY			
Equity attributable to the holders of the parent			
Issued Capital	15	63,325	59,501
Options reserve	15	264	184
Accumulated losses		(49,813)	(45,273)
Total equity		**13,776**	**14,412**

The above statement of condensed consolidated financial position should be read in conjunction with the accompanying notes.

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Condensed Consolidated Statement of Changes in Equity

For the half year ended 31 December 2023

Consolidated Equity 31 December 2023	Note	Issued Capital	Option reserve	Accumulated losses	Total equity
				$000 AUD	
Balance as at 1 July 2023		**59,501**	**184**	**(45,273)**	**14,412**
Loss for the half year		-	-	(4,540)	(4,540)
Total comprehensive loss for the half year		**-**	**-**	**(4,540)**	**(4,540)**
Transactions with owners in their capacity as owners:					
Shares issued during the period	15	4,181	-	-	4,181
Share issue costs	15	(357)	-	-	(357)
Share based payments	15	-	80	-	80
Balance as at 31 December 2023		**63,325**	**264**	**(49,813)**	**13,776**

Consolidated Equity 31 December 2022	Note	Issued capital	Option reserve	Accumulated losses	Total equity
				$000 AUD	
Balance as at 1 July 2022		**49,495**	**20**	**(35,097)**	**14,418**
Loss for the half year		-	-	(7,147)	(7,147)
Total comprehensive loss for the half year		**-**	**-**	**(7,147)**	**(7,147)**
Transactions with owners in their capacity as owners:					
Shares issued during the period	15	2,369	-	-	2,369
Share issue costs	15	(143)	-	-	(143)
Share based payments	15	-	62	-	62
Balance as at 31 December 2022		**51,721**	**82**	**(42,244)**	**9,559**

The above statement of condensed consolidated changes in equity should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows

For the half year ended 31 December 2023

	31 Dec 2023 $'000 AUD	31 Dec 2022 $'000 AUD
Cash flows from operating activities		
Receipts from customers	3,519	2,826
Payments to suppliers and employees	(8,962)	(10,428)
Receipt of government R&D grant	9,345	8,943
Receipt of other government grants and subsidies	11	-
Interest received	109	8
Interest paid	(515)	(183)
Net cash inflow from operating activities	3,507	1,166
Cash flows from investing activities		
Purchase of property, plant & equipment	(2,763)	(2,462)
Payments for deposits and bonds	(76)	(22)
Proceeds from deposits and bonds	64	-
Net cash used in investing activities	(2,775)	(2,484)
Cash flows from financing activities		
Proceeds from issue of shares	4,063	2,369
Share / options issue costs	(357)	(143)
Repayment of lease liabilities	(310)	(553)
Proceeds from borrowings	2,904	4,750
Repayment of borrowings	(3,244)	(5,780)
Net cash inflow from financing activities	3,056	643
Net increase/(decrease) in cash and cash equivalents	3,788	(675)
Cash and cash equivalents at the beginning of the half-year	1,344	1,620
Cash and cash equivalents at the end of the half-year	**5,132**	**945**

The above statement of condensed consolidated cashflows should be read in conjunction with the accompanying notes.

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Notes to the Condensed Financial Statements

1. General Information

The interim financial statements cover Entyr Limited as a Group consisting of Entyr Limited and the entities it controlled at the end of or during the half year reporting period. The financial statements are presented in Australian dollars, which is Entyr Limited's functional and presentation currency.

Entyr Limited is a listed public company limited by shares, incorporated, and domiciled in Australia.

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2024. The directors have the power to amend and reissue the financial statements.

2. Material Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

(b) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the Group.

(c) Basis of Preparation

These general purpose financial statements for the half year reporting period have been prepared in accordance with the Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Act 2001*, as appropriate for for-profit orientated entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(d) Rounding of Amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relation to the 'rounding-off'. Amounts in this Directors Report and Financial Report have been rounded to the nearest thousand dollars.

(e) Going Concern

The directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss after tax for the half year ended 31 December 2023 of $4.5 million (31 Dec 2022: $7.1 million loss) and reported operating cash outflows, excluding receipts from government R&D grants, of $5.8 million (31 Dec 2022: $7.8 million outflow). At 31 December 2023 the Group held cash and cash equivalents of $5.1 million (31 Dec 2022: $0.9 million) and net assets were $13.7 million (31 Dec 2022: $9.6 million).

There is material uncertainty based on the results for the reporting period that may cast significant doubt about the Group's ability to continue as a going concern.

While the infrastructure upgrade is still underway, the Group has continued to grow tyre feedstock customers and had increasing interest and demand in the Group's tyre derived products including the recent announcement of a 20-year offtake agreement and a collaboration agreement with Trafigura on further product development opportunities. The Group continues to work with Government and regulatory bodies for additional grants and opportunities over and above the current R&D tax offset.

The Group continues to manage operating cash flow and capital expenditures in line with available funds while looking at strategic partnership opportunities.

Based on the cash flow forecasts and other factors referred to above, the Directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, the Directors are confident of the ability to raise additional funds as and when they are required.

In the event the above matters are not achieved, the Group will seek to raise further funds for working capital from debt or equity sources.

Management have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report. Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

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3. Revenue and other income

During the half-year ended 31 December 2023 and 31 December 2022, operating revenue from the collection of tyres and the sale of tyre-derived products and other income were recognised at a point in time.

Revenue from contracts with customers earnt at a point in time.	31 Dec 2023 $'000 AUD	31 Dec 2022 $'000 AUD
Revenues from collection of end-of-life tyres	3,138	2,259
Revenues from tyre-derived products	17	194
Other operating revenue	-	62
Total operating revenue from external customers	**3,155**	**2,515**

Other income	31 Dec 2023 $'000 AUD	31 Dec 2022 $'000 AUD
Government R&D grant *	2,669	-
Government R&D grant – change in estimate	-	51
Other grants and subsidies	11	-
Interest income	109	8
Fuel tax credits	27	59
Other	42	-
Total other income	**2,858**	**118**

* The Government R&D grant income for the current half-year has been recognised because information supporting this estimate is available. During the comparative half-year this income was uncertain, and as a result no income estimate was recognised.

4. Earnings per share and dividends

Earnings per share

Both the basic and diluted loss per share have been calculated using the loss attributable to the shareholders of Entyr Limited as the numerator (i.e., no adjustments to profit were necessary in 2023 or 2022).

The reconciliation of the weighted average number of shares for the purposes of diluted loss per share to the weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:

Loss (AUD)	31 Dec 2023 $'000 AUD	31 Dec 2022 $'000 AUD
(a) Basic loss per share:		
Loss from continuing operations attributable to owners of Entyr Limited used to calculate basic loss per share	(4,540)	(7,147)
(b) Diluted loss per share		
Loss from continuing operations attributable to owners of Entyr Limited used to calculate diluted loss per share	(4,540)	(7,147)

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4. Earnings per share and dividends (continued)

Number of shares	2023 Number #	2022 Number #
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted loss per share	1,964,165,177	1,079,637,570
Loss per share attributable to owners of Entyr Limited:		
Basic and diluted loss per share (cents per share) *	(0.23)	(0.66)

* Options, being potential shares, are not considered dilutive as the Group has recorded a loss during the period, which results in potential shares being anti-dilutive.

Dividends and franking credits

No dividends have been paid or declared, and no dividends have been recommended by the directors. The Company has no franking credits as its recorded losses to date and, hence, has not paid any tax.

5. Tax expense

	31 Dec 2023 $'000 AUD	31 Dec 2022 $'000 AUD
Loss before income tax	(4,540)	(8,705)
Prima-facie benefit on loss from continuing activities at 25% tax rate (2022: 25%)	**(1,135)**	**(2,176)**
Share-based payment	20	16
Initial recognition of DTA to offset presenting DTL	-	1,558
Tax effect of current and prior period losses for which no deferred tax asset has been recognised	1,115	2,160
Total income tax (benefit)/expense	**-**	**1,558**

6. Other financial assets

	31 Dec 2023 $'000 AUD	30 June 2023 $'000 AUD
Other financial assets:		
Current		
Term deposits	11	72
Bank guarantee	20	20
Balance at the end of the period	**31**	**92**
Non-Current		
Bank guarantee	275	199
Balance at the end of the period	**275**	**199**
Total	**306**	**291**

Cash backed guarantee

The Group holds $275,000 in a term deposit as a cashed-backed guarantee for the lease of its Stapylton site.

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7. Government R&D receivable

	31 Dec 2023 $'000 AUD	30 June 2023 $'000 AUD
R&D tax benefit receivable	2,534	9,345
Balance at end of the period	**2,534**	**9,345**

8. Property, plant, and equipment

	31 Dec 2023 $'000 AUD	30 June 2023 $'000 AUD
Capital work in progress		
Cost	2,590	153
Balance at the end of the period	**2,590**	**153**
Plant and equipment		
Cost	10,951	11,131
Accumulated depreciation	(5,077)	(4,614)
Balance at the end of the period	**5,874**	**6,517**
Other equipment		
Cost	1,567	1,777
Accumulated depreciation	(388)	(335)
Balance at the end of the period	**1,179**	**1,442**
Total	**9,643**	**8,112**

Movements in carrying amounts

2023	Capital work in progress $' 000 AUD	Plant & equipment $'000 AUD	Other equipment $'000 AUD	Total $'000 AUD
Gross carrying amount				
Balance at 1 July 2023	153	11,131	1,777	13,061
Additions	2,437	317	9	2,763
Disposals	-	(349)	(367)	(716)
Transfers	-	(148)	148	-
Balance at 31 December 2023	**2,590**	**10,951**	**1,567**	**15,108**
Depreciation and impairment				
Balance at 1 July 2023	-	(4,614)	(335)	(4,949)
Depreciation	-	(784)	(113)	(897)
Disposals	-	304	77	381
Transfers	-	17	(17)	-
Balance at 31 December 2023	**-**	**(5,077)**	**(388)**	**(5,465)**
Carrying amount at end of the period	**2,590**	**5,874**	**1,179**	**9,643**

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9. Right-of-use assets

	31 Dec 2023 $'000 AUD	30 Jun 2023 $'000 AUD
Cost	9,113	8,935
Accumulated depreciation	(2,912)	(2,687)
Carrying amount at end of the period	**6,201**	**6,248**
Movements		
Balance at the beginning of the period	6,248	2,035
Additions	426	5,500
Depreciation	(437)	(1,093)
Transfer to PP&E	-	(68)
Right-of-use assets derecognised during the period	(36)	(126)
Carrying amount at end of the period*	**6,201**	**6,248**

* Comparatives in the movements table above are for the 12 months ended 30 June 2023.

Right-of-use of assets acquired under leasing arrangements consist of leases for the corporate office, factory and plant and equipment items.

10. Trade and other payables

	31 Dec 2023 $'000 AUD	30 Jun 2023 $'000 AUD
Trade payables	1,431	1,354
PAYG payables	205	179
Other payables	721	1,377
Balance at the end of the period	**2,357**	**2,910**

The trade payables amount consists of related party payables of $nil (2022: $nil). No transactions with associates, subsidiaries and related parties were made in the half year.

11. Other liabilities

	31 Dec 2023 $'000 AUD	30 Jun 2023 $'000 AUD
Current		
Unearned income	269	269
Balance at the end of the period	**269**	**269**
Non-Current		
Unearned income	1,140	1,274
Balance at the end of the period	**1,140**	**1,274**
Total	**1,409**	**1,543**

Unearned income represents R&D grant incentives previously received that relate to the Australian Taxation Office's temporary full expensing provisions in respect of capital assets used in the Group's R&D activities. This income is required to be deferred and recognised as government R&D grant income over time, as the related assets are depreciated.

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12. Provisions

	31 Dec 2023 $'000 AUD	30 Jun 2023 $'000 AUD
Current		
Environmental provision	-	175
Employee entitlements	466	454
Balance at the end of the period	**466**	**629**
Non-Current		
Employee entitlements	19	4
Lease makegood provision	240	233
Balance at the end of the period	**259**	**237**
Total	**725**	**866**

Movements in carrying amounts

Environmental provision movement		
Balance at start of the period	175	730
Amounts used	(74)	(669)
Amounts charged/(written back)	(101)	114
Balance at end of the period*	**-**	**175**
Lease makegood provision movement		
Balance at start of the period	233	-
Amounts charged/(written back)	7	233
Balance at end of the period*	**240**	**233**

* Comparatives in the movements table above are for the 12 months ended 30 June 2023.

The environmental provision at the beginning of the current half-year related to the removal of obsolete inventory held at a third-party site. This work was completed during the half-year with the unused provision written back to the profit and loss.

The makegood provision relates to the premises lease for the Stapylton site, which expires in 2033 and has a 10-year extension option beyond this date.

13. Borrowings

	31 Dec 2023 $'000 AUD	30 Jun 2023 $'000 AUD
Current		
Hire purchase liabilities	77	74
Borrowings	2,846	2,600
Less: unamortised borrowing costs	(341)	-
Carrying amount at end of the period	**2,505**	**2,600**
Balance at the end of the period	**2,582**	**2,674**
Non-Current		
Hire purchase liabilities	293	333
Balance at the end of the period	**293**	**333**
Total	**2,875**	**3,007**

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13. Borrowings (continued)

Included in borrowings at 30 June 2023 was $2.6m principal owing to RH Capital Pty Ltd. This was repaid in full including interest during the reporting period. Included in borrowings at 31 December 2023 is:

(a) an unsecured short-term borrowing of $0.5m, at a fixed interest rate, repayable on 12 January 2024;
(b) a borrowing of $1.7m for a 12 month term, at a fixed interest rate, repayable on 22 November 2024, secured by a general security over the Company's assets;
(c) capitalised borrowing costs in relation to (a) and (b) above; and
(d) insurance financing of $0.1m, at a fixed interest rate, repayable on 11 June 2024

14. Lease liabilities

	31 Dec 2023 $'000 AUD	30 Jun 2023 $'000 AUD
Current		
Lease liabilities	546	601
Balance at the end of the period	**546**	**601**
Non-Current		
Lease liabilities	6,045	5,918
Balance at the end of the period	**6,045**	**5,918**
Total	**6,591**	**6,519**

15. Equity

The share capital of Entyr Limited consists only of fully paid ordinary shares which do not have a par value.

Ordinary Shares as at 31 December 2023

Consolidated	31 Dec 2023 No. shares	31 Dec 2022 No. shares	31 Dec 2023 $'000	31 Dec 2022 $'000
Balance at beginning of the financial year 1 July	1,733,856,079	1,053,026,429	59,501	49,495
Shares issued as remuneration+	6,250,000	-	50	-
Shares issued via private placement*	219,968,419	157,950,000	3,739	2,369
Shares issued via share purchase plan#	23,029,395	-	392	-
Less: issue costs	-	-	(357)	(143)
Balance at the end of the period	**1,983,103,893**	**1,210,976,429**	**63,325**	**51,721**

+6,250,000 on 29/9/2023 with an issue price of 0.8 cents and gross value of $50k

*219,968,419 on 12/7/2023 with an issue price of 1.7 cents and gross value of $3,739k

#23,029,395 on 12/7/2023 with an issue price of 1.7 cents and gross value of $392k

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15. Equity (continued)

Options Reserve as at 31 December 2023

Consolidated	31 Dec 2023 No. options	31 Dec 2022 No. options	31 Dec 2023 $'000	31 Dec 2022 $'000
Balance at 1 July 2023	30,750,000	27,724,000	184	20
Share options issued as remuneration	46,000,000	-	80	62
Less: Expired share options	(750,000)	-	-	-
Balance at the end of the period	**76,000,000**	**27,724,000**	**264**	**82**

The fair value of expired options is transferred to accumulated losses within equity.

16. Share-based payments

The following unlisted share options were granted as share based remuneration during the half-year:

Grant date	Expiry date	Exercise price	Vesting	Opening 1 Jul 23	Granted	Exercised	Expired/ forfeited/ cancelled	Closing 31 Dec 23
31 Dec 2023								
11 Oct 2021	10 Oct 2023	$0.120	Vested	750,000	-	-	(750,000)	-
7 Dec 2021	6 Dec 2024	$0.053	Vested	4,000,000	-	-	-	4,000,000
9 May 2022	3 March 2024	$0.023	Vested	4,000,000	-	-	-	4,000,000
9 May 2022	3 March 2025	$0.035	3 March 2024	4,000,000	-	-	-	4,000,000
9 May 2022	3 March 2026	$0.046	3 March 2025	4,000,000	-	-	-	4,000,000
9 May 2022	3 March 2027	$0.058	3 March 2026	4,000,000	-	-	-	4,000,000
9 May 2022	3 March 2028	$0.069	3 March 2027	4,000,000	-	-	-	4,000,000
23 June 2023	20 July 2026	$0.020	Vested	6,000,000	-	-	-	6,000,000
28 Sept 2023	27 Sept 2024	$0.008	Vested	-	10,000,000	-	-	10,000,000
28 Sept 2023	27 Sept 2025	$0.012	24 Sept 2024	-	9,000,000	-	-	9,000,000
28 Sept 2023	27 Sept 2026	$0.016	24 Sept 2025	-	9,000,000	-	-	9,000,000
28 Sept 2023	27 Sept 2027	$0.020	24 Sept 2026	-	9,000,000	-	-	9,000,000
28 Sept 2023	27 Sept 2028	$0.024	24 Sept 2027	-	9,000,000	-	-	9,000,000
				30,750,000	46,000,000	-	(750,000)	76,000,000
Weighted average exercise price				$0.044	$0.016	-	($0.120)	$0.026

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16. Share-based payments (continued)

Contractual life of options

The weighted average remaining contractual life of options outstanding at the end of the half year was 2.5 years (30 June 2023: 2.5 years).

Terms and conditions

Options granted as part of an Employee Incentive Plan approved by shareholders in November 2022. A total of 46 million options vesting over 5 years in tranches at each of grant date, 12, 24, 36, and 48 month anniversary with exercise period to be 12 months after the vesting date. In the event that employment is terminated including voluntary termination, the employee will have 3 months from the termination date to exercise any outstanding options that have already vested. No further options will vest. In the event of a change of control of the Group, whereby a shareholder obtains 50.1% or greater of the issued capital of the Group, all outstanding options will immediately vest for the employee. No other terms and conditions are attached to the share options granted apart from those disclosed above.

Fair value of options

The fair value of the options granted during the half year is determined at grant date and is recognised as an employee benefits expense on a straight-line basis over the period during which the employee options vest. We determine the fair value using the Black Scholes Valuation Model inputs which takes into account inputs such as exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option. Refer to note 15 for share-based payment expense.

31 Dec 2023 Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Vested & exercisable at period end	Fair value at grant date
28 Sept 2023	27 Sept 2024	$0.008	$0.008	121.12%	0%	4.24%	10,000,000	$0.0037
28 Sept 2023	27 Sept 2025	$0.008	$0.012	116.22%	0%	4.12%	-	$0.0042
28 Sept 2023	27 Sept 2026	$0.008	$0.016	105.91%	0%	4.12%	-	$0.0043
28 Sept 2023	27 Sept 2027	$0.008	$0.020	102.70%	0%	4.13%	-	$0.0046
28 Sept 2023	27 Sept 2028	$0.008	$0.024	98.52%	0%	4.17%	-	$0.0048

16. Contingent assets and liabilities

The directors are not aware of any contingent liabilities or contingent assets of the Group.

17. Events after the Reporting Period

No matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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Directors Declaration

In the opinion of the directors of the Company:

1. The consolidated interim financial statements and notes are in accordance with the *Corporations Act 2001*, including:

    (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half year ended on that date; and

    (b) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the *Corporations Regulations 2001*; and

2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

Michael Barry
Chairman
26 February 2024, at Ormeau, Queensland

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Independent Auditor's Review Report to the Members of Entyr Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Entyr Limited, (the "Company") and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Entyr Ltd does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(e) in the financial report, which indicates that the Group incurred a net loss after tax for the half-year ended 31 December 2023 of $4,540,000 (2022: $7,147,000). For the half-year ended 31 December 2023 the Group reported an operating cash outflow, excluding receipt of government R&D grant, of $5,802,000 (2022: $7,777,000). These events or conditions, along with other matters as set forth in Note 2(e), indicate that material uncertainty exists that may cast significant doubt over the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Brisbane Sydney Newcastle Melbourne Adelaide Perth

bakertilly NETWORK MEMBER

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Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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DAN COLWELL
Partner

Brisbane, Queensland
26 February 2024

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