ASX ANNOUNCEMENT
24th January 2024

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

HIGHLIGHTS

- **Entyr announced a long-term partnership with Trafigura,** a global commodities trader, signing formal Offtake and Collaboration agreements to support future development and expansion. This is a significant milestone in the Company's operations which guarantees 100% offtake of the Company's products from the Stapylton facility, as well as supporting future projects leveraging Trafigura's scale.
- **Pottinger**, an independent investment banking and strategic advisory firm, has been engaged by the Company to further enhance its strategic initiatives and help navigate the Company through key growth objectives.
- **Secured a $9.34 million R&D tax incentive payment from the Australian Federal Government**, which will be used for working capital and the infrastructure program to upgrade the Company's Stapylton facility.

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Environmental technology company **Entyr Limited** (ASX: ETR) **("Entyr"** or the **"Company"**) is pleased to provide the following update to shareholders for the quarter ended 31 December 2023 (Q2).

Recent agreements signed:

Trafigura Offtake and Collaboration agreements

As advised to the market on 20 December 2023 and 29 December 2023, the Company signed two milestone agreements with global trading house Trafigura.

The first was an Offtake Agreement to offtake 100% of the Company's tyre pyrolysis oil, carbon char and recovered carbon black production from the Stapylton facility and future domestic and international facilities that are owned by Entyr.

The second is a Collaboration Agreement with Trafigura to support Entyr's technology and product development and to jointly evaluate future projects leveraging Trafigura's scale, reach and financial capacity. In addition, as part of the agreement Trafigura may offer to subscribe for shares in Entyr (which Entyr can accept or reject in its discretion). Trafigura also has an option to invest in future projects based on certain pre-conditions.

The agreements with Trafigura marks a key strategic milestone for Entyr in our commitment to innovation, growth, and delivering exceptional value to our customers and stakeholders. We look forward to a prosperous and mutually beneficial relationship with Trafigura.

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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. 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.

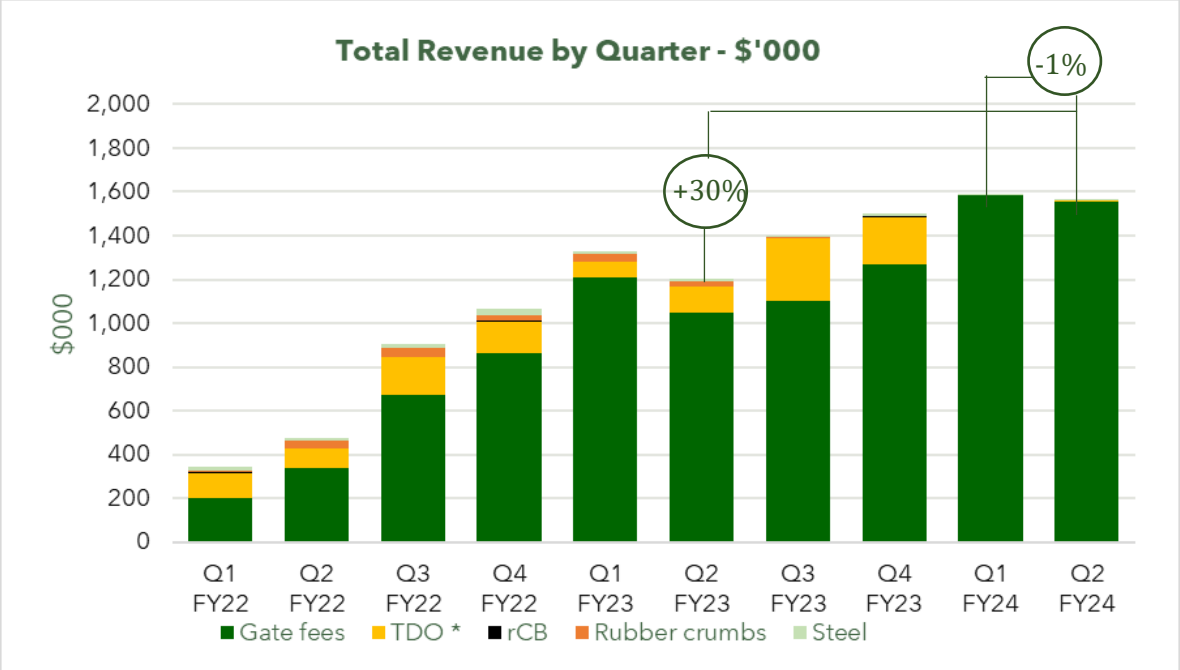
Supercars partnership

The Company has partnered with Supercars to achieve the shared goal of seeing end of life Dunlop race tyres converted into value-add raw materials, creating a positive circular sustainable outcome. The first steps in the partnership were taken in October 2023, with the end-of-life race tyres from October 2023 Boost Mobile Gold Coast 500 being collected and processed at the Company's Stapylton facility.

Sales and commercial update

Revenue

In Q2 FY24, the Company achieved $1.6 million in revenue, which represents growth of 30% vs Q2 FY23 and 1% down on Q1 FY24. The decline from Q1 FY24 was a result of less working days in the December holiday period.



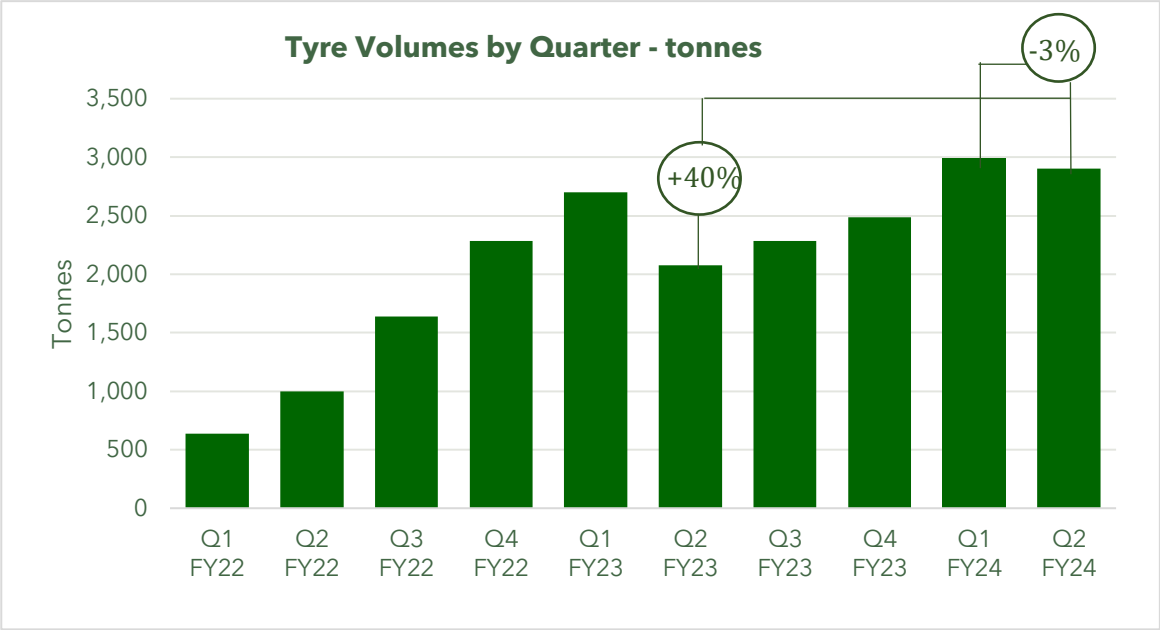
Total Revenue by Quarter

* Limited TDO revenue in Q1 and Q2 FY24 due to the capital program implementation

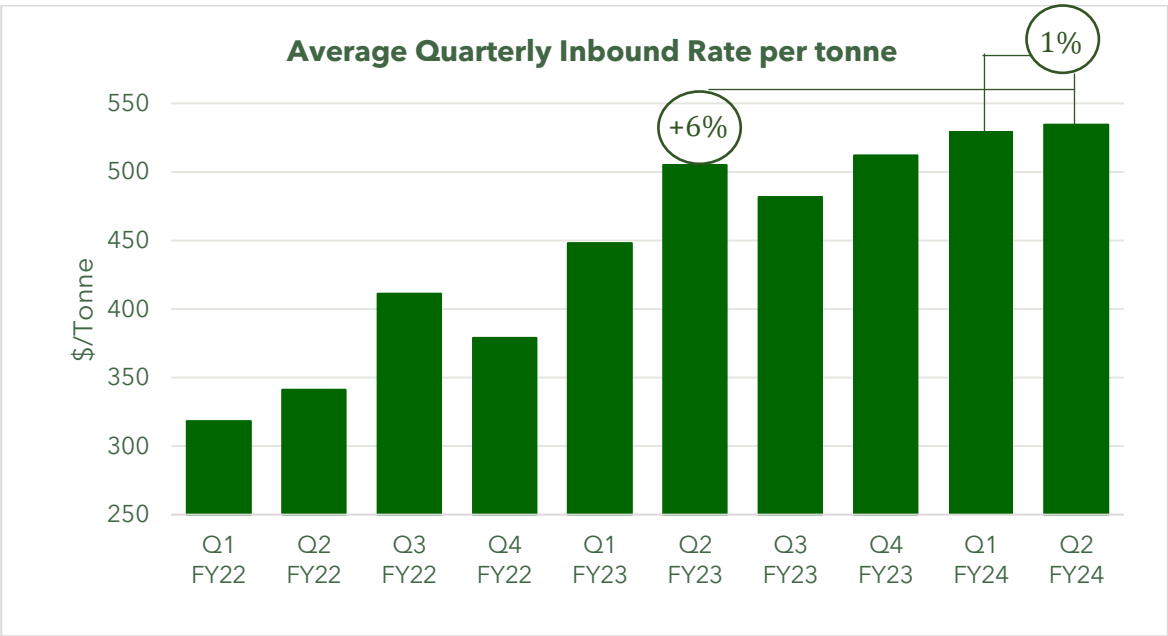
Tyre collection

Tyre collection volumes were down slightly in Q2 FY24 to 2,905 tonnes, compared to 2,995 tonnes in Q1 FY24. However, the Q2 FY24 volume achieved of 2,078 tonnes was a 40% increase on Q2 FY23.
A tight labour market causing vacancies and the turnover of truck drivers is temporarily impacting volume growth. The Company is continuing to see a positive trend in the collection price which increased 1% between Q1 FY24 and Q2 FY24 to an average $534 per tonne, and increased 6% from Q2 FY23.

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Total tyre collections by quarter



Average inbound tyre collection rate by quarter

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Operations

Infrastructure project delivery

The key piece of infrastructure for the upgrade of the Stapylton facility, the milling & bagging unit, is progressing well and is expected to be in the commissioning phase in mid-February 2024, with completion targeted for late-February 2024. Completion of this stage of the project will enable tight quality control and efficient packaging of the recovered carbon black which is an essential step to realising maximum value by shipping the product to customers and end-users overseas.



Milling & bagging unit at the Stapylton facility



Milling & bagging unit at the Stapylton facility

Unfortunately, several critical projects have suffered delays due to funding availability during the quarter. These delays were due to the timing of receipt of the R&D tax incentive, which was budgeted to arrive in September, but was only received in late December. This caused delays and rescheduling of significant third-party activity. The outcome of this will be a delay in the return to 24/7 operations to May - June 2024.

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

Project	% Complete	Targeted completion date	Updated completion date
Milling & Bagging unit design and installation	85%	20/02/2024	20/02/2024
TDU Electrical Upgrade	60%	30/12/2023	30/05/2024
TDU gas extraction upgrade / tank farm vent system + recirculating sprays	45%	30/12/2023	30/05/2024
Safety upgrades to guarding and platforms	30%	30/12/2023	30/04/2024
Gas extraction point automatic punch	70%	30/12/2023	30/04/2024
Tank Farm Expansion	50%	30/12/2023	30/05/2024
Fume extraction upgrade	50%	30/12/2023	30/03/2024
DCS development & installation	80%	15/12/2023	30/05/2024
TDU hydraulic upgrades	90%	15/12/2023	30/04/2024
Rasper dust extraction + Nylon handling from rasper + Nylon compaction	90%	30/11/2023	30/02/2024
Centralised air compressor system	100%	10/11/2023	Completed
TDU 1 & 2 relocation to align with 3&4	100%	Completed	Completed
Electrical sub board upgrade and relocation	100%	Completed	Completed
General site detailed mechanical specifications development	100%	Completed	Completed
General site detailed electrical and instrumentation specifications development	100%	Completed	Completed

Infrastructure project delivery status and completion date

Customer product trials

Following the successful product trial last quarter, the Company will conduct further customer trials producing recovered carbon black (rCB) and tyre Pyrolysis oil (TPO) samples utilising specific and controlled feed stock provided. This trial will coincide with the commissioning of the milling and bagging unit in February 2024. This is part of an ongoing product development program to maximise the value of the rCB and TDFO and meet specific emerging requirements of potential international offtake clients.

Quarterly cash flow analysis

During the quarter, Entyr had $6.3 million of net operating inflows, $1.9 million net cash used in investing activities and net cash outflows from financing activities of $0.5 million. Cash on hand at the end of the quarter was $5.1 million.

Operating cash flows included cash receipts from tyre collection gate fees of $1.9 million. Staff expenses before the allocation to research and development (R&D) were $1.1 million in the quarter versus $1.4 million in Q1 FY24 (a reduction of 21%). The allocation of expenditure to R&D is subject to change as part of the detailed R&D calculations for FY24. The underlying operating cash flows in items 1.1 and 1.2 of the Appendix 4C set out below reduced by 43% from $3 million in Q1 FY24 to $1.7 million in Q2 FY24 reflecting cost savings initiatives implemented and finalisation of costs from trial operations.

Operating cash flows included the following R&D related items: a) $9.34 million cash receipt for the FY23 R&D tax incentive b) $0.09 interest received from the Australian Tax Office relating to timing of the R&D receipt c) R&D accounting and advisory payments of $1 million and d) $0.29 million of interest paid in relation to settlement of R&D financing with RH Capital Group Pty Ltd.

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The Company incurred $1.9 million on capital expenditure during the quarter consisting of progress payments for the infrastructure program, in particular the milling and bagging unit.

Cash flows from financing activities include proceeds from and repayment of borrowings as set out below under Cash Funding.

The payments to related parties of the Company and its associates set out in section 6.1 of Appendix 4C total $40,844 and relate to payment of fees to non-executive directors.

Cash Funding

During the quarter, due to ATO processing time for the FY23 Income tax return including the R&D tax incentive, the Company entered the following funding arrangements:

(a) an unsecured short-term loan facility of $0.7 million with L&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 for $0.607 million; and

(b) a 12-month loan facility of $2.2 million with Avior Asset Management No. 5 Pty Ltd (Avior) entered on 20th 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&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.

Following receipt of the FY23 R&D tax incentive of $9.34 million in late December, the Company repaid in full the fully secured facility related to this R&D tax incentive with RH Capital Group Pty Ltd. The total amount repaid to RH Capital Group Pty Ltd in the quarter was $2.890 million ($2.6 million principal and $0.29 million interest).

Consistent with the prior year, the Company is in the process of applying for R&D financing based on the December year to date R&D calculation.

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Authorised for release by:
Mike Barry
Chairman

For further information, please contact:
Investors – David Wheeley – CEO David.Wheeley@entyr.com.au
Website – https://www.entyr.com.au

About Entyr Limited

Entyr Limited (Entyr) (ASX: ETR) is an Australian company with unique technology that has the potential to play a significant role in solving the global waste tyre problem. The patented thermal desorption technology cleanly converts end-of-life tyres into valuable products, (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

ABN	**Quarter ended ("current quarter")**
90 118 710 508	31 December 2023

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	1,865	3,509
1.2	Payments for		
	research and development	(2,159)	(5,510)
	product manufacturing and operating costs	(100)	(275)
	advertising and marketing	-	-
	leased assets	(151)	(310)
	staff costs	(507)	(939)
	administration and corporate costs	(640)	(1,127)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	97	108
1.5	Interest and other costs of finance paid	(414)	(509)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	9,349	9,356
1.8	Other (R&D accounting and advisory)	(1,023)	(1,023)
1.9	**Net cash from / (used in) operating activities**	**6,317**	**3,280**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	businesses	-	-
	property, plant and equipment	(1,949)	(2,795)
	investments	-	-
	intellectual property	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	businesses	-	-
	property, plant and equipment	-	-
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (bond refunds; term deposits; insurance claim receipt)	-	100
2.6	**Net cash from / (used in) investing activities**	**(1,949)**	**(2,695)**
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	2,655	2,655
3.6	Repayment of borrowings	(3,118)	(3,136)
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**	**(463)**	**3,203**
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,227	1,344
4.2	Net cash from / (used in) operating activities (item 1.9 above)	6,317	3,280
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,949)	(2,695)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(463)	3,203
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**5,132**	**5,132**

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	5,131	1,227
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)**	**5,132**	**1,227**

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	$40,844
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.

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7.	**Financing facilities** *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.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	2,390	2,155
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	2,390	2,155

7.5	**Unused financing facilities available at quarter end**	235

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.

Answer: The loan facilities at quarter end are made up of:

(a) an unsecured short-term loan facility of $0.7 million with L&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

(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&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).

Consistent with the prior year, the Company is in the process of applying for R&D financing based on the December year to date R&D calculation.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	6,317
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,132
8.3	Unused finance facilities available at quarter end (item 7.5)	235
8.4	Total available funding (item 8.2 + item 8.3)	5,367

8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	N/A

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: No. The net operating cash flows for the quarter include $9.34 million of cash inflow being receipt of the FY23 R&D tax incentive; $1 million R&D accounting and advisory cash outflows and $0.4 million of borrowing cost outflows.

The underlying operating costs included in 1.1 and 1.2 above, totalled $1.7 million in Q2 FY24 versus $3m in Q1 FY24. This is a reduction of 43% quarter on quarter reflecting the cost saving initiatives implemented throughout Q1. The Board anticipates that the Company will continue to increase its revenue and reach a more sustainable cost structure as it moves towards commercial volumes.

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 Board regularly evaluates market appetite for equity and debt investment and manages capital and its operations accordingly. The Board anticipates it will be able to continue to access funding as required, including R&D 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: Yes. 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: 24 January 2024

Authorised by: Michael Barry, Chairman

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been

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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.

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