ASX ANNOUNCEMENT
18 October 2024

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

HIGHLIGHTS

- **Tyre receivals** – Entyr has taken in over 645 tonnes of end-of-life tyres for the September quarter as it reconnects with existing and new supply networks.
- **Shredding and export** – Alongside Entyr's internal shredding activities, contract shredding commenced during the quarter to supply bulk rubber chip for export markets through TSA accredited supply chain. Over 400 tonnes of shred has been exported alongside 40 tonnes of tyre steel.
- **Plant maintenance and commissioning** – Entyr's primary and secondary shredding units (Twin Shaft Shredder and Rasper) have been back in operation preparing specific rubber feedstock for upcoming trials.
- **Product trials** – Recovered Carbon Black material that had been sent to international processing facilities for process refinement have been released and delivered to customers for in-rubber testing.
- **Resourcing** – The Company has begun interviewing suitable candidates for the roles required to execute the Capital Program as previously outlined.

Environmental technology company **Entyr Limited (Subject to Deed of Company Arrangement)** (ASX: ETR) **("Entyr"** or the **"Company"**) is pleased to provide the following update to shareholders for the quarter ended 30 September 2024 ("**Q1"** or **"Quarter"**).

Operations Update

Entyr has recommenced operations and implemented the following:

- Tyre receivals;
- Tyre receivals, shredding and export;
- Maintenance; and
- Resourcing planning for the onboarding of operational staff required to fulfil operational requirements.

A summary of these activities is outlined below.

End-of-Life Tyre Receivals

As detailed in the Quarterly Activities Report for the financial quarter ended 30 June 2024, in June 2024 the Company recommenced its tyre receivals business in anticipation of fully resuming operations upon completing its proposed recapitalisation.

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In order to reduce logistics costs, Entyr no longer conducts tyre collections and has remodelled its business strategy to partner with established tyre collection businesses to enable the Company to focus on its core business in resource recovery technology.
Volumes of end-of-life tyres received from 1 July 2024 through to 30 September 2024 totalled 647 tonnes with a gate fee revenue of $201,727, contributing to total revenues for the quarter of $207,323. An additional $17,742 was invoiced on 28 June 2024 taking total revenues since operations resumed to $225,065.

Shredding and export

Contractor shredding activities commenced in early August 2024 to support the Company's internal shredding operations to ensure export capacity aligned with receivals forecasts with respect to the site's license limits. For the September quarter, over 400 tonnes of shredded material was exported to a TSA accredited customer, with a further 40 tonnes of tyre steel being packaged for sale in the December quarter.

Plant maintenance and commissioning

During the September Quarter, maintenance activities continued in line with scheduled capital programmes that are anticipated to commence within the December quarter following a planned recapitalisation.

TDUs 1 and 2 have been fully dismantled to remove redundant parts and infrastructure to allow for the full refurbishment of the electronic, materials handling and mechanical systems. Dust and fibre extraction equipment has been realigned to deliver superior product quality in line with recent market specification developments that Entyr has been developing alongside industry connections.

Resourcing

The Company has begun interviewing suitable candidates for the roles required to execute the capital program as previously outlined. In addition to building the Company's internal resourcing, interviews have been conducted with 2 consulting firms to perform project management tasks as a contingency should there be delays in the recruitment process.

Resourcing

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

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 to 31 August 2024, subsequently to 30 September 2024, was further extended to 31 October 2024, with the ability for additional extensions to be agreed upon if necessary.

In accordance with ASX Listing Rule 3.14, the company's registered office telephone number has changed to +61 450 638 590 effective Friday, 18 October 2024.

Financial Update

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

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- product manufacturing and operating costs of $82,000.
- Leased assets cost of $376,000.
- staff costs of $229,000; and
- administration and corporate costs of $226,000.

Net cash used in operating activities amounted to $1,158,000, after accounting for cash inflows totaling $99,000 from customer receipts inclusive of GST and $1,000 from interest received.

In accordance with ASX Listing Rule 4.7C.3, the Company advises that $345,000 in interest payments were made to Avior, a related party. No other payments to related parties were made.

During the Quarter, Entyr secured an unsecured loan with a facility limit of $975,000 (**Facility**) to facilitate drawdowns totaling $800,000 and capitalisation of fees and interest from Avior Asset Management No. 5 Pty Ltd.

The Facility has been extended 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 January 2025.

The interest rate applicable is 24% per annum and includes a 12.5% establishment fee and 7.5% minimum completion fee on the $975,000 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 2024 annual 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.

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Appendix 4C

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

Name of entity

ENTYR LIMITED (Subject to Deed of Company Arrangement)

ABN	**Quarter ended ("current quarter")**
90 118 710 508	30 September 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	90	90
1.2	Payments for		
	research and development	-	-
	product manufacturing and operating costs	(82)	(82)
	advertising and marketing	-	-
	leased assets	(376)	(376)
	staff costs	(229)	(229)
	administration and corporate costs	(226)	(226)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(345)	(345)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Other (GST Paid/ GST Received))	9	9
1.9	**Net cash from / (used in) operating activities**	**(1,158)**	**(1,158)**
2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	businesses	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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	600	600
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**	**600**	**600**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 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	**713**	**713**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,158)	(1,158)
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)	600	600
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**155**	**155**

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	154	712*
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (petty cash)	1	1
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**155**	**713**

* The bank balance at the end of the previous quarter included $1,210,000 belonging to the creditors trust created as part of the deed of company arrangement. These funds have been determined to be not available to the Company and therefore have been removed.

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 – Avior secured loan interest payments	345
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 *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	6,884	6,884
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	6,684	6,684
7.5	**Unused financing facilities available at quarter end**		200

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 an 18-month loan facility of $5.4 million (**Facility**) with Avior Asset Management No. 5 Pty Ltd (**Avior**) entered into on 16 May 2024, secured by a general security agreement over the Group's assets.

The Facility balance as at 30 September 2024 stands at $6.1 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 and 7.5% minimum return fee on the $5.9 million facility limit (which incorporates capitalisation of fees).

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8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,158)
8.2	Cash and cash equivalents at quarter end (item 4.6)	155
8.3	Unused finance facilities available at quarter end (item 7.5)	200
8.4	Total available funding (item 8.2 + item 8.3)	355
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.31

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.

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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: 18 October 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.

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