



ASX ANNOUNCEMENT  
31 January 2023

## QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C

### HIGHLIGHTS

- **Revenue:** 203% year-on-year increase for H1 driven by higher inbound tyre volumes and pricing. Q2 FY23 revenue of \$1.2m in line with Q1 FY23.
- **Key infrastructure commissioned:** Critical site infrastructure to facilitate commercial volumes successfully commissioned and operational.
- **Operational readiness for ramp-up:** processing volume ramp up from January 2023 in line with commercialisation plan.
- **National Transport and Road Organisation (NTRO):** memorandum of understanding signed with NTRO, previously Australian Road Research Board, for the development and implementation of Entyr's products to support **safety and decarbonization** initiatives for asphalt and associated bitumen products.
- **Australian Process Patent Granted:** Australian patent granted for Entyr's low emission thermal desorption reactor process through to 2037.
- **International Sustainability Certification:** The Company was recently issued certification under the International Sustainability and Carbon Certification (ISCC) program.
- **Name change to Entyr:** Shareholders approved the Company's name change to Entyr Limited (ETR) at the annual general meeting on 30 November 2022.

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 2022 (Q2).

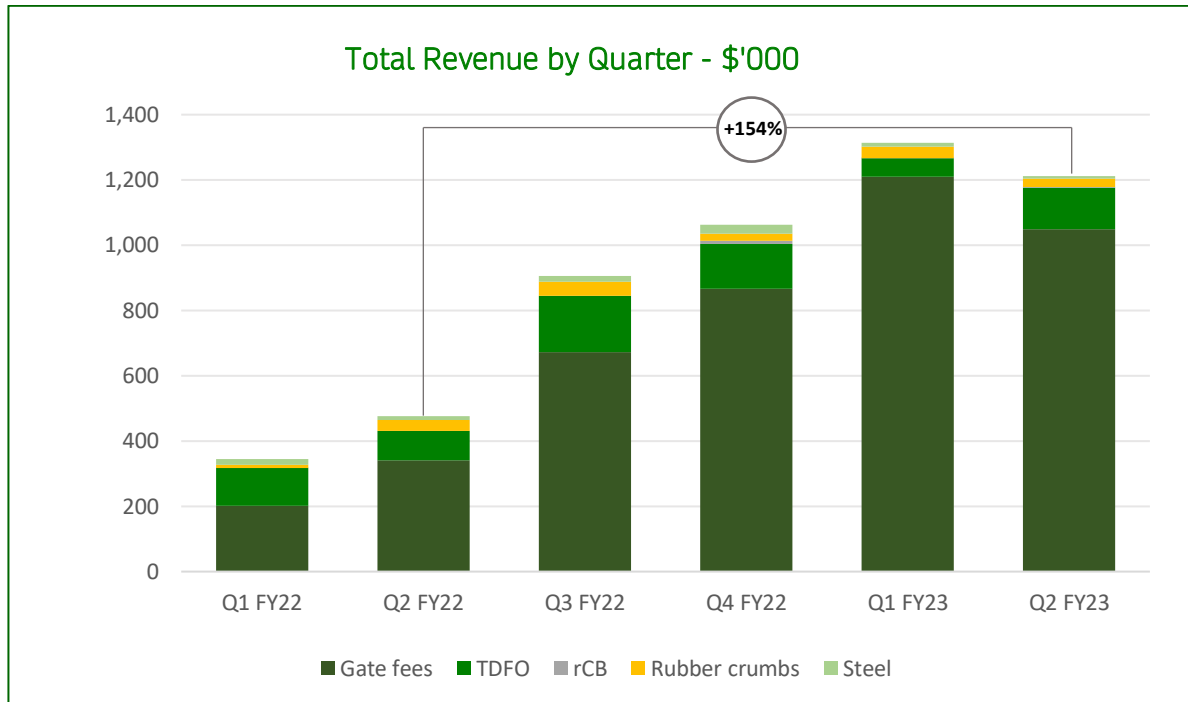
### Sales and commercial update

#### **Tyre collection**

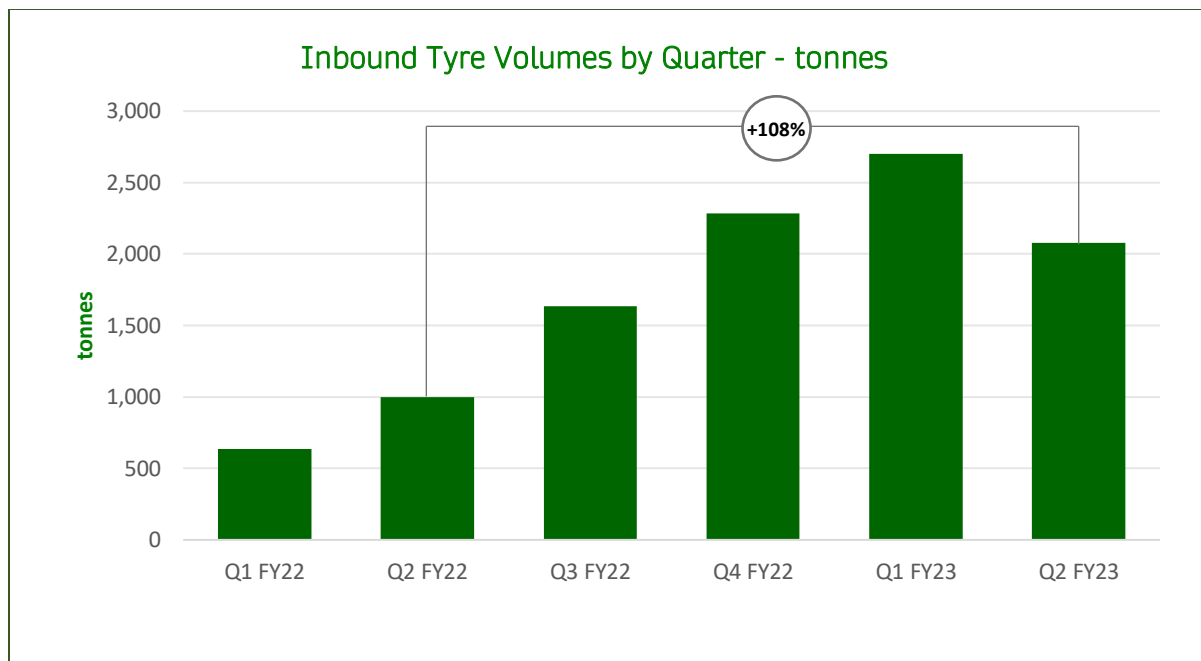
Total collections for the first half of FY23 were 4,780 tonnes (circa 480,000 tyres), a 192% increase on H1 FY22, reflecting the increased customer base and collection capacity as the Company moves towards commercial volumes.

During Q2 inbound volumes of 2,077 tonnes (approximately 210,000 used tyres) were collected and processed, slightly below Q1 FY23, due largely to the seasonal Christmas shutdown and an intentional reduction in collections, to ensure compliance with the environmental license while maintenance was performed on the onsite bulk shredding equipment. It should be noted that Q2 collections have more than doubled year-on-year (+108% on Q2 FY22).

The uplift of in-bound tyre volume along with two separate price increases in July and September 2022, have resulted in H1 FY23 revenues of \$2.4 million being 8% higher than all of FY22, with average pricing per tonne for H1 FY23 up 26% compared to FY22's annual average.



*Total revenue by quarter*



*Collection volume by quarter*

### **Tyre Derived Fuel Oil (TDFO) and Recovered Carbon Black (rCB)**

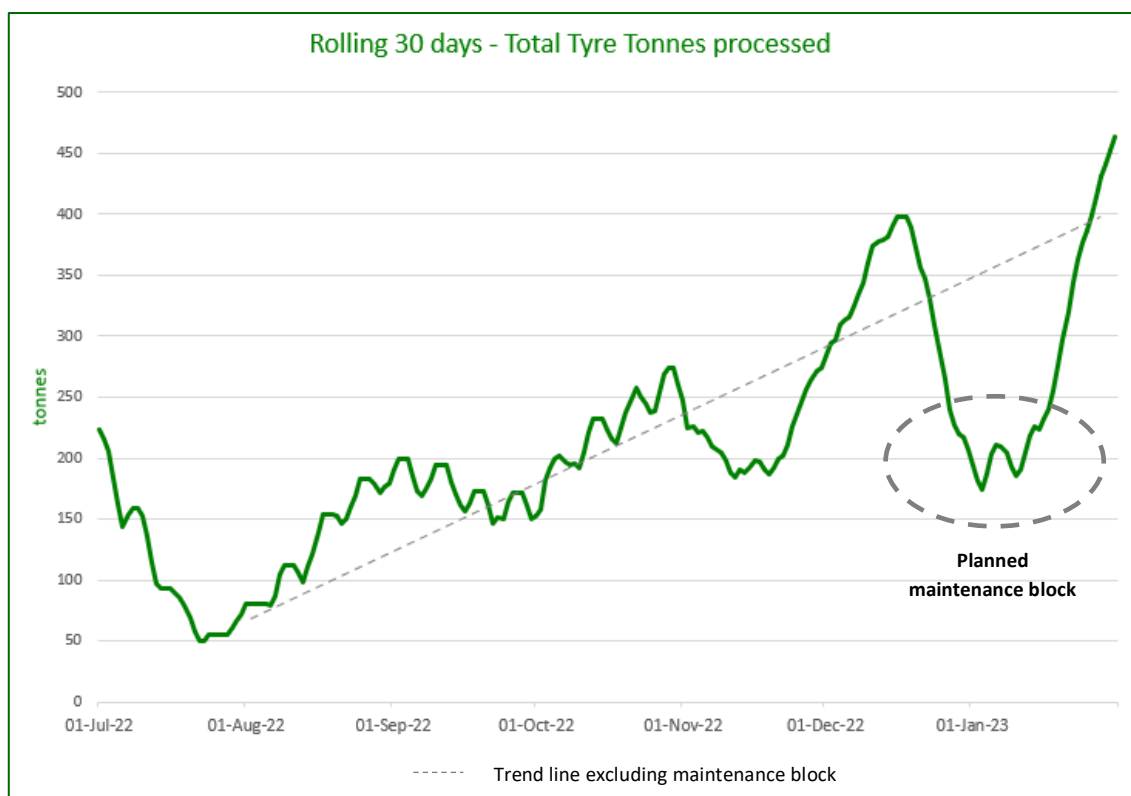
Total revenue was slightly lower than Q1 FY23 in line with collections, however, TDFO sales of \$127k for the quarter were 81% up on Q1. TDFO volumes were still suppressed as a result of a strategic decision by management to reduce processing in order to prioritise the installation of key site infrastructure and execute its resource plan as it transitioned to 24/7 operations during the December 2022 quarter. Total revenues for Q2 are 154% higher year-on-year.

Entyr has entered into a memorandum of understanding with the National Transport and Road Organisation (**NTRO**), previously the Australian Road Research Board (**ARRB**), for a strategic partnership in relation to the use of our rCB and TDFO in asphalt and other related bitumen products. The agreement will be a strategic collaboration between the parties to assess and develop commercial markets for Entyr's fuel and rCB for use in asphalt and bitumen. Based on NTRO's previous successfully completed testing program, the parties have agreed to work together to create a national platform of detailed analysis that includes but is not limited to: the formulation of industry guidelines; creating and cataloging rCB formulations in asphalt; providing industry guidelines for its use; and creating environmental assessments for industry use. This is significant as it creates a platform for acceptance of Entyr's TDFO and rCB as mainstream products for the asphalt industry both nationally and internationally. As part of this initiative, and based off strong laid asphalt results in Queensland, an official trial using Entyr's rCB has been planned in Victoria, commencing at the end of February 2023, in conjunction with NTRO, Department of VicRoads, Alex Fraser Group and Major Roads Projects Victoria (**MRPV**).

## Operations

As planned, the Company transitioned to 24/7 operations during the quarter. A key focus has been building the required depth in knowledge, skills and competencies across the crews to ensure readiness for full operational ramp up from January 2023.

The Company's planned maintenance block in the second half of December 2022 and the investment in critical spare part inventory has supported availability of all 4 thermal desorption units (TDU's) in January, allowing a ramp up to planned commercial volumes through the first quarter of 2023.



*Rolling 30 days of total tyre tonnes processed*

Two pieces of infrastructure, the Rasper and Fuel Management System, which are key enablers for commercial throughput were commissioned during the December 2022 quarter with both now in full operation.

The Rasper has significantly reduced the volume of steel being processed through the TDUs, which will improve TDFO and rCB yields as well as unit availability, resulting in increased unit economics.

The Fuel Management System has :

- improved fuel quality;
- increased onsite storage capacity;
- reduced manual handling; and
- reduced health and safety risks.

Scheduled maintenance in the second half of December 2022 and the investment in spare parts inventory has resulted in higher processing availability across all four TDUs during January 2023. The Company has now established a base from which to ramp up to higher commercial volumes through the first quarter of 2023.

Our inline twin shaft shredding system, one of the largest in Australia, was delivered to site in the first week of January 2023 with installation and commissioning underway.

With this new shredding system, the Company expects to see financial savings of up to 75% for its pre-processing costs reducing from approximately \$200 to \$50 per tonne, or up to an estimated \$1.5 million saving for every 10,000 tonnes processed.

The new shredding system will also enable increased throughput and reduce operating costs by eliminating 80% of current manual handling and bring shredding operations in-house, an expensive process which is currently being outsourced.

The Company has made significant progress with yard infrastructure to facilitate the 'just-in time' processing of tyres.

Please see the separate operational update released to the ASX on 27 January 2023 which provided additional detail ([link](#)).

### **Australian Process Patent Granted**

In addition to existing patents, the Company was granted an Australian patent, (AU2017371716) for its low emission thermal desorption unit process. The patent is for 15 years and expires in 2037. Please see separate market announcement ([link](#)).

### **Issue of international Sustainability Certification**

The Company was recently issued certification under the International Sustainability and Carbon Certification (ISCC) program, confirming the value of Entyr's process as a source of sustainable products for its tyre derived fuel and carbon black to the chemical industry. Please see separate market announcement ([link](#)).

### **Company name change**

Shareholders approved the change of the Company's name from Pearl Global Limited (ASX: PG1) to **Entyr Limited (ASX: ETR)** at the AGM on the 30th November 2022.

The transition to the new name Entyr reflects both the transformation to a fully commercialised business and the transformative power of the Company's technology to convert end of life tyres into valuable secondary products being fuel oil, steel, recovered carbon black and energy. The name represents the Company's commitment to environmental sustainability, decarbonisation and the circular economy.

### **Capital raising activities**

In November 2022, the Company announced a capital raising of approximately \$6.82 million in the form of a private placement to sophisticated and institutional investors for 454.7 million ordinary shares at a price of 1.5c per share.

This was done in two tranches of \$2.37 million and \$4.45 million with tranche 1 funds received in Q2. Tranche 2, which included director participation of \$1.1 million, was approved by shareholders at a general meeting on the 10<sup>th</sup> January 2023 with funds received on the 17<sup>th</sup> of January.

A large portion of the funds raised have been allocated towards the capital infrastructure program. The implementation of capital infrastructure is already demonstrating improved processing capability as the Company transitioned towards full commercial operations.

### **Quarterly cash flow analysis**

During the December 2022 quarter, Entyr had \$1.1 million of net operating inflows, \$1.3 million net cash used in investing activities and net cash outflows from financing activities of \$0.8 million.

Cash on hand at the end of the quarter was approximately \$0.9 million.

Operating cash flows included cash receipts from sales of \$1.3 million and the net FY22 R&D incentive rebate of \$5.2 million. Operating expenditure, including research and development, in relation to the collection, shredding and processing of tyres at the Company's Stapylton site was \$3.0 million. This includes a number of operating costs that are anticipated to be reduced once the Company completes the commercial infrastructure plan at the site.

Entyr spent \$1.5 million on capital infrastructure during the quarter including the acquisition of the Inline Shredding System and commissioning of the Fuel Management System.

Entyr repaid the \$3.8 million of borrowings against the R&D incentive during the quarter following the receipt of its FY22 claim.

The description of payments to related parties of the entity and their associates set out in section 6.1 of Appendix 4C total \$50,318 for non-executive directors' fees.

Authorised for release by:  
**Mike Barry**  
Chairman

**For further information, please contact:**  
**Investors** – David Wheeley – CEO [David.Wheeley@pearlglobal.com.au](mailto:David.Wheeley@pearlglobal.com.au)  
**Website** – <https://www.pearlglobal.com.au>

## Appendix 4C

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

**Name of entity**

ENTYR LIMITED

**ABN**

90 118 710 508

**Quarter ended ("current quarter")**

31 December 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,273	2,656
1.2 Payments for		
(a) research and development	(3,701)	(6,877)
(b) product manufacturing and operating costs	(248)	(659)
(c) advertising and marketing	-	-
(d) leased assets	(272)	(544)
(e) staff costs	(424)	(1,089)
(f) administration and corporate costs	(443)	(656)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	7
1.5 Interest and other costs of finance paid	(120)	(182)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	5,849	8,943
1.8 Other (provide details if material)	(626)	(1,092)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>1,293</b>	<b>507</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1,499)	(2,408)
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	(f) other non-current assets	-	-
	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	28	28
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,272)</b>	<b>(2,181)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,369	2,369
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	(143)	(143)
3.5	Proceeds from borrowings	750	4,750
3.6	Repayment of borrowings	(3,765)	(5,780)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(789)</b>	<b>1,196</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,910	1,620
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,293	507

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,471)	(2,380)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(789)	1,196
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>943</b>	<b>943</b>

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	943	1,910
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>943</b>	<b>1,910</b>

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	\$50,318
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		



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

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	1,293
8.2	Cash and cash equivalents at quarter end (item 4.6)	943
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	943
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		

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 cash from operating activities has been impacted by the net receipt of \$5.2 million from its FY22 R&D incentive rebate. The board of directors (Board) anticipates the Company to continue to increase its revenue and reach a more sustainable cost structure as it moves towards commercial volumes. The commercialisation infrastructure plan will deliver both processing capacity and cost reduction benefits. As such, it anticipates that the current level of net operating cash flows will increase.

The response to item 8.6.1 is provided for information purposes notwithstanding there is no requirement to complete item 8.6.

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: N/A Tranche 2 of \$4.4 (net \$4.2m), from the recent capital raise of \$6.8 million, was approved by shareholders at a general meeting on the 10<sup>th</sup> January 2023 with net settlement of \$4.2m occurring on the 16<sup>th</sup> January. 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 and will update the market of any step it decides to take.

The response to item 8.6.2 is provided for information purposes notwithstanding there is no requirement to complete item 8.6.

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. This with increases in tyre collection revenues, consistent plant performance and increased revenues for our tyre derived fuel and recovered carbon black will enable the company to continue its operations and meet its business objectives. If necessary, the Company will look to obtain bridging finance against its FY23 R&D incentive.

The response to item 8.6.3 is provided for information purposes notwithstanding there is no requirement to complete item 8.6.

*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: 31 January 2022

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 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 – eg 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.