



ASX Announcement

10 December 2024

## REINSTATEMENT CONDITIONS RECEIVED FROM ASX

Environmental technology company, Entyr Limited (Subject to Deed of Company Arrangement) (ASX: ETR) ("**Entyr**" or the "**Company**") is pleased to announce that it has received confirmation from the Australian Securities Exchange (**ASX**) that based solely on the information provided, ASX can see no reason why the securities of Entyr should not be reinstated to official quotation, subject to compliance with a number of conditions precedent (**Reinstatement Conditions**).

Upon satisfaction of the Reinstatement Conditions, ASX confirmed that it intends to reinstate Entyr's securities to official quotation. ASX retains an absolute overarching discretion not to reinstate Entyr's securities to quotation, which it can exercise at any time.

### Reinstatement Conditions

The Reinstatement Conditions include the following:

- (a) **Capital Raise** – the completion of a capital raising (**Capital Raising**) under a full-form prospectus as contemplated by section 710 of the Corporations Act in relation to its recapitalisation proposal (**Prospectus**).
- (b) **Second security issues** – the issue of securities to Avior Asset Management No. 5 Pty Ltd (**Avior**) (or its nominee), members of the Entyr management team and its advisors in consideration for services provided (**Secondary Security Issues**).
- (c) **Consolidation** – the completion of a consolidation of Entyr's issued capital on the basis of consolidating every 100 securities into 1 new security.
- (d) **Funds received** – receipt of cleared funds for the complete amount of the issue price of every fully paid security pursuant to the Capital Raise.
- (e) **Amendment of agreement with Avior** - Entyr entering into an amended agreement with Avior whereby the secured loan in favour of Avior, as stated in clause 9 of the Deed of Company Arrangement ('**DOCA**') is amended on the following terms (**Amended Avior Loan**):
  - The term of the loan is extended from 16 November 2025 to 20 December 2026;
  - Part of the loan must be paid from the proceeds of any ATO R&D Tax Incentive Claim for FY24;
  - To the extent Entyr obtains an ATO R&D Tax Incentive Claim for FY25, that any balance of the loan will be repaid from the proceeds of the claim, but only to the extent that repayment will not result in Entyr's cash on hand held falling below \$1,500,000; and
  - To the extent there is any balance under the loan as at 20 December 2026, the maximum amount repayable is \$3,700,000, which balance may be repaid at Entyr's election via the issue of equity under the terms of the Convertible Note (on the terms stated below).
- (f) **Convertible Note** – Avior will be issued with a convertible note by Entyr such that:
  - Entyr may, as at the end of the term of the Amended Avior Loan, elect to pay the balance up to a maximum of \$3,700,000 via the issue that number of ordinary shares in Entyr at the conversion price necessary to pay the balance of the Amended Avior Loan; and

- The conversion price for the shares issuable under the convertible note is the greater of the 20% increase of the issue price under the Capital Raising or a 20% discount to the volume weighted average price over 20 consecutive trading days as at the conversion date.
- (g) **No legal, regulatory or contractual impediments** - Entyr providing confirmation that there are no legal, regulatory or contractual impediments to Entyr undertaking the activities the subject of its proposed use of funds.
- (h) **DOCA effectuation** - Confirmation that all 'Conditions Precedent' as defined in the DOCA have occurred (and not been waived), and that the DOCA has been fully effectuated on the terms set out in Entyr's announcement to the ASX Market Announcements Platform on 17 June 2024, and that Entyr is not subject to any other forms of external administration, receivership or liquidation.
- (i) **Payment of all ASX fees** – payment of all ASX fees including listing fees, applicable and outstanding (if any).
- (j) **Periodic or quarterly reports** - Lodgements of all outstanding periodic or quarterly reports (if any) required to be lodged under Chapters 4 and 5 of the Listing Rules and any other outstanding documents required by Listing Rule 17.5
- (k) **Director interest notices** - Lodgement of Director's Interest Notices, being either Appendix 3Xs, 3Ys or 3Zs, as required.
- (l) **Securities notices** - Lodgement of all outstanding Appendices 2A, 3B and 3G (if any) with ASX for issues of new securities.
- (m) **Sufficient funding** - Entyr demonstrating that, at the time of reinstatement, it will be funded for at least 12 months without having to raise any additional capital.
- (n) **Listing Rule 12.1** - Entyr demonstrating compliance with Listing Rule 12.1 to the satisfaction of ASX.
- (o) **Listing Rule 12.2** - Entyr demonstrating compliance with Listing Rule 12.2 to the satisfaction of ASX, including:
  - confirmation in a form acceptable to ASX that Entyr has entered into a binding agreement on the terms of the Amended Avior Loan;
  - a 'working capital statement' to the effect that following completion of the Capital Raising, Entyr will have sufficient working capital at the time of its reinstatement to carry out its objectives, being the objectives detailed in the Entyr Proposed Announcement;
  - provision of a reviewed pro-forma statement of financial position to the satisfaction of ASX updated for the actual funds raised under the Capital Raising ('Pro Forma').
- (p) **Control** - Control of the Entyr group of companies returning to the directors (from the Administrators).
- (q) **Any new Directors** - Appointment of all proposed new directors to the board of Entyr, if any are proposed.
- (r) **CHESS sub-register** - Reinstatement of Entyr's CHESS sub-register.
- (s) **Free Float** Entyr having a free float (as that term is defined in Chapter 19 of the Listing Rules of not less than 20% at the time of its reinstatement to the Official List.
- (t) **Spread** - Entyr demonstrating compliance with Listing Rule 12.4, to the satisfaction of ASX, by demonstrating there will be at least 300 non-affiliated holders each holding at least \$500 worth of fully paid ordinary shares.

Entyr must provide the following in a form suitable for release to the Market Announcement Platform to the satisfaction of the ASX:

- (a) **Holding / CHESS statements** - Dispatch of each of the following:
  - A CHESS sub-register, a notice from Entyr under ASX Settlement Operating Rule 8.9.1.
  - In relation to all other holdings, issuer sponsored holding statements.
  - Any refund money.

- (b) **Prospectus** - The Prospectus, including the Pro Forma.
- (c) **Material contracts** - Confirmation that Entyr has entered into the following agreements (and disclosure of the material terms) - The Amended Avior Loan; the Convertible Note Agreement; the supply agreement with Austek Production Pty Ltd; the amended offtake agreement with Trafigura; and the tyre supply agreement with J.A. Hayes & S.T. Hayes trading as S & J Australian Scrap Tyre Disposals.
- (d) **Repayment of Avior unsecured debt** - Confirmation of repayment in full of the Avior unsecured debt (as detailed under the heading 'further unsecured debt' below).
- (e) **Use of funds** - Entyr's proposed use of funds for the next 18 months following the Capital Raising.
- (f) **Business activities** - A detailed explanation of Entyr's proposed business activities for the use of funds period.
- (g) **MAP lodgments** - Upon completion and settlement of the Capital Raising, Consolidation and the Secondary Security Issues, lodgement of the following to MAP:
  - A statement setting out the names of the 20 largest holders of each class of securities to be quoted.
  - A distribution schedule of the numbers of holders in each class of security to be quoted.
  - A statement outlining Entyr's capital structure at the time of reinstatement, following the Consolidation and the issue of the Capital Raising and the Secondary Security Issue securities.
  - A statement confirming Entyr is in compliance with the Listing Rules.
- (h) **Confirmation if dispatch of holding statements** - Confirmation that holding statements together with a letter explaining the section 444GA transfer process to shareholders has been sent to security holders.
- (i) **Directors** - Confirmation of the appointment of proposed new directors to the board of Entyr, if any.
- (j) **Responsible person** - Confirmation of the responsible person for the purposes of Listing Rule 12.6.
- (k) **Other documents** - Any further documents and confirmations that ASX may require to be released to the market as pre-quotation disclosure.
- (l) **Other documents and information** - Any other information required or requested by ASX, including but not limited to, in relation to any issues that may arise from ASX's review of the Prospectus, the Pro Forma Balance Sheet and information provided by Entyr as pre-reinstatement disclosure, or to satisfy any of the above conditions to reinstatement.

The conditions above apply for 3 months until 5 March 2025 and are subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of ASX.

If Entyr has not satisfied the above conditions precedent by 5 March 2025, Entyr will be required to re-apply to ASX for confirmation of ASX's requirements for reinstatement of its securities to quotation.

### **The Debt Restructure**

As at the date of this ASX Announcement, the secured debt funding provided Avior Asset Management No. 5 Pty Ltd (**Avior** or **Proponent**), being the DOCA Proponent is \$6.5 million (**Proponent Debt Funding**).

As detailed in above Reinstatement Conditions (e) and (f), in order to ensure that there is certainty with respect to the repayment of the Proponent Debt Funding, a restructure of the debt will be implemented as part of Entyr's broader recapitalisation strategy as follows:

#### *Amendment to the Facility Agreement – The Revised Facility Agreement*

By way of execution of the Revised Facility Agreement:

- (a) The term of the Proponent Debt Funding will be extended from 16 November 2025 to 20 December 2026 (being the '**Revised Maturity Date**').
- (b) In terms of repayment:
  - Approximately \$3.8m of the Proponent Debt Funding will be repaid from the R&D claim for FY 2024;
  - The further repayment amount will be repaid from:
    - The R&D claim for FY 2025 (but only to such an extent to ensure that Entyr will have a cash balance of \$1.5m at 31 December 2025); and
    - Subject to there being any remaining unpaid Proponent Debt Funding, R&D claim for FY 2026.
    - Any balance amount as at the Revised Maturity Date, will be repaid in accordance with the terms of the Convertible Note Subscription Agreement.

Issue of a convertible note – Convertible Note Subscription Agreement

By way of execution of a Convertible Note Subscription Agreement:

- (a) Entyr will issue the Proponent 1 Convertible Note with a Face Value being the amount of the Proponent Debt Funding under the Facility Agreement at the Revised Maturity Date, capped at \$3.7 million.
- (b) If at the Revised Maturity Date, any of the secured Proponent Debt Funding remaining unpaid, Entyr may convert the balance of the Proponent Debt Funding (capped at the \$3.7 million) (**Conversion Amount**) into Shares (being the Note Conversion Shares) in Entyr with such number being determined by dividing the Conversion Amount by the Conversion Price, being the higher of:
  - \$0.24; or
  - a 20% discount to the 20-day volume weighted average price calculated to the last Trading Day prior to the Revised Maturity Date(**Conversion Price**).
- (c) What this means is that the minimum price for which the Note Conversion Shares in Entyr may be issued, will be \$0.24 per Share.

The Revised Facility Agreement and the Convertible Note Subscription Agreement will be entered into immediately following Shareholder approval for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes. The resolution to seek the approval of the Revised Facility Agreement and the Convertible Note Subscription Agreement and the issue of the Convertible Note will be interconditional with all other resolution required to complete Entyr's broader recapitalisation strategy.

It is presently contemplated that Entyr will seek the approval of Shareholders for the Debt Restructure, and all other resolutions required in order to complete Entyr's broader recapitalisation strategy in January 2025.

**Further unsecured debt**

In order to ensure Entyr has sufficient capital through to the date Entyr is reinstated to trading on the ASX, Entyr will also seek to obtain unsecured bridging finance from the Proponent in the amount of \$450,000 (**Loan**). This Loan will incur interest at 24% per annum and have an establishment fee and completion fee totalling \$110,000 (both payable when the Loan is repaid). This Loan is repayable on



the earlier of: 28 February 2025 or the date Entyr receives the proceeds from its proposed capital raise. The payment by Entyr to the Proponent of interest and the establishment fee and completion fee are subject to shareholder approval.

### **Next Steps**

Entyr is committed to fulfilling all outstanding requirements under the Deed of Company Arrangement (DOCA) and is working to satisfy these Reinstatement Conditions as soon as possible, such that its Shares may be reinstated to trading in early CY2025.

Further updates will be provided as progress is made.

The Directors and Management wish to thank Entyr's shareholders for the continued support and patience they have shown during this process.

Authorised and approved by the Board of Entyr Limited (Subject to Deed of Company Arrangement).

### **Disclaimer**

The Capital Raise and the Second Security Issues will be conducted pursuant to a full form Prospectus, issued by Entyr under section 710 of the *Corporations Act 2001 (Cth)* and lodged with ASIC. The Prospectus will be made available at the time those securities are offered. Anyone wanting to acquire the securities in Entyr will need to complete the application form in, or accompanying, the Prospectus.

—ENDS—

### **About Entyr Limited (Subject to Deed of Company Arrangement)**

*Entyr Limited (Subject to Deed of Company Arrangement) (Entyr) (ASX: ETR) is a revolutionary tyre processing company that applies unique, next-generation thermal desorption technology to cleanly convert tyres into valuable sustainable products including waste to energy opportunities.*

*Entyr's technology is a significant advancement on other methods of processing waste tyres due to low emissions, no hazardous by-products and requires no chemical intervention. It is the only process that meets the standard emissions criteria set by the Australian regulators for this type of technology.*